

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2016



Independent Auditor's Report

To the Members of The Stock Exchange of Thailand

My opinion

In my opinion, the consolidated financial statements of The Stock Exchange of Thailand and its subsidiaries (the Group) and the separate financial statements of The Stock Exchange of Thailand present fairly, in all material respects, the consolidated and separate financial position of the Group and of The Stock Exchange of Thailand as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and The Stock Exchange of Thailand, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive revenues and expenses, changes in fund balances and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and The Stock Exchange of Thailand in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.



Key audit matter

How my audit addressed the key audit matter

Fair value estimation on equity and debt investment securities

As 31 December 2016, investments in trading, available for sale and held-to-maturity securities for consolidated financial statements of The Stock Exchange of Thailand and its subsidiaries (the Group) and the separate financial statements of The Stock Exchange of Thailand (SET) measured at fair value level 2 by using inputs other than quoted prices, were valued at Baht 18,996 million and Baht 17,935 million, respectively and represented 96% of total investments in both consolidated and the separate financial statements of The Stock Exchange of Thailand.

I focused on fair value measurement of trading, available for sale and held to maturity investments in both equity and debt securities defined to be level 2 because the valuation of fair value at level 2 depends on estimates and assumptions in valuation techniques which uses inputs, either directly or indirectly, other than quoted prices in active market that are observable for the asset. As refer to note 33 on the financial statements for fair value estimations. Moreover, The Group has invested in variety of investments, therefore the accuracy of fair value estimation disclosure in note to the financial statements is a significant area.

I tested the assumptions and valuation techniques for the measurement and disclosures of the fair value of trading, available for sale and held to maturity investments measured at fair value by valuation method level 2 as follows :

For the investments in trading and available for sale including Mutual funds and Private funds, I tested the fair value valuation by checking the last bid price at the end of the date in the statement of financial position by referring to the Association of Investment Management Companies.

For the investments in held-to-maturity securities including

- 1) long term fixed deposit accounts, I assessed the assumptions used and tested the calculations for the discounted cash flows based on each contract with an average yield of 4 commercial banks.

- 2) bonds and debentures, I tested values against the clean price of debt securities published by the Thai Bond Market Association at the end of the date in the statement of financial position.

I did not find any significant differences through the above testing.

I assessed the adequacy of the disclosures, particularly regarding completeness and accuracy of the valuation of equity and debt securities defined to be level 2 and I didn't identify any issues.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.



Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and The Stock Exchange of Thailand'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 the directors either intend to liquidate the Group and The Stock Exchange of Thailand or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and The Stock Exchange of Thailand's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and The Stock Exchange of Thailand's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group and The Stock Exchange of Thailand'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 consolidated and separate 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 Group and The Stock Exchange of Thailand to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Unakorn Phruithithada', is written over a faint, circular stamp or watermark.

Unakorn Phruithithada
Certified Public Accountant (Thailand) No. 3257
Bangkok
15 February 2017

The Stock Exchange of Thailand and its Subsidiaries
Statements of Financial Position
As at 31 December 2016

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	8	717,184	1,661,333	612,363	1,513,084
Cash at banks for financial benefits payable		65,775	62,112	-	-
Assets for margin deposits and benefits	17	10,159,968	8,829,615	-	-
Short-term investments, net	9	10,177,043	6,086,024	10,177,043	6,086,024
Accounts receivable and accrued income, net	7,10	342,743	349,032	335,760	312,504
Accrued interest receivable		37,687	87,600	35,727	85,423
Other current assets	7, 11	208,216	248,498	109,490	159,732
Total current assets		21,708,616	17,324,214	11,270,383	8,156,767
Non-current assets					
Investments in subsidiaries	12	-	-	1,497,291	1,097,291
Investments in associates and joint venture entity, net	13	953,512	967,734	800,620	800,620
Long-term investments, net	14	8,312,060	9,263,105	8,312,060	9,263,105
Assets for clearing system protection and benefits	18	1,721,360	1,599,603	140,043	138,242
Securities Investor Protection Fund	23	751,532	717,021	751,532	717,021
Derivatives Investor Protection Fund	23	82,875	73,256	-	-
Property, plant and equipment, net	15	5,537,293	5,680,104	5,535,860	5,678,315
Intangible assets, net	16	466,673	506,021	465,441	504,446
Deferred tax assets	19	2,322	2,026	-	-
Refundable deposits		2,614	3,035	2,614	3,025
Total non-current assets		17,830,241	18,811,905	17,505,461	18,202,065
Total assets		39,538,857	36,136,119	28,775,844	26,358,832

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Financial Position (Cont'd)
As at 31 December 2016

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Liabilities and fund balances					
Current liabilities					
Margin deposits and benefits payable	17	10,159,968	8,829,615	-	-
Accounts payable and accrued expenses	7, 20	1,031,503	1,226,232	1,015,505	1,209,922
Fees received in advance	7	319,629	317,375	277,684	266,379
Income tax payable		118,404	46,063	74,957	-
Short-term borrowings from subsidiaries	7	-	-	2,574,500	1,896,500
Current portion of provision for employee benefits	22	-	4,785	-	4,785
Other current liabilities	7, 21	317,321	334,797	150,830	175,962
Total current liabilities		11,946,825	10,758,867	4,093,476	3,553,548
Non-current liabilities					
Assets for clearing system protection and benefits payable	18	1,581,317	1,461,361	-	-
Contributions and benefits to Securities Investor Protection Fund	23	293,874	275,086	293,874	275,086
Contributions and benefits to Derivatives Investor Protection Fund	23	28,835	19,980	-	-
Provision for employee benefits	22	238,263	222,459	238,263	222,459
Deferred tax liabilities	19	44,684	1,191	44,684	-
Other non-current liabilities		7,396	7,619	7,396	7,619
Total non-current liabilities		2,194,369	1,987,696	584,217	505,164
Total liabilities		14,141,194	12,746,563	4,677,693	4,058,712
Fund balances					
Funds	23	24,912,516	23,250,689	23,605,014	22,153,272
Other components of fund balances		485,145	138,865	493,137	146,848
Non-controlling interests		2	2	-	-
Total fund balances		25,397,663	23,389,556	24,098,151	22,300,120
Total liabilities and fund balances		39,538,857	36,136,119	28,775,844	26,358,832

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses
For the year ended 31 December 2016

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Revenues					
Operating revenues	25	5,099,000	4,518,405	2,300,790	1,955,884
Investment income, net	26	766,861	492,014	1,144,429	905,411
Other income	27	181,153	204,665	1,960,975	1,798,252
Total revenues		6,047,014	5,215,084	5,406,194	4,659,547
Expenses					
Employee benefit expenses	28	1,465,774	1,371,923	1,456,333	1,372,023
Directors' remuneration	7	25,287	24,431	22,203	22,395
Marketing expenses		158,801	194,672	144,589	180,161
Educational activity expenses		178,925	196,130	178,990	196,138
Direct service expenses		286,133	281,160	-	-
Building and office expenses		231,602	189,043	231,389	188,526
Technology expenses		190,757	183,698	190,622	183,634
SEC fees	29	536,451	455,700	534,451	453,700
Depreciation and amortisation	15, 16	467,132	294,768	466,440	294,195
Other expenses	30	152,797	143,362	160,832	136,542
Total expenses		3,693,659	3,334,887	3,385,849	3,027,314
Share of profit of investments in associates and joint venture entity (net of tax)	13	25,831	32,114	-	-
Revenues over expenses		2,379,186	1,912,311	2,020,345	1,632,233
Non-operating items					
Income derived from Securities Investor Protection Fund, net	24	11,124	10,304	11,124	10,304
Income derived from Derivatives Investor Protection Fund, net	24	764	1,086	-	-
Contributions to the Stock Exchange of Thailand Foundation	7	(401,190)	(401,379)	(401,190)	(401,379)
Revenues over expenses before income tax expense		1,989,884	1,522,322	1,630,279	1,241,158
Income tax expense	31	(327,996)	(139,966)	(178,537)	-
Revenues over expenses		1,661,888	1,382,356	1,451,742	1,241,158
Revenues over expenses for the year attributable to:					
Owners of the parent		1,661,888	1,382,356	1,451,742	1,241,158
Non-controlling interests		-	-	-	-
		1,661,888	1,382,356	1,451,742	1,241,158

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses (Cont'd)
For the year ended 31 December 2016

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Revenues over expenses		1,661,888	1,382,356	1,451,742	1,241,158
Other comprehensive revenues and expenses:					
Items that will be reclassified subsequently to revenues and expenses					
Share of profit in investments in associates	13	(11)	(4)	-	-
Change in value of available-for-sale investments managed by SET		341,690	(215,966)	341,690	(215,966)
Change in value of available-for-sale investments from Securities Investor Protection Fund	23	4,599	(1,806)	4,599	(1,806)
Income tax relating to items that will be reclassified subsequently to revenues and expenses		2	1	-	-
Total items that will be reclassified subsequently to revenues and expenses		<u>346,280</u>	<u>(217,775)</u>	<u>346,289</u>	<u>(217,772)</u>
Items that will not be reclassified subsequently to revenues and expenses					
Remeasurements of post-employment benefits obligations		(61)	(13,702)	-	(13,702)
Total items that will not be reclassified subsequently to revenues and expenses		<u>(61)</u>	<u>(13,702)</u>	<u>-</u>	<u>(13,702)</u>
Other comprehensive revenues and expenses for the year, net of tax		<u>346,219</u>	<u>(231,477)</u>	<u>346,289</u>	<u>(231,474)</u>
Total comprehensive revenues and expenses for the year		<u>2,008,107</u>	<u>1,150,879</u>	<u>1,798,031</u>	<u>1,009,684</u>
Total comprehensive revenues and expenses for the year attributable to:					
Owners of the parent		2,008,107	1,150,879	1,798,031	1,009,684
Non-controlling interests		-	-	-	-
		<u>2,008,107</u>	<u>1,150,879</u>	<u>1,798,031</u>	<u>1,009,684</u>

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statement of Changes in Fund Balances
For the year ended 31 December 2016

(Unit : Baht'000)

	Consolidated								
	Notes	Other components of fund balances					Total fund balances	Non-controlling interests	Total fund balances
Fund balances		Change in value of available-for-sale investments managed by SET (net of tax)	Change in value of available-for-sale investments from Securities Investor Protection Fund (net of tax)	Share of other comprehensive loss of associates (net of tax)	Total other components of fund balances				
Opening balance at 1 January 2015		21,882,035	352,237	4,472	(69)	356,640	22,238,675	2	22,238,677
Other comprehensive revenues and expenses (net of tax)	24	(13,702)	(215,966)	(1,806)	(3)	(217,775)	(231,477)	-	(231,477)
Revenues over expenses	23	1,382,356	-	-	-	-	1,382,356	-	1,382,356
Closing balance at 31 December 2015		<u>23,250,689</u>	<u>136,271</u>	<u>2,666</u>	<u>(72)</u>	<u>138,865</u>	<u>23,389,554</u>	<u>2</u>	<u>23,389,556</u>
Opening balance at 1 January 2016		23,250,689	136,271	2,666	(72)	138,865	23,389,554	2	23,389,556
Other comprehensive revenues and expenses (net of tax)	24	(61)	341,690	4,599	(9)	346,280	346,219	-	346,219
Revenues over expenses	23	1,661,888	-	-	-	-	1,661,888	-	1,661,888
Closing balance at 31 December 2016		<u>24,912,516</u>	<u>477,961</u>	<u>7,265</u>	<u>(81)</u>	<u>485,145</u>	<u>25,397,661</u>	<u>2</u>	<u>25,397,663</u>

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statement of Changes in Fund Balances (Cont'd)
For the year ended 31 December 2016

(Unit : Baht'000)

	SET					Total fund balances
	Notes	Fund balances	Other components of fund balances			
			Change in value of available-for-sale investments managed by SET (net of tax)	Change in value of available-for-sale investments from Securities Investor Protection Fund (net of tax)	Total other components of fund balances	
Opening balance at 1 January 2015		20,925,816	360,148	4,472	364,620	21,290,436
Other comprehensive revenues and expenses (net of tax)	24	(13,702)	(215,966)	(1,806)	(217,772)	(231,474)
Revenues over expenses	23	1,241,158	-	-	-	1,241,158
Closing balance at 31 December 2015		<u>22,153,272</u>	<u>144,182</u>	<u>2,666</u>	<u>146,848</u>	<u>22,300,120</u>
Opening balance at 1 January 2016		22,153,272	144,182	2,666	146,848	22,300,120
Other comprehensive revenues and expenses (net of tax)	24	-	341,690	4,599	346,289	346,289
Revenues over expenses	23	1,451,742	-	-	-	1,451,742
Closing balance at 31 December 2016		<u>23,605,014</u>	<u>485,872</u>	<u>7,265</u>	<u>493,137</u>	<u>24,098,151</u>

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Cash Flows
For the year ended 31 December 2016

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Cash flows from operating activities					
Revenues over expenses before income tax expense		1,989,884	1,522,322	1,630,279	1,241,158
Adjustments for					
Depreciation and amortisation	15,16	467,132	294,768	466,440	294,195
Investment income, net	26	(804,757)	(481,338)	(1,180,946)	(896,088)
Income derived from Securities Investor Protection Fund, net	24	(11,124)	(10,304)	(11,124)	(10,304)
Income derived from Derivatives Investor Protection Fund, net	24	(764)	(1,086)	-	-
Reversal allowance for impairment of investments		-	(250)	-	(250)
Doubtful debts expenses (reversal)		(3,913)	27	(3,886)	27
Provision for employee benefits		26,576	23,096	26,576	23,096
Adjust work in process to expenses		-	2,985	-	2,985
(Gain) loss on disposals of assets		(325)	95	(332)	95
Share of profit of investments in associates and joint venture entity (net of tax)	13	(25,831)	(32,114)	-	-
		1,636,878	1,318,201	927,007	654,914
Changes in operating assets and liabilities					
(Increase) decrease in operating assets					
Assets for margin deposits and benefits		(1,330,353)	(775,985)	-	-
Accounts receivable and accrued income		10,202	16,461	(19,370)	(6,581)
Other current assets		40,743	(13,957)	46,610	(15,371)
Assets for clearing system protection and benefits		(121,757)	(80,668)	(1,801)	(3,399)
Securities Investor Protection Fund		(35,469)	(19,623)	(35,469)	(19,623)
Derivatives Investor Protection Fund		(10,023)	(8,343)	-	-
Refundable deposits		421	(20)	411	(20)
Increase (decrease) in operating liabilities					
Margin deposits and benefits payables		1,330,353	775,985	-	-
Accounts payable and accrued expenses		(203,926)	(531,490)	(203,614)	(527,119)
Fees received in advance		2,254	67,648	11,305	70,080
Other current liabilities		(17,477)	(67,067)	(25,132)	(54,212)
Assets for clearing system protection and benefits payable		119,956	77,269	-	-
Contributions and benefits to Securities Investor Protection Fund		18,788	10,191	18,788	10,191
Contributions and benefits to Derivative Investor Protection Fund		8,855	6,897	-	-
Employee benefits paid	22	(10,772)	(11,386)	(10,772)	(11,386)
Employee benefits paid for current portion		(4,785)	-	(4,785)	-
Other non-current liabilities		(223)	(738)	(223)	(738)
Cash flows generated from operations		1,433,665	763,375	702,955	96,736
<u>Less</u> Income tax paid		(216,551)	(127,162)	(58,896)	-
Net cash generated from operating activities		1,217,114	636,213	644,059	96,736

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2016

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Cash flows from investing activities					
Investment income received		453,882	381,599	444,589	372,432
Dividend received		409,019	110,256	826,294	558,094
Purchase of short-term investments	9	(6,727,979)	(1,051,902)	(6,727,979)	(1,051,902)
Proceeds from disposals of short-term investments	9	3,825,321	4,638,501	3,825,321	4,638,501
Purchase of investment in subsidiaries	12	-	-	(400,000)	(500,000)
Purchase of long-term investments	14	(2,519,728)	(4,806,774)	(2,519,728)	(4,806,774)
Proceeds from disposals of long-term investments	14	2,624,102	2,183,508	2,624,102	2,183,508
Purchase of property, plant and equipment		(208,742)	(1,715,482)	(208,742)	(1,714,799)
Proceeds from disposals of property, plant and equipment		2,471	3,839	2,471	3,839
Purchase of intangible assets		(69,180)	(97,158)	(69,180)	(97,158)
Proceeds from share of profit of investments in joint venture entity		8,497	-	-	-
Proceeds from share of profit of investments in associates		31,487	9,446	-	-
Benefits received from Securities Investor Protection Fund		12,082	11,238	12,082	11,238
Benefits received from Derivatives Investor Protection Fund		1,168	1,446	-	-
Net cash used in investing activities		(2,157,600)	(331,483)	(2,190,770)	(403,021)
Cash flows from financing activities					
Cash inflow on short-term borrowings from subsidiaries	7	-	-	895,000	875,000
Repayment of short-term borrowings from subsidiaries	7	-	-	(217,000)	(249,814)
Interest paid		-	-	(32,010)	(26,546)
Net cash generated from financing activities		-	-	645,990	598,640
Net increase (decrease) in cash and cash equivalents		(940,486)	304,730	(900,721)	292,355
Opening balance		1,723,445	1,418,715	1,513,084	1,220,729
Closing balance		782,959	1,723,445	612,363	1,513,084
Supplemental disclosures of cash flows information					
Cash and cash equivalents are as follows:					
Cash and cash equivalents	8	717,184	1,661,333	612,363	1,513,084
Cash at a banks for financial benefits payable		65,775	62,112	-	-
		782,959	1,723,445	612,363	1,513,084
Significant non-cash transactions					
Unrealised gain (loss) on available-for-sale securities		341,690	(215,969)	341,690	(215,966)
Unrealised gains (loss) on available-for-sale securities from Securities Investor Protection Fund		4,599	(1,806)	4,599	(1,806)
Other payables from purchase of assets		9,197	155,879	9,197	155,195
Classification of investments		1,193,260	1,825,657	1,193,260	1,825,657

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2016

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Cash flows from investing activities					
Investment income received		453,882	381,599	444,589	372,432
Dividend received		409,019	110,256	826,294	558,094
Purchase of short-term investments	9	(6,727,979)	(1,051,902)	(6,727,979)	(1,051,902)
Proceeds from disposals of short-term investments	9	3,825,321	4,638,501	3,825,321	4,638,501
Purchase of investment in subsidiaries	12	-	-	(400,000)	(500,000)
Purchase of long-term investments	14	(2,519,728)	(4,806,774)	(2,519,728)	(4,806,774)
Proceeds from disposals of long-term investments	14	2,624,102	2,183,508	2,624,102	2,183,508
Purchase of property, plant and equipment		(208,742)	(1,715,482)	(208,742)	(1,714,799)
Proceeds from disposals of property, plant and equipment		2,471	3,839	2,471	3,839
Purchase of intangible assets		(69,180)	(97,158)	(69,180)	(97,158)
Proceeds from share of profit of investments in joint venture entity		8497	-	-	-
Proceeds from share of profit of investments in associates		31,487	9,446	-	-
Benefits received from Securities Investor Protection Fund		12,082	11,238	12,082	11,238
Benefits received from Derivatives Investor Protection Fund		1,168	1,446	-	-
Net cash used in investing activities		<u>(2,157,600)</u>	<u>(331,483)</u>	<u>(2,190,770)</u>	<u>(403,021)</u>
Cash flows from financing activities					
Cash inflow on short-term borrowings from subsidiaries	7	-	-	895,000	875,000
Repayment of short-term borrowings from subsidiaries	7	-	-	(217,000)	(249,814)
Interest paid		-	-	(32,010)	(26,546)
Net cash generated from financing activities		<u>-</u>	<u>-</u>	<u>645,990</u>	<u>598,640</u>
Net increase (decrease) in cash and cash equivalents		(940,486)	304,730	(900,721)	292,355
Opening balance		1,723,445	1,418,715	1,513,084	1,220,729
Closing balance		<u>782,959</u>	<u>1,723,445</u>	<u>612,363</u>	<u>1,513,084</u>
Supplemental disclosures of cash flows information					
Cash and cash equivalents are as follows:					
Cash and cash equivalents	8	717,184	1,661,333	612,363	1,513,084
Cash at a banks for financial benefits payable		65,775	62,112	-	-
		<u>782,959</u>	<u>1,723,445</u>	<u>612,363</u>	<u>1,513,084</u>
Significant non-cash transactions					
Unrealised gain (loss) on available-for-sale securities		341,689	(215,969)	341,689	(215,966)
Unrealised gains (loss) on available-for-sale securities from Securities Investor Protection Fund		4,599	(1,806)	4,599	(1,806)
Other payables from purchase of assets		9,197	155,879	9,197	155,195
Classification of investments		1,193,260	1,825,657	1,193,260	1,825,657

The accompanying notes are an integral part of these consolidated and entity financial statements.

1 General information

The Stock Exchange of Thailand (SET) is a juristic entity incorporated in Thailand under the Securities Exchange of Thailand Act B.E. 2517. The principal business activities of the SET are serving as the market or the centre for trading of securities and providing related services without the objective of distribution of profit to members. The SET commenced its trading of securities on 30 April 1975 and operates under the framework of the Securities Exchange of Thailand Act B.E. 2535. Its registered office is located at 93 Floor 17 Ratchadapisek Road, Kwaeng Din Daeng, Khet Din Daeng, Bangkok 10400, Thailand.

For reporting purposes, the SET and its subsidiaries are referred to as the Group.

The principal activities of SET and its subsidiaries are summarised as follows:

- 1) Securities markets comprise the operation of securities listing, trading system, clearing and settlement, depository, including market surveillance and supervision of listed companies and member companies.
- 2) Derivatives markets comprise the operation of trading and clearing of futures contracts and financial securities, providing other services related to futures trading transactions.
- 3) Technology services comprise the operation of internet trading platform for securities and derivatives, information services and other member services.
- 4) Registrar services comprise the operation of securities registrar.

The consolidated and entity financial statements were authorised for issue by the Board of Governors of the Stock Exchange of Thailand on 15 February 2017.

Details of the SET's subsidiaries, associates and joint venture entity as at 31 December 2016 and 2015 are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest %	
			2016	2015
Direct subsidiaries				
Thailand Securities Depository Co., Ltd.	Securities depository and registrar services	Thailand	100.00	100.00
Thai Trust Fund Management Co., Ltd.	Mutual fund management	Thailand	100.00	100.00
Thai NVDR Co., Ltd.	Investment management in Non-Voting Depository Receipts	Thailand	100.00	100.00
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	100.00	100.00
Siam DR Co., Ltd.	Investment management in Depository Receipts	Thailand	100.00	100.00
Thailand Futures Exchange Public Company Limited	Derivatives exchange	Thailand	100.00	100.00
Thailand Clearing House Co., Ltd.	Clearing house and related back-office services for securities and derivatives contracts	Thailand	100.00	100.00
Joint venture entity				
Family Know-how Co., Ltd. (1)	Media business specialising in financial and investment information	Thailand	50.00	50.00
Associates				
Clearing Fund (2)	Fund	Thailand	11.37	12.80
TSFC Securities Public Company Limited (3)	Securities financing services and securities borrowing and lending	Thailand	40.65	40.65

1 General information (Cont'd)

Details of the SET's subsidiaries, associates and joint venture entity as at 31 December 2016 and 2015 are as follows: (Cont'd)

1) Family Know-how Co., Ltd.

Family Know-how Co., Ltd. is a media company that broadcasts information about economics and investment for the benefits of investor. The business of Family Know-how is support to the objectives of the SET group in promoting an investment culture. The SET has performed joint arrangement with a company which have rights to the net assets of the arrangement. Therefore the investment in Family Know-how is classified as investment in joint venture entity.

Family Know-how Co., Ltd. is a private limited company and its stock is not traded in the market price.

2) Clearing Fund

The Clearing Fund operates under the Regulations of the Clearing Fund (No. 1) B.E. 2541, which require that a one-time payment of Baht 100 million be made as an initial contribution by the SET. The ownership interest percentage will be reduced based on further contributions made by other members of the Clearing Fund in the future. The SET has no control over the Clearing Fund's operations, but has influences in policy and operation. Therefore, the investment in the Clearing Fund is classified as investment in an associates.

3) TSFC Securities Public Company Limited (TSFC)

TSFC Securities Public Company Limited has been established to provide liquidity for securities companies and to support to the further development of securities market. The SET has appointed 4 representatives to be member of the 12-member Board of Directors of TSFC. The Board of Directors will participate in the decision-making on monetary policies and operations of the company. Therefore, the investment in TSFC is classified as investment in an associates.

TSFC Securities Public Company Limited is a public company and its stock is not traded in the market price.

2 Accounting policies

2.1 Basis of preparation

The consolidated and entity financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

The consolidated and entity financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy for investments below.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and entity financial statements are disclosed in Note 4.

An English version of the consolidated and entity financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016.

- a) New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This standard has no impact to the Group.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. This standard has no impact to the Group.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. This standard has no impact to the Group, except for disclosures.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting Company as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss. This standard has no impact to the Group.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Group, except for disclosures.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model. This standard has no impact to the Group.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. This standard has no impact to the Group, except for disclosures.

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016.
(Cont'd)

- a) New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group: (Cont'd)

TFRS10 (revised 2015) 'Consolidated' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. . This standard has no impact to the Group.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). This standard has no impact to the Group.

- b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

These are 40 financial reporting standards with minor changes. The management assesses that they do not have an impact to the Group's financial statements.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

- a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets
TFRS 10 (revised 2016)	Consolidated financial statements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

- a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

The management is currently assessing the impact of these financial reporting standards.

- b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

There are 47 financial reporting standards with minor changes. The management is currently assessing the impact of these financial reporting standards.

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or loss on transactions between the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the SET's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures (Cont'd)

2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with the Fund. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in the Fund. Gains or losses on disposals to non-controlling interests are also recorded in the Fund.

3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in revenues and expenses. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive revenues and expenses in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive revenues and expenses is reclassified to revenues and expenses where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the revenues and expenses, and its share of post-acquisition movements in other comprehensive revenues and expenses is recognised in other comprehensive revenues and expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statement of comprehensive revenues and expenses.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the revenues and expenses.

In the SET's separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures (Cont'd)

5) Joint arrangements

The Group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive revenues and expenses. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the revenues or expenses.

When a gain or loss on a non-monetary item is recognised in other comprehensive revenues and expenses, any exchange component of that gain or loss is recognised in other comprehensive revenues and expenses. Conversely, when a gain or loss on a non-monetary item is recognised in revenues or expenses, any exchange component of that gain or loss is recognised in revenues or expenses.

2.5 Underlying assets

Underlying assets are the financial assets carried by Thai NVDR Co., Ltd. (the subsidiary). The financial liabilities are the Non-Voting Depository Receipts (NVDRs). The subsidiary will offset the financial assets and financial liabilities, and show the net amount in the financial statements. According to the regulations and conditions in the prospectus, the subsidiary are responsible for issuing and selling NVDRs and making investments in listed companies in the Stock Exchange of Thailand at the same amount and in the same period (back to back). In addition to the entitlement of financial benefits of those underlying securities as the registered holder, the subsidiaries have an obligation to repay those financial benefits to the investors in the NVDRs as mentioned in the prospectus. Those benefits are not recognised as revenues or expenses of the subsidiary.

2 Accounting policies (Cont'd)

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, call deposits (excluding deposits held to maturities), other short-term highly liquid investments held for working capital and short-term commitment payment purposes with maturities from acquisition date of three months or less.

2.7 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: 1) trading investments; 2) held-to-maturity investments; 3) available-for-sale investments; and 4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- 1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- 2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- 3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- 4) Investments in non-marketable equity securities are classified as general investments.

All categories of investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of trading investments are recognised in statement of comprehensive revenues and expenses. The unrealised gains and losses of available-for-sale in investments are recognised in other comprehensive revenues and expenses.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive revenues and expenses.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the revenues and expenses. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.8 Accounts receivable and accrued income

Accounts receivable and accrued income are carried at original invoice amount less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, assessment of the future cash flows, known and identified instances of default and consideration of market trends. Bad debts are written off when incurred and recognised as part of other expenses in the statement of comprehensive revenues and expenses.

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

Land is stated at cost less impairment losses. Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the statement of comprehensive revenues and expenses on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, except for land which is considered to have an unlimited useful life. The estimated useful lives are as follows:

Land improvements	5 years
Buildings	10 - 50 years
Building improvements	3 - 30 years
Furniture and fixtures	5 - 20 years
Office equipment	5 - 15 years
Vehicles	5 - 7 years

Management determines the estimated useful lives and residual values for the Group's property and equipment. Management will appropriately revise the residual values and useful lives of assets when the residual values and useful lives differ from previous estimations, or it will write-off technically obsolete assets or assets which have been sold or abandoned.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repair and maintenance expenses are charged to the statement of comprehensive revenues and expenses during the financial period in which they are incurred. The cost of major renovation is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related assets.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive revenues and expenses.

2.10 Intangible assets

Intangible assets, computer software, patent and right in operation, that are acquired by the Group, which have finite useful lives, are recognised at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of comprehensive revenues and expenses on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are 5 - 10 years.

Costs associated with developing or maintaining computer software are recognised as expenses as incurred in the statement of comprehensive revenues and expenses. Costs that are directly associated with identifiable and unique software products controlled by the Group and have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets. Direct costs include the purchase price and an appropriate portion of relevant overheads to allow such asset to be ready for its intended use. Expenditure which is incurred to enhance or extend the performance of computer software beyond its original specifications is recognised as an intangible asset.

Management determines the estimated useful lives of intangible assets. Management will revise the amortisation charge where useful lives differ from the previous estimations or it will write-off technically obsolete assets or assets which have been sold or abandoned.

2.11 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive revenues and expenses over the period of the borrowings on an effective interest basis.

2.13 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

2.14 Employee benefits

2.14.1 Retirement benefits

The Group operates various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability. The Group reviews the assumptions used annually.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Fund in other comprehensive revenues and expenses in the period in which they arise.

Past-service costs are recognised immediately in revenues and expenses.

2.14.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 Accounting policies (Cont'd)

2.15 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Lease-where a Group is the lessee

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive revenues and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognised in the statement of comprehensive revenues and expenses as an integral part of the total rental income. Contingent rentals are charged to the statement of comprehensive revenues and expenses for the accounting period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.17 Revenue

Revenue excludes value added taxes.

Service income is recognised upon performance of services.

Where there are long-outstanding receivables from listing fee and registrar fee collection over three months, the Group considers the collectability of the receivables as doubtful and ceases revenue recognition on fees of related companies immediately.

Membership fees comprise initial and annual fees. The initial fees are recognised as revenue on a straight-line basis over a period of five years starting from the first day on which the service is rendered for security companies who provided initial support and for security companies subscribed from 2015 onward, the initial fee are recognised as revenue in the commencing. Annual fees are recognised upon performance of services.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognised in the statement of comprehensive revenues and expenses when the Group's right to receive payment is established.

Other income is recognised when the right to receive cash is established.

2 Accounting policies (Cont'd)

2.18 Directors' remuneration

Directors' remuneration comprises the benefits paid to the Board of Governors of the SET and the Board of Directors of subsidiaries including benefits received by the members of sub-committees (excluding salaries, bonus and related benefits payable to management).

2.19 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in revenue or expense, except to the extent that it relates to items recognised in other comprehensive revenues and expenses or directly in fund balance. In this case the tax is also recognised in other comprehensive revenues and expenses or directly in fund balance, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's senior management.

3 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and risk from investments and deposits. The Group's financial risk management programme focuses on investment management under investment policies and strategic asset allocation which is approved by the SET's Board of Governors and subsidiaries' Board of Director. The investment committees is strictly established to oversee the investment in compliance with the policies and strategic asset allocation defined. The investment policy aims on maintaining stability of the principal, while receiving the appropriate level of return.

3.1 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

3.2 Interest rate risk

Interest rate risk arises from fluctuations in market interest rates which may affect the Group's operating results and cash flow. The Group does not have interest rate derivative in order to manage fluctuation of the interest rate.

3.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has appropriate policies in place to ensure that the Group sell products and provide services to customers who have appropriate credit history.

3.4 Liquidity risk

The Group has no significant exposure to liquidity risk as the Group has sufficient cash to support its operations. The Group aims on maintaining flexibility of funding by using internal capital of the Group.

3.5 Risk from investments and deposits

The Group is exposed to market risks as the investor of financial instruments, and credit risk from the issuer of financial instruments. The Group, therefore, has a policy of diversifying its investments and deposits to high credit financial institutions according to the investment policy prescribed by the resolution of the investment committee.

3 Financial risk management (Cont'd)

Financial risk factors (Cont'd)

3.5 Risk from investments and deposits (Cont'd)

The investment policies framework regarding types and proportion of investments are as follows:

1) Investments in debt securities

Type of investment	Proportion of investment
Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws and guaranteed by the Ministry of Finance	Unlimited (2015: Unlimited)
Fixed deposits or NCDs at commercial banks and promissory notes of finance companies or financial institutions incorporated by specific laws	Not to exceed 15% of total debt investment per institution (2015: Not to exceed 15% per institution)
Debentures or warrants of debentures and bills of exchange	Not to exceed 5% of total debt investment per issuer (2015: Not to exceed 5% per issuer)
Investment units or warrants of investment units in mutual funds invested in debt securities	Not to exceed 10% of total debt investment per mutual fund (2015: Not to exceed 10% per mutual fund)

2) Investments in equity securities

Type of investment	Proportion of investment
Investment units or warrants of investment units in mutual funds invested in equity securities	Not to exceed 10% of total equity investment per each Fund, and not to exceed 10% of fund size (2015: Not to exceed 25% per mutual fund)

3) Investments in property funds

Type of investment	Proportion of investment
Property funds	Not to exceed 10% of fund size per each Fund, except for Fund of Property Funds, not to exceed 20% of fund size (2015: Not to exceed 10% of total investments)

4) Investments in foreign investment funds

Type of investment	Proportion of investment
Foreign investment funds	Not to exceed 20%-30% of fund size per each Fund (2015: Not to exceed 20% of total investments)

5) Investments in gold funds

Type of investment	Proportion of investment
Gold funds	Not to exceed 10% of fund size per mutual fund (2015: Not to exceed 3% of total investments)

Investments in each asset management company should not exceed 40% of total investments (2015: Not exceed 40% of total investments).

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Subsidiaries in the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to increase investor and stakeholder confidence.

In order to maintain or adjust the capital structure, the Subsidiaries in the Group may adjust the amount of dividends paid to shareholders depending on their operating performance.

6 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

The Group comprises the following 5 main business segments:

- 1) Securities Markets (including securities trading, clearing and settlement, listing, depository and membership fees)
- 2) Derivatives Markets (including trading and clearing of future contracts and membership fees)
- 3) Technology Services (including member services, information services and technology support)
- 4) Registrar Services (including securities registrar)
- 5) Capital market development and others, i.e., expenses for Capital Market Development Fund (CMDf), rental income and other miscellaneous income. CMDf focuses on long-term development of capital market including improving financial and investment capabilities of Thai people and executives, promoting sustainable development of capital market industry, conducting of capital market research, and promoting leadership management.

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6 Segment information (Cont'd)

Financial information presented in the consolidated financial statements as at 31 December 2016 and 2015 and for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated						(Unit : Baht'000)
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market Development and others	Elimination	
For the year ended 31 December 2016							
Revenues from operation	2,816,856	792,389	511,357	1,018,481	141,069	-	5,280,152
Revenue from inter-segment	741,936	586,368	108,248	523,853	16,099	(1,976,504)	-
Total revenue	<u>3,558,792</u>	<u>1,378,757</u>	<u>619,605</u>	<u>1,542,334</u>	<u>157,168</u>	<u>(1,976,504)</u>	<u>5,280,152</u>
Segment revenues over expenses	<u>1,188,012</u>	<u>434,024</u>	<u>188,812</u>	<u>339,946</u>	<u>(564,300)</u>	<u>-</u>	<u>1,586,494</u>
Investment income, net							766,861
Share of profit of investments in joint venture entity , net of tax							5,007
Share of profit of investments in associates , net of tax							<u>20,824</u>
Revenues over expenses in operations							<u>2,379,186</u>
Non-operating items:							
Income derived from Securities Investor Protection Fund, net							11,124
Income derived from Derivatives Investor Protection Fund, net							764
Contributions to the Stock Exchange of Thailand Foundation							<u>(401,190)</u>
Revenues over expenses before income tax expenses							<u>1,989,884</u>
Income tax expense							<u>(327,996)</u>
Revenues over expenses							<u><u>1,661,888</u></u>
As at 31 December 2016							
Segment assets	4,713,233	12,796,467	1,214,340	643,562	147,615	(347,599)	19,167,618
Other assets	-	-	-	-	24,290,138	(3,918,899)	20,371,239
Total assets	<u>4,713,233</u>	<u>12,796,467</u>	<u>1,214,340</u>	<u>643,562</u>	<u>24,437,753</u>	<u>(4,266,498)</u>	<u>39,538,857</u>
Segment liabilities	1,234,010	12,092,857	161,458	313,941	686,527	(347,599)	14,141,194
Other liabilities	-	-	-	-	2,574,500	(2,574,500)	-
Total liabilities	<u>1,234,010</u>	<u>12,092,857</u>	<u>161,458</u>	<u>313,941</u>	<u>3,261,027</u>	<u>(2,922,099)</u>	<u>14,141,194</u>

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6 Segment information (Cont'd)

Financial information presented in the consolidated financial statements as at 31 December 2016 and 2015 and for the years ended 31 December 2016 and 2015 are as follows: (Cont'd)

	(Unit : Baht'000)						
	Consolidated						
	Securities Markets	Derivatives Markets	Technology Services	Registrar Services	Capital Market Development and others	Elimination	Total
For the year ended 31 December 2015							
Revenues from operation	2,440,632	661,735	461,242	983,509	175,955	-	4,723,073
Revenue from inter-segment	678,917	484,329	97,512	471,967	6,124	(1,738,849)	-
Total revenue	3,119,549	1,146,064	558,754	1,455,476	182,079	(1,738,849)	4,723,073
Segment revenues over expenses	1,023,937	245,822	121,038	354,485	(357,099)	-	1,388,183
Investment income, net							492,014
Share of profit of investments in joint venture entity, net of tax							3,249
Share of profit of investments in associates, net of tax							28,865
Revenues over expenses in operations							1,912,311
Non-operating items:							
Income derived from Securities Investor Protection Fund, net							10,304
Income derived from Derivatives Investor Protection Fund, net							1,086
Contributions to the Stock Exchange of Thailand Foundation							(401,379)
Revenues over expenses before income tax expense							1,522,322
Income tax expense							(139,966)
Revenues over expenses							1,382,356
As at 31 December 2015							
Segment assets	3,986,745	11,732,069	961,260	911,389	188,248	(296,958)	17,482,753
Other assets	-	-	-	-	21,480,043	(2,826,677)	18,653,366
Total assets	3,986,745	11,732,069	961,260	911,389	21,668,291	(3,123,635)	36,136,119
Segment liabilities	1,142,747	10,665,609	148,728	315,241	771,196	(296,958)	12,746,563
Other liabilities	-	-	-	-	1,896,500	(1,896,500)	-
Total liabilities	1,142,747	10,665,609	148,728	315,241	2,667,696	(2,193,458)	12,746,563

Reconciliation of reportable segment assets/liabilities were as follow:

	(Unit : Baht'000)	
	Consolidated	
	2016	2015
Assets		
Assets for reportable segments	19,167,618	17,482,753
Unallocated amounts:		
- Cash and investments	18,352,073	16,555,357
- Investments in related parties	37,687	87,600
- Accrued interest receivables	953,512	967,734
- Land and building under construction	1,027,967	1,042,675
Total assets	39,538,857	36,136,119
Liabilities		
Liabilities for reportable segments	14,141,194	12,746,563
Total liabilities	14,141,194	12,746,563

7 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the entity, including holding companies, subsidiaries and fellow subsidiaries are related parties of the entity. Associates and individuals owning, directly or indirectly, an interest in the voting power of the entity that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions with related parties are conducted at prices based on market prices or at contractually agreed prices where no market price exists.

The pricing policies for particular types of transactions are explained below:

Transaction	Pricing policy
Service income	Contractually agreed price
Purchase of services	Cost plus margin
Interest income	With reference to the return of bank deposit and debt securities
Interest expense	The interest rate on the loan is based on the floating market interest rate which is referred to the higher interest rate for one-year government bond or one-year fixed deposit on average of 4 banks for corporate credit line of Baht 10 million

Related party transactions for the years ended 31 December 2016 and 2015 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Service income				
Subsidiaries	-	-	1,826,333	1,631,723
Joint venture entity	19,534	11,728	13,907	11,698
Associates	1,710	1,838	-	-
	<u>21,244</u>	<u>13,566</u>	<u>1,840,240</u>	<u>1,643,421</u>
Purchase of services				
Subsidiaries	-	-	15,120	3,058
Joint venture entity	92,629	93,043	92,029	93,043
	<u>92,629</u>	<u>93,043</u>	<u>107,149</u>	<u>96,101</u>
Interest income				
Subsidiaries	-	-	2,160	3,750
Interest expense				
Subsidiaries	-	-	32,010	26,546

7 Related party transactions (Cont'd)

Related party balances as at 31 December 2016 and 2015 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Accounts receivable				
Joint venture entity	137	191	137	137
	<u>137</u>	<u>191</u>	<u>137</u>	<u>137</u>
Accrued income				
Subsidiaries	-	-	187,929	144,837
Joint venture entity	2,236	401	1,636	401
Associates	140	170	-	-
	<u>2,376</u>	<u>571</u>	<u>189,565</u>	<u>145,238</u>
Other current assets				
Subsidiaries	-	-	84	39
Joint venture entity	5	85	5	85
	<u>5</u>	<u>85</u>	<u>89</u>	<u>124</u>
Payables				
Subsidiaries	-	-	139	-
Joint venture entity	81	1,300	81	1,300
	<u>81</u>	<u>1,300</u>	<u>220</u>	<u>1,300</u>
Accrued expenses				
Subsidiaries	-	-	5,914	1,331
Joint venture entity	9,340	45,285	8,740	45,285
	<u>9,340</u>	<u>45,285</u>	<u>14,654</u>	<u>46,616</u>
Fees received in advance				
Joint venture entity	1,759	-	1,759	-
	<u>1,759</u>	<u>-</u>	<u>1,759</u>	<u>-</u>
Other current liabilities				
Joint venture entity	139	14	139	10
	<u>139</u>	<u>14</u>	<u>139</u>	<u>10</u>

Short-term borrowings from subsidiaries

	(Unit : Baht'000)			
	Interest rate (% per annum)		SET	
	2016	2015	2016	2015
Short-term borrowings from subsidiaries	1.36 - 2.00	0.90 - 2.26	<u>2,574,500</u>	<u>1,896,500</u>

The Group has a policy of centralising the investments and managed by the SET in order to maximize its efficiency and overall returns. The parent will borrow from its subsidiaries in the form of one-year promissory notes. The interest rate on the loan is based on the floating market interest rate which is referred to the higher interest rate for one-year government bond or one-year fixed deposit on average of 4 banks for corporate credit line of up to Baht 10 million (interest rate may be revised as appropriate).

7 Related party transactions (Cont'd)

Short-term borrowings from subsidiaries (Cont'd)

Movements of short-term borrowings from subsidiaries for the years ended 31 December 2016 and 2015 were as follows:

	(Unit : Baht'000)	
	SET	
	2016	2015
Subsidiaries		
Opening balance	1,896,500	1,271,314
Additions	895,000	875,000
Repayments	(217,000)	(249,814)
Closing balance	<u>2,574,500</u>	<u>1,896,500</u>

Sponsorship for joint venture entity

Under the shareholder agreement between the SET and the company, the SET will be a principal sponsor of a joint venture's program in 2016 of Baht 90 million (2015: Baht 90 million).

Contributions to the Stock Exchange of Thailand Foundation

SET realizes the importance of corporate social responsibility (CSR) alongside the core business. To grow the business sustainably, the corporation must be CSR-minded and must put into practice basis, SET has established The Stock Exchange of Thailand Foundation to support outstanding CSR projects that greatly benefit the society and the country as a whole.

The Foundation was established on 9 August 2006. The SET's Board governors are also the committee members of the foundation, by position. The Foundation supports three key CSR areas; 1) Doing Good 2) Region, Arts and Culture, and 3) Sports and Society.

SET allocated its annual revenues over expenses to support the implementation of the Foundation. Since 2006, SET appropriated one-third of revenues over expenses. On 9 August 2016, an adjustment was made to allocate 13% of revenues over expenses before income tax.

For the year ended 31 December 2016, the SET appropriated its annual revenues over expenses of Baht 401.19 million (2015: Baht 401.38 million) to the Foundation.

Directors' remuneration

The directors' remuneration represents director fees and compensation fees for the Group's board of directors and other sub-committees.

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Director's remuneration	25,287	24,431	22,203	22,395
	<u>25,287</u>	<u>24,431</u>	<u>22,203</u>	<u>22,395</u>

8 Cash and cash equivalents

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Cash on hand	314	319	310	308
Saving and current accounts	716,870	1,561,014	612,053	1,412,776
Fixed deposit with maturities less than 3 month from acquisition date	-	100,000	-	100,000
	<u>717,184</u>	<u>1,661,333</u>	<u>612,363</u>	<u>1,513,084</u>

For the year ended 31 December 2016, saving accounts carried the interest at rates ranging from 0.10% - 1.25% per annum (2015: from 0.10% - 2.07% per annum).

As at 31 December 2016, no fixed deposit accounts at banks (2015 : fixed deposit accounts at banks represented fixed deposit accounts at call that carried the interest at the rate of 1.50% per annum).

9 Short-term investments, net

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Investments managed by SET					
General investments		35,507	35,507	35,507	35,507
<u>Less</u> Allowance for impairment losses		(10,918)	(10,918)	(10,918)	(10,918)
		24,589	24,589	24,589	24,589
Available-for-sales		1,662,810	1,387,778	1,662,810	1,387,778
Held-to-maturity debt securities	14	10,000	1,174,079	10,000	1,174,079
		<u>1,697,399</u>	<u>2,586,446</u>	<u>1,697,399</u>	<u>2,586,446</u>
Investments managed by private funds					
Held-to-maturity debt securities		650,882	701,841	650,882	701,841
Trading securities		7,828,762	2,797,737	7,828,762	2,797,737
		8,479,644	3,499,578	8,479,644	3,499,578
		<u>10,177,043</u>	<u>6,086,024</u>	<u>10,177,043</u>	<u>6,086,024</u>

Movements of short-term investments for the years ended 31 December 2016 and 2015 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Opening balance	6,086,024	7,837,836	6,086,024	7,837,836
Purchases	6,727,979	1,051,902	6,727,979	1,051,902
Disposals	(3,825,321)	(4,638,501)	(3,825,321)	(4,638,501)
Classification of investments (Note14)	1,193,260	1,825,657	1,193,260	1,825,657
Unrealised (loss) gain on available-for-sale securities	(4,899)	8,880	(4,899)	8,880
Reversal allowance for impairment	-	250	-	250
Closing balance	<u>10,177,043</u>	<u>6,086,024</u>	<u>10,177,043</u>	<u>6,086,024</u>

9 Short-term investments, net (Cont'd)

As at 31 December 2016 and 2015, fair value of investment in specific-purpose funds were as follows:

	(Unit : Baht'000)					
	Consolidated and SET					
	Cost		Fair Value		Impairments	
	2016	2015	2016	2015	2016	2015
Investment in specific-purpose funds	35,507	35,507	27,889	26,522	(10,918)	(10,918)

Investments managed by the SET

As at 31 December 2016, no fixed deposit accounts (2015: fixed deposit accounts represented fixed deposit accounts at banks which had maturities not over 12 months and carried interest at rates ranging from 3.28% - 3.30% per annum).

As at 31 December 2016, investments in money market funds represent investments in 7 open-ended funds (2015: seven open-ended fund). The investment policy emphasises investments in short-term debt securities.

As at 31 December 2016, investments in specific-purpose funds represented investments in 2 open-ended venture capital funds (2015: two open-ended venture capital funds). The details are as follows:

- 1) In 2005, invested in an investment fund established by the government to strengthen and facilitate the recovery of businesses which suffered from the tsunami. The specific-purpose fund has a policy of investing in securities of businesses involved in the tourism industry that had been affected by the tsunami in the six southern provinces. On 27 February 2015, the fund is at maturity date. The fund made a repayment for the remaining unit of 1,542,863.7414, at the cost of Baht 15.45 million plus a return to SET on 9 March 2015.
- 2) In 2007, invested in a non-retail fund, which primarily invests directly in energy, alternative and renewable energy firms and businesses that support the government's energy policies. The fund is an open-ended fund and has an automatic redemption from the sixth year (2013) when the fund disposes of its assets, and then no further re-investment.
- 3) In 2008, invested in a non-retail fund which primarily invests directly in businesses and industries which have potential growth the majority of which was long-term investment. The fund has an automatic redemption from the fourth year (2012).

The specific-purpose investments in 2) have a commitment subscription for additional investment until the end of the contract (Note 32).

As at 31 December 2016, debenture had coupon rate at 4.50% per annum (2015: Bank of Thailand bonds, foreign bonds and debentures had coupon rates from 4.17% - 6.00% per annum) and market yields at 1.83% per annum (2015: from 1.50% - 2.60% per annum).

Investments managed by private funds

As at 31 December 2016 investments in private funds are managed by 3 asset management companies (2015: two asset management companies). The investment policy for private funds is subject to the SET's regulations on deposits at financial institutions and investment policies as disclosed in Note 3 - Financial risk management. The Group presented investments managed by private funds as short-term investments.

For the year ended 31 December 2016, the return rates for investments managed by private funds ranged from 0.96 - 1.93% per annum (2015: from 3.34% - 3.77% per annum).

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10 Accounts receivable and accrued income, net

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Accounts receivable					
Related parties	7	137	191	137	137
Other parties		72,055	83,228	34,182	44,141
		72,192	83,419	34,319	44,278
<u>Less</u> Allowance for doubtful accounts		(15,128)	(19,041)	(5,024)	(8,910)
		57,064	64,378	29,295	35,368
Accrued income					
Related parties	7	2,376	571	189,565	145,238
Other parties		283,303	284,083	116,900	131,898
		285,679	284,654	306,465	277,136
		342,743	349,032	335,760	312,504

Aging analysis for accounts receivable is as follows:

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Related parties					
Within credit terms	7	137	191	137	137
		137	191	137	137
Other parties					
Within credit terms		46,730	49,787	21,500	25,980
Overdue:					
Less than 3 months		10,197	12,254	7,658	7,393
3 - 6 months		-	1,221	-	1,077
6 - 12 months		-	925	-	781
Over 12 months		15,128	19,041	5,024	8,910
		72,055	83,228	34,182	44,141
<u>Less</u> Allowance for doubtful accounts		(15,128)	(19,041)	(5,024)	(8,910)
		56,927	64,187	29,158	35,231
		57,064	64,378	29,295	35,368

The normal credit terms granted by the Group range from 15 days to 30 days.

11 Other current assets

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Financial benefits to unitholders	72,942	67,150	-	-
Thai Stock Market Flood Relief Fund	36,775	36,606	36,775	36,606
Prepaid expenses	27,512	21,599	27,102	21,599
Loans to employees	25,882	26,382	25,882	26,382
Withholding tax receivable	19,456	15,148	-	-
Value added tax receivable	5,211	16,267	-	10,042
Inventory - publication	5,139	7,132	5,139	7,132
Other receivables from sale of investments	5,000	45,033	5,000	45,033
Pending input tax	4,859	4,951	4,682	4,951
Cash at bank for clearing collateral	480	30	-	-
Dividend receivable	-	3,632	-	3,632
Others	4,960	4,568	4,910	4,355
	208,216	248,498	109,490	159,732

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12 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2016 and 2015, and dividend income for the years then ended were as follows:

	Ownership interest %		(Unit : Baht'000)					
			SET					
			Paid-up capital		Cost method		Dividend income	
2016	2015	2016	2015	2016	2015	2016	2015	
Subsidiaries								
Thailand Securities Depository Co., Ltd.	100.00	100.00	200,000	200,000	200,000	200,000	376,194	320,832
Thai Trust Fund Management Co., Ltd.	100.00	100.00	100,000	100,000	100,000	100,000	196	414
Thai NVDR Co., Ltd.	100.00	100.00	10,000	10,000	10,000	10,000	829	2,240
SETTRADE.COM Co., Ltd.	100.00	100.00	80,000	80,000	74,591	74,591	-	48,926
Siam DR Co., Ltd.	100.00	100.00	10,000	10,000	10,000	10,000	98	218
Thailand Futures Exchange Public Company Limited ⁽¹⁾	100.00	100.00	500,000	100,000	500,000	100,000	-	1,875
Thailand Clearing House Co., Ltd.	100.00	100.00	600,000	600,000	602,700	602,700	-	63,894
			<u>1,500,000</u>	<u>1,100,000</u>	<u>1,497,291</u>	<u>1,097,291</u>	<u>377,317</u>	<u>438,399</u>

The business place of all subsidiaries is in Thailand and the nature of business of each subsidiaries has already disclosed in Note 1.

⁽¹⁾ The total number of authorized ordinary shares is 50,000,000 shares (2015: 10,000,000 shares) with a par value of Baht 10 per share (2015: Baht 10 per share). All issued shares are fully paid. On 2 June 2016, the shareholders at the Extraordinary Meeting no.03/2016 passed a resolution to approve increase the authorized share capital from 10,000,000 ordinary shares with a par value of Baht 10 per share to 50,000,000 ordinary shares with a par value of Baht 10 per share. On 16 September 2016, Subsidiary received subscription of 40,000,000 additional shares at Baht 10 par value which were priced at Baht 10 per share. The paid-up share capital totaling Baht 400,000,000. Subsidiary registered the increased share capital with the Ministry of Commerce on 20 September 2016.

13 Investments in associates and joint venture entity, net

Investments accounted for using equity method

The amounts recognised in the statement of financial position are as follows:

	(Unit: Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Associates	890,787	901,458	775,620	775,620
Joint venture entity	62,725	66,276	25,000	25,000
At 31 December	<u>953,512</u>	<u>967,734</u>	<u>800,620</u>	<u>800,620</u>

The amounts recognised in the statement of comprehensive revenues and expenses in share of profit of investments in associates and joint venture entity (net of tax) are as follows:

	(Unit: Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Associates	20,824	28,865	-	-
Joint venture entity	5,007	3,249	-	-
For the year ended 31 December	<u>25,831</u>	<u>32,114</u>	<u>-</u>	<u>-</u>

13 Investments in associates and joint venture entity, net (Cont'd)

13 (a) Investment in associates

Set out below are the associates of the Group as at 31 December 2016 and 2015, which, in the opinion of the directors, are not material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

	Ownership interest %		(Unit : Baht'000)							
			Consolidated							
			Paid-up capital		Cost method, net		Equity method		Dividend income	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Associates										
Clearing Fund ("CLF")	11.37	12.80	1,699,421	1,475,965	100,000	100,000	196,763	193,265	-	-
TSFC Securities Public Company Limited ("TSFC")	40.65	40.65	1,549,126	1,549,126	675,620	675,620	694,024	708,193	-	-
					<u>775,620</u>	<u>775,620</u>	<u>890,787</u>	<u>901,458</u>	<u>-</u>	<u>-</u>

	Ownership interest %		(Unit : Baht'000)									
			SET									
			Paid-up capital		Cost method		Impairment		At cost, net		Dividend income	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015			
Associates												
Clearing Fund	11.37	12.80	1,699,421	1,475,965	100,000	100,000	-	-	100,000	100,000	-	-
TSFC Securities Public Company Limited	40.65	40.65	1,549,126	1,549,126	679,015	679,015	(3,395)	(3,395)	675,620	675,620	31,487	9,446
					<u>779,015</u>	<u>779,015</u>	<u>(3,395)</u>	<u>(3,395)</u>	<u>775,620</u>	<u>775,620</u>	<u>31,487</u>	<u>9,446</u>

The business place of all associates is in Thailand and the nature of business of each associates has already disclosed in Note 1.

13 Investments in associates and joint venture entity, net (Cont'd)

13 (a) Investment in associates (Cont'd)

The Group also has interests in a number of individually immaterial associates that are accounted for using the equity method in the Consolidated.

	(Unit: Baht'000)					
	2016			2015		
	CLF	TSFC	Total	CLF	TSFC	Total
Aggregate carrying amount of individually immaterial associates	196,763	694,024	890,787	193,265	708,193	901,458
Aggregate amounts of the reporting entity's share of; Revenues over expenses from continuing activities, net of tax	3,498	17,326	20,824	4,290	24,575	28,865
Other comprehensive revenues and expenses, net of tax	-	(9)	(9)	-	(3)	(3)
Total comprehensive revenues and expenses, net of tax	3,498	17,317	20,815	4,290	24,572	28,862

The Group has no contingent liabilities relating to associates.

13 Investments in associates and joint venture entity, net (Cont'd)

13 (b) Investment in joint venture entity

The joint venture listed below has share capital consisting solely of preferred shares, which is held directly by the group.

		(Unit : Baht'000)							
		Consolidated							
Ownership interest %		Paid-up capital		Equity method		Dividend income			
2016	2015	2016	2015	2016	2015	2016	2015		
Joint venture entity									
Family Know-how Co., Ltd.		50.00	50.00	50,000	50,000	62,725	66,276	-	-

		(Unit : Baht'000)							
		SET							
Ownership interest %		Paid-up capital		Cost method		Dividend income			
2016	2015	2016	2015	2016	2015	2016	2015		
Joint venture entity									
Family Know-how Co., Ltd.		50.00	50.00	50,000	50,000	25,000	25,000	8,497	-

The business place of all joint venture entity is in Thailand and the nature of business of each joint venture entity has already disclosed in Note 1.

13 Investments in associates and joint venture entity, net (Cont'd)

13 (b) Investment in joint venture entity (Cont'd)

The Group also has interests in a immaterial joint venture entity that is accounted for using the equity method.

	(Unit : Baht'000)	
	2016	2015
Aggregate carrying amount of individually immaterial joint venture entity	62,725	66,276
Aggregate amounts of the reporting entity's share of:		
Revenues over expenses from continuing activities, net of tax	5,007	3,249
Other comprehensive revenues and expenses, net of tax	-	-
Total comprehensive revenue and expenses, net of tax	5,007	3,249

The Group has no contingent liabilities related to joint venture entity.

14 Long-term investments, net

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Available-for-sale investments	6,857,996	6,515,242	6,857,996	6,515,242
Held-to-maturity debt securities	1,441,728	2,735,527	1,441,728	2,735,527
General investments	12,336	12,336	12,336	12,336
	8,312,060	9,263,105	8,312,060	9,263,105

Held-to-maturity debt securities:

As at 31 December 2016, fixed deposit accounts represented fixed deposits at banks which had maturities over one year and carried interest at rates 4.00% per annum (2015: 4.00% per annum).

As at 31 December 2016, cash at banks by M.O.U. used as security for housing loans provided to employees of the Group by a bank under a Memorandum of Understanding is Baht 544.19 million (2015: Baht 540.59 million).

As at 31 December 2016, debenture which had maturities over one year to six years, coupon rate at 4.95% per annum (2015: government bonds and debentures had coupon rates from 3.80% - 6.34% per annum) and market yields at 4.15% per annum (2015: from 1.47% - 4.22% per annum).

Available-for-sale investments :

As at 31 December 2016, investments in general mutual funds represented investments in 17 open-ended funds, which have a policy of emphasising investment in equity securities of listed companies (2015: 19 funds) and 1 gold fund (2015: no funds).

As at 31 December 2016, investments in property funds represented 11 closed-end non-redeemable mutual funds (2015: 12 funds). These funds were established for acquiring, leasing and transferring properties and/or their leasehold rights and providing for income-generating properties. All these property funds are listed and traded on the Stock Exchange of Thailand.

As at 31 December 2016, investment in infrastructure fund represented investment in one closed-end and non-redeemable mutual fund. (2015: 1 fund). Key objective of this fund is to raise money from both local and foreign investors and invest in potential infrastructure that has capability to generate stable and sustainable income for the fund so that the fund could make continuous distribution to its unitholders. This infrastructure fund is listed and traded on the Stock Exchange of Thailand.

As at 31 December 2016, investments in foreign investment funds represented investments in 23 open-ended funds (2015: 20 funds). The Feeder Fund policy is to emphasise investment in foreign fund securities.

14 Long-term investments, net (Cont'd)

Movements of long-term investments for the years ended 31 December 2016 and 2015 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Opening balance	9,263,105	8,690,342	9,263,105	8,690,342
Purchases	2,519,728	4,806,774	2,519,728	4,806,774
Disposals	(2,624,102)	(2,183,508)	(2,624,102)	(2,183,508)
Classification of investments (Note 9)	(1,193,260)	(1,825,657)	(1,193,260)	(1,825,657)
Adjustment	-	3	-	3
Unrealised gain (loss) on available-for-sale securities	346,589	(224,849)	346,589	(224,849)
Closing balance	<u>8,312,060</u>	<u>9,263,105</u>	<u>8,312,060</u>	<u>9,263,105</u>

As at 31 December 2016 and 2015, held-to-maturity debt securities which were classified by maturity were as follows:

	(Unit : Baht'000)			
	Consolidated			Total
	Due			
Within 1 year	1 to 5 years	Over 5 years		
31 December 2016				
Held-to-maturity debt securities				
Government bonds	-	-	-	-
Bank of Thailand bonds	-	-	-	-
Foreign bond	-	-	-	-
Debentures	10,000	10,000	-	20,000
Deposits at banks	-	887,540	544,188	1,431,728
	<u>10,000</u>	<u>897,540</u>	<u>544,188</u>	<u>1,451,728</u>
31 December 2015				
Held-to-maturity debt securities				
Government bonds	-	1,019	-	1,019
Bank of Thailand bonds	100,000	-	-	100,000
Foreign bond	20,000	-	-	20,000
Debentures	145,227	1,043,002	263,379	1,451,608
Deposits at banks	908,852	887,540	540,587	2,336,979
	<u>1,174,079</u>	<u>1,931,561</u>	<u>803,966</u>	<u>3,909,606</u>

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14 Long-term investments, net (Cont'd)

As at 31 December 2016 and 2015, held-to-maturity debt securities which were classified by maturity were as follows: (Cont'd)

	(Unit : Baht'000)			
	SET			Total
	Due			
Within 1 year	1 to 5 years	Over 5 years		
31 December 2016				
Held-to-maturity debt securities				
Government bonds	-	-	-	-
Bank of Thailand bonds	-	-	-	-
Foreign bonds	-	-	-	-
Debentures	10,000	10,000	-	20,000
Deposits at banks	-	887,540	544,188	1,431,728
	<u>10,000</u>	<u>897,540</u>	<u>544,188</u>	<u>1,451,728</u>
31 December 2015				
Held-to-maturity debt securities				
Government bonds	-	1,019	-	1,019
Bank of Thailand bonds	100,000	-	-	100,000
Foreign bonds	20,000	-	-	20,000
Debentures	145,227	1,043,002	263,379	1,451,608
Deposits at banks	908,852	887,540	540,587	2,336,979
	<u>1,174,079</u>	<u>1,931,561</u>	<u>803,966</u>	<u>3,909,606</u>

As at 31 December 2016 and 2015, the fair value of held-to-maturity debt securities were as follows:

	(Unit : Baht'000)			
	Consolidated		Fair value	
	Amortised cost, net		2016	2015
	2016	2015		
Government bonds	-	1,019	-	1,048
Bank of Thailand bonds	-	100,000	-	102,995
Foreign bonds	-	20,000	-	20,155
Debentures	20,000	1,451,608	20,417	1,530,463
Deposits at banks	1,431,728	2,336,979	1,386,360	2,282,936
	<u>1,451,728</u>	<u>3,909,606</u>	<u>1,406,777</u>	<u>3,937,597</u>
<u>Less</u> Classification of investments to short-term investment (Note 9)	<u>(10,000)</u>	<u>(1,174,079)</u>	<u>(10,198)</u>	<u>(1,178,672)</u>
	<u>1,441,728</u>	<u>2,735,527</u>	<u>1,396,579</u>	<u>2,758,925</u>

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14 Long-term investments, net (Cont'd)

As at 31 December 2016 and 2015, the fair value of held-to-maturity debt securities were as follows: (Cont'd)

	(Unit : Baht'000)			
	SET			
	Amortised cost, net		Fair value	
	2016	2015	2016	2015
Government bonds	-	1,019	-	1,048
Bank of Thailand bonds	-	100,000	-	102,995
Foreign bonds	-	20,000	-	20,155
Debentures	20,000	1,451,608	20,417	1,530,463
Deposits at banks	1,431,728	2,336,979	1,386,360	2,282,936
	1,451,728	3,909,606	1,406,777	3,937,597
<u>Less</u> Classification of investments to short-term investment (Note 9)	(10,000)	(1,174,079)	(10,198)	(1,178,672)
	<u>1,441,728</u>	<u>2,735,527</u>	<u>1,396,579</u>	<u>2,758,925</u>

15 Property, plant and equipment, net

	(Unit : Baht'000)					
	Consolidated					
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process/ building under construction	Total
As at 1 January 2015						
Cost	1,014,097	1,752,819	1,016,176	3,238	1,753,148	5,539,478
<u>Less</u> Accumulated depreciation	-	(715,034)	(796,947)	(1,458)	-	(1,513,439)
Net book amount	<u>1,014,097</u>	<u>1,037,785</u>	<u>219,229</u>	<u>1,780</u>	<u>1,753,148</u>	<u>4,026,039</u>
For the year ended 31 December 2015						
Opening net book amount	1,014,097	1,037,785	219,229	1,780	1,753,148	4,026,039
Additions	-	4,062	225,103	-	1,619,175	1,848,340
Disposals/write-off	-	-	(3,933)	-	-	(3,933)
Depreciation charge	-	(109,162)	(81,025)	(155)	-	(190,342)
Transfer	-	3,110,578	233,167	-	(3,343,745)	-
Closing net book amount	<u>1,014,097</u>	<u>4,043,263</u>	<u>592,541</u>	<u>1,625</u>	<u>28,578</u>	<u>5,680,104</u>
As at 31 December 2015						
Cost	1,014,097	4,865,513	1,453,206	3,238	28,578	7,364,632
<u>Less</u> Accumulated depreciation	-	(822,250)	(860,665)	(1,613)	-	(1,684,528)
Net book amount	<u>1,014,097</u>	<u>4,043,263</u>	<u>592,541</u>	<u>1,625</u>	<u>28,578</u>	<u>5,680,104</u>
For the year ended 31 December 2016						
Opening net book amount	1,014,097	4,043,263	592,541	1,625	28,578	5,680,104
Additions	-	6,047	67,447	2,372	139,985	215,851
Disposals/write-off	-	(30)	(44)	(2,072)	-	(2,146)
Depreciation charge	-	(233,054)	(123,367)	(95)	-	(356,516)
Transfer	-	83,510	71,184	-	(154,694)	-
Closing net book amount	<u>1,014,097</u>	<u>3,899,736</u>	<u>607,761</u>	<u>1,830</u>	<u>13,869</u>	<u>5,537,293</u>
As at 31 December 2016						
Cost	1,014,097	4,955,022	1,474,651	3,538	13,869	7,461,177
<u>Less</u> Accumulated depreciation	-	(1,055,286)	(866,890)	(1,708)	-	(1,923,884)
Net book amount	<u>1,014,097</u>	<u>3,899,736</u>	<u>607,761</u>	<u>1,830</u>	<u>13,869</u>	<u>5,537,293</u>

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15 Property, plant and equipment, net (Cont'd)

(Unit : Baht'000)

	SET					Total
	Land and land improvements	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process/ building under construction	
As at 1 January 2015						
Cost	1,014,097	1,751,102	935,438	3,238	1,753,148	5,457,023
<u>Less</u> Accumulated depreciation	-	(713,715)	(716,436)	(1,458)	-	(1,431,609)
Net book amount	<u>1,014,097</u>	<u>1,037,387</u>	<u>219,002</u>	<u>1,780</u>	<u>1,753,148</u>	<u>4,025,414</u>
For the year ended 31 December 2015						
Opening net book amount	1,014,097	1,037,387	219,002	1,780	1,753,148	4,025,414
Additions	-	4,062	223,736	-	1,619,175	1,846,973
Disposals/write-off	-	-	(3,933)	-	-	(3,933)
Depreciation charge	-	(109,121)	(80,863)	(155)	-	(190,139)
Transfer	-	3,110,578	233,167	-	(3,343,745)	-
Closing net book amount	<u>1,014,097</u>	<u>4,042,906</u>	<u>591,109</u>	<u>1,625</u>	<u>28,578</u>	<u>5,678,315</u>
As at 31 December 2015						
Cost	1,014,097	4,863,796	1,373,707	3,238	28,578	7,283,416
<u>Less</u> Accumulated depreciation	-	(820,890)	(782,598)	(1,613)	-	(1,605,101)
Net book amount	<u>1,014,097</u>	<u>4,042,906</u>	<u>591,109</u>	<u>1,625</u>	<u>28,578</u>	<u>5,678,315</u>
For the year ended 31 December 2016						
Opening net book amount	1,014,097	4,042,906	591,109	1,625	28,578	5,678,315
Additions	-	6,047	67,447	2,372	139,985	215,851
Disposals/write-off	-	(30)	(37)	(2,072)	-	(2,139)
Depreciation charge	-	(233,013)	(123,059)	(95)	-	(356,167)
Transfer	-	83,510	71,184	-	(154,694)	-
Closing net book amount	<u>1,014,097</u>	<u>3,899,420</u>	<u>606,644</u>	<u>1,830</u>	<u>13,869</u>	<u>5,535,860</u>
As at 31 December 2016						
Cost	1,014,097	4,953,305	1,402,212	3,538	13,869	7,387,021
<u>Less</u> Accumulated depreciation	-	(1,053,885)	(795,568)	(1,708)	-	(1,851,161)
Net book amount	<u>1,014,097</u>	<u>3,899,420</u>	<u>606,644</u>	<u>1,830</u>	<u>13,869</u>	<u>5,535,860</u>

16 Intangible assets, net

	(Unit : Baht'000)			
	Consolidated			
	Computer software	Patent	Work in process	Total
As at 1 January 2015				
Cost	1,255,244	2,784	39,664	1,297,692
<u>Less</u> Accumulated amortisation	(804,307)	(131)	-	(804,438)
Net book amount	<u>450,937</u>	<u>2,653</u>	<u>39,664</u>	<u>493,254</u>
For the year ended 31 December 2015				
Opening net book amount	450,937	2,653	39,664	493,254
Additions	54,201	35	62,957	117,193
Amortisation charge	(104,042)	(384)	-	(104,426)
Transfer	100,206	-	(100,206)	-
Closing net book amount	<u>501,302</u>	<u>2,304</u>	<u>2,415</u>	<u>506,021</u>
As at 31 December 2015				
Cost	1,409,652	2,819	2,415	1,414,886
<u>Less</u> Accumulated amortisation	(908,350)	(515)	-	(908,865)
Net book amount	<u>501,302</u>	<u>2,304</u>	<u>2,415</u>	<u>506,021</u>
For the year ended 31 December 2016				
Opening net book amount	501,302	2,304	2,415	506,021
Additions	14,748	48	56,472	71,268
Amortisation charge	(110,228)	(388)	-	(110,616)
Transfer	43,186	-	(43,186)	-
Closing net book amount	<u>449,008</u>	<u>1,964</u>	<u>15,701</u>	<u>466,673</u>
As at 31 December 2016				
Cost	1,467,625	2,867	15,701	1,486,193
<u>Less</u> Accumulated amortisation	(1,018,617)	(903)	-	(1,019,520)
Net book amount	<u>449,008</u>	<u>1,964</u>	<u>15,701</u>	<u>466,673</u>

16 Intangible assets, net (Cont'd)

	SET			(Unit : Baht'000)
	Computer software	Patent	Work in process	Total
As at 1 January 2015				
Cost	1,173,737	1,923	39,664	1,215,324
<u>Less</u> Accumulated amortisation	<u>(724,013)</u>	<u>(2)</u>	<u>-</u>	<u>(724,015)</u>
Net book amount	<u>449,724</u>	<u>1,921</u>	<u>39,664</u>	<u>491,309</u>
For the year ended 31 December 2015				
Opening net book amount	449,724	1,921	39,664	491,309
Additions	54,201	35	62,957	117,193
Amortisation charge	(103,795)	(261)	-	(104,056)
Transfer	100,206	-	(100,206)	-
Closing net book amount	<u>500,336</u>	<u>1,695</u>	<u>2,415</u>	<u>504,446</u>
As at 31 December 2015				
Cost	1,328,144	1,958	2,415	1,332,517
<u>Less</u> Accumulated amortisation	<u>(827,808)</u>	<u>(263)</u>	<u>-</u>	<u>(828,071)</u>
Net book amount	<u>500,336</u>	<u>1,695</u>	<u>2,415</u>	<u>504,446</u>
For the year ended 31 December 2016				
Opening net book amount	500,336	1,695	2,415	504,446
Additions	14,748	48	56,472	71,268
Amortisation charge	(110,008)	(265)	-	(110,273)
Transfer	43,186	-	(43,186)	-
Closing net book amount	<u>448,262</u>	<u>1,478</u>	<u>15,701</u>	<u>465,441</u>
As at 31 December 2016				
Cost	1,386,117	2,006	15,701	1,403,824
<u>Less</u> Accumulated amortisation	<u>(937,855)</u>	<u>(528)</u>	<u>-</u>	<u>(938,383)</u>
Net book amount	<u>448,262</u>	<u>1,478</u>	<u>15,701</u>	<u>465,441</u>

17 Assets for margin deposits and benefits

Thailand Clearing House Co., Ltd. (TCH) is the clearing house for derivatives market. Members of TCH who have outstanding positions are obliged to place the required margin deposits as a guarantee according to the rate or amount called by TCH. TCH may invest the margin proceeds according to specified terms and conditions. The benefits, after deducting management fees, shall be distributed to members at the announced rates and procedures.

As at 31 December 2016 and 2015, the details of investments for which margin deposits were placed by members amounting to Baht 10,159.97 million and Baht 8,829.62 million, respectively are as follows:

	(Unit : Baht'000)	
	Consolidated	
	2016	2015
Savings and fixed deposit accounts	9,598,086	8,291,930
Savings account in foreign currency	519,744	492,008
Accrued benefits	42,138	45,677
	<u>10,159,968</u>	<u>8,829,615</u>

As at 31 December 2016, savings account in foreign currency of USD 14.57 million (2015: USD 13.70 million) was translated into Thai Baht using the average transfer buying rate announced by the Bank of Thailand at the end of the accounting period.

The Group presented margin deposits placed by members separately in the account "Assets for margin deposits and benefits" in current assets in the statement of financial position and presented liabilities in the same amount in the account "Margin deposits and benefits payable" in current liabilities in the statement of financial position.

18 Assets for clearing system protection and benefits

The assets for clearing system protection are established to secure the clearing system of Thailand Clearing House Co., Ltd. (TCH) against any damage caused by defaults by members or other incidents.

Assets for clearing system protection comprise the following:

18.1 Securities Deposit

Members of TCH are required to place a Securities Deposit according to the announcement made by TCH (the current Securities Deposit for members, who are allowed to clear all types of derivatives, is not less than Baht 5 million and for only one type of derivatives is not less than Baht 4 million). TCH will invest the proceeds from the Securities Deposit and return any benefits derived from the Securities Deposit, after deducting management fees, to members in accordance with the announced rates and procedures. Assets held as Securities Deposit will be returned to members after their membership is terminated.

18 Assets for clearing system protection and benefits (Cont'd)

18.2 Clearing fund contributions comprising contributions from:

- (1) The SET amounting to Baht 100 million
- (2) Members of TCH:
 - Initial contributions according to the announced rates (currently the initial contribution members, who are allowed to clear all types of derivatives, is not less than Baht 5 million and for only one type of derivatives is not less than Baht 1 million).
 - Monthly contributions at a value of not less than Baht 1,000.

Securities Deposit and benefits are the right of the payers according to the proportion of their contributions. When the membership is terminated, the member's Securities Deposit and benefits on contributions will be returned.

As at 31 December 2016 and 2015, assets for clearing system protection and benefits consist of:

	(Unit : Baht'000)					
	Securities Deposit and benefits		Consolidated Clearing fund and benefits		Total	
	2016	2015	2016	2015	2016	2015
Investments managed by TCH	656,832	625,551	-	-	656,832	625,551
Investments managed by private fund	1,023	872	511	925	1,534	1,797
Savings accounts	-	71,002	-	238,036	-	309,038
Fixed deposit accounts	221,543	138,917	830,540	508,184	1,052,083	647,101
Trading Securities	879,398	836,342	831,051	747,145	1,710,449	1,583,487
Accrued interest receivable	794	4,211	2,603	6,125	3,397	10,336
Other assets	61	86	7,453	5,694	7,514	5,780
	<u>880,253</u>	<u>840,639</u>	<u>841,107</u>	<u>758,964</u>	<u>1,721,360</u>	<u>1,599,603</u>

	(Unit : Baht'000)	
	SET	
	2016	2015
Clearing fund and benefits		
Contributions	100,000	100,000
Benefits	40,043	38,242
	<u>140,043</u>	<u>138,242</u>

18 Assets for clearing system protection and benefits (Cont'd)

Investment managed by TCH

For the year ended 31 December 2016, savings accounts carried interest at rates ranging from 0.25% - 1.00% per annum (2015: from 1.00% - 2.07% per annum).

For the year ended 31 December 2016, fixed deposit accounts carried interest at the rates 0.90% per annum (2015: from 1.00% - 1.25% per annum).

Investments managed by private fund

Investments in private fund are managed by 1 asset management company (2015: 1 company).

The investments policy of private fund is reference to the TCH's regulations in relation to deposits with financial institution and company's investment policies. For the year ended 31 December 2016, the investment in private fund have return rates ranging from 1.54% - 1.60% per annum (2015: from 2.82% - 3.95% per annum).

As at 31 December 2016 and 2015, assets for clearing system protection and benefits payable consist of:

	(Unit : Baht'000)	
	Consolidated	
	2016	2015
Securities Deposit and benefits		
Contributions	877,000	835,000
Benefits (semi-annually distribute to members)	3,283	5,688
	<u>880,283</u>	<u>840,688</u>
Clearing fund and benefits		
Contributions	608,834	536,907
Benefits	92,200	83,766
	<u>701,034</u>	<u>620,673</u>
	<u>1,581,317</u>	<u>1,461,361</u>

19 Deferred income taxes

Statement of Financial Position shows the balance as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
As at 31 December				
Deferred tax assets	2,322	2,026	-	-
Deferred tax liabilities	(44,684)	(1,191)	(44,684)	-
Deferred tax, net	<u>(42,362)</u>	<u>835</u>	<u>(44,684)</u>	<u>-</u>

19 Deferred income taxes (Cont'd)

The gross movement of the deferred income tax account is as follows:

Deferred tax asset:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Opening balance	2,026	2,021	-	-
Charged/(credited) to revenues over expenses	53,501	5	53,481	-
Tax charged/(credited) directly to fund balance	-	-	-	-
Closing balance	<u>55,527</u>	<u>2,026</u>	<u>53,481</u>	<u>-</u>

Deferred tax liabilities:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Opening balance	1,191	1,191	-	-
Charged/(credited) to revenues over expenses	96,698	-	98,165	-
Tax charged/(credited) directly to fund balance	-	-	-	-
Closing balance	<u>97,889</u>	<u>1,191</u>	<u>98,165</u>	<u>-</u>

The movement in deferred tax assets and deferred tax liabilities during the year is as follows:

	(Unit : Baht'000)			
	Consolidated			Total
	Allowance for doubtful accounts	Provision for annual leave	Provision for employee benefits	
Deferred tax assets				
At 1 January 2015				2,021
Charged (credited) to revenues over expenses	2,021 5	- -	- -	2,021 5
At 31 December 2015	2,026	-	-	2,026
Charged (credited) to to revenues over expenses	1,005	4,844	47,652	53,501
At 31 December 2016	<u>3,031</u>	<u>4,844</u>	<u>47,652</u>	<u>55,527</u>

	(Unit : Baht'000)			
	SET			Total
	Allowance for doubtful accounts	Provision for annual leave	Provision for employee benefits	
Deferred tax assets				
At 1 January 2015				-
Charged (credited) to revenues over expenses	-	-	-	-
At 31 December 2015	-	-	-	-
Charged (credited) to revenues over expenses	1,005	4,824	47,652	53,481
At 31 December 2016	<u>1,005</u>	<u>4,824</u>	<u>47,652</u>	<u>53,481</u>

19 Deferred income taxes (Cont'd)

The movement in deferred tax assets and deferred tax liabilities during the year is as follows: (Cont'd)

	(Unit : Baht'000)		
	Consolidated		
	Unrealised gain on revaluation of available-for-sale securities	Unrealised gain on revaluation of trading securities	Total
Deferred tax liabilities			
At 1 January 2015	-	1,191	1,191
Charged (credited) to revenues over expenses	-	-	-
Charged (credited) to components of other comprehensive revenues over expenses	-	-	-
At 31 December 2015	-	1,191	1,191
Charged (credited) to revenues over expenses	97,382	(684)	96,698
Charged (credited) to components of other comprehensive revenues over expenses	-	-	-
At 31 December 2016	97,382	507	97,889
	SET		
	Unrealised gain on revaluation of available-for-sale securities	Unrealised gain on revaluation of trading securities	Total
Deferred tax liabilities			
At 1 January 2015	-	-	-
Charged (credited) to revenues over expenses	-	-	-
Charged (credited) to components of other comprehensive revenues over expenses	-	-	-
At 31 December 2015	-	-	-
Charged (credited) to revenues over expenses	97,382	783	98,165
Charged (credited) to components of other comprehensive revenues over expenses	-	-	-
At 31 December 2016	97,382	783	98,165

20 Accounts payable and accrued expenses

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Accounts payable					
Subsidiaries	7	-	-	139	-
Joint venture entity	7	81	1,300	81	1,300
Other parties		87,268	103,002	83,296	102,547
		87,349	104,302	83,516	103,847
Accrued expenses					
Subsidiaries	7	-	-	5,914	1,331
Joint venture entity	7	9,340	45,285	8,740	45,285
Other parties		934,814	1,076,645	917,335	1,059,459
		944,154	1,121,930	931,989	1,106,075
		1,031,503	1,226,232	1,015,505	1,209,922

21 Other current liabilities

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Dividend payable from registrar services to shareholders	72,942	67,150	-	-
Financial benefits payable	65,775	62,112	-	-
Thai Stock Market Flood Relief Fund	36,775	36,606	36,775	36,606
Other retention payables	35,728	70,959	35,724	70,955
Withholding tax payable	33,305	44,363	10,938	20,299
Provision for employee benefits from accumulated annual leave	24,223	21,878	24,121	21,878
Value added tax payable	18,924	-	18,921	-
Ngoen-Thong-khong-Mee-Kha Fund	11,570	11,568	11,570	11,568
Clearing collateral payable	480	30	-	-
Refund for unalotted TNVDR	-	1,239	-	-
Others	17,599	18,892	12,781	14,656
	<u>317,321</u>	<u>334,797</u>	<u>150,830</u>	<u>175,962</u>

22 Provision for employee benefits

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Statement of financial position				
Retirement benefits	207,353	195,392	207,353	195,392
Other benefits	30,910	31,852	30,910	31,852
	<u>238,263</u>	<u>227,244</u>	<u>238,263</u>	<u>227,244</u>
Expenses charge included in the statement of revenues and expenses				
Retirement benefits	23,598	19,820	23,598	19,820
Other benefits	2,978	3,276	2,978	3,276
	<u>26,576</u>	<u>23,096</u>	<u>26,576</u>	<u>23,096</u>

The amounts recognised in the statement of financial position are determined as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Present value of obligations				
Retirement benefits	207,353	195,392	207,353	195,392
Other benefits	30,910	31,852	30,910	31,852
Liabilities in the statement of financial position	<u>238,263</u>	<u>227,244</u>	<u>238,263</u>	<u>227,244</u>

22 Provision for employee benefits (Cont'd)

The movement in the defined benefit obligation over the year is as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
At 1 January	222,459	203,040	222,459	203,040
Current service costs	18,727	15,945	18,727	15,945
Interest costs	7,849	7,151	7,849	7,151
Remeasurements:				
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	(31,004)	-	(31,004)
(Gain)/loss from change in financial assumptions	-	15,810	-	15,810
Experience (gain)/loss	-	27,688	-	27,688
Change in asset ceiling, excluding amounts included in interest expense	-	-	-	-
	249,035	238,630	249,035	238,630
<u>Less</u> Benefits paid	(10,772)	(11,386)	(10,772)	(11,386)
At 31 December	238,263	227,244	238,263	227,244
<u>Less</u> Current portion	-	(4,785)	-	(4,785)
Total non-current portion	238,263	222,459	238,263	222,459

For the years ended 31 December 2016 and 2015 the amounts recognised in the statement of comprehensive revenues and expense are as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Current service costs	18,727	15,945	18,727	15,945
Interest costs	7,849	7,151	7,849	7,151
	26,576	23,096	26,576	23,096

For the years ended 31 December 2016 and 2015, the principal actuarial assumptions used were as follows:

	2016	2015
Discount rate as of 31 December	3.60%	3.60%
Salary increase rate - permanent employees	5.00% - 10.00%	5.00% - 10.00%
Salary increase rate - contract employees	4.50%	4.50%
Average turnover rate	0.00% - 13.00%	0.00% - 13.00%
Pre-retirement mortality rate	3.00%	3.00%
Retirement age	60 years old	60 years old

22 Provision for employee benefits (Cont'd)

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1 %	1 %	Decrease by 11%	Decrease by 11%	Increase by 13%	Increase by 13%
Salary growth rate	1 %	1 %	Increase by 15%	Increase by 15%	Decrease by 13%	Decrease by 13%
Turnover growth rate	20 %	20 %	Decrease by 8%	Decrease by 8%	Increase by 9%	Increase by 9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 22 years (2015: 22 years).

Expected maturity analysis of undiscounted retirement and other benefits:

	(Unit : Baht'000)			
	Consolidated and SET			
	Within a year	1-5 years	Over 5 years	Total
At 31 December 2016				
Retirement benefits	44	35,618	674,075	709,737
Other benefits	2,382	14,214	50,322	66,918
Total	2,426	49,832	724,397	776,655

	(Unit : Baht'000)			
	Consolidated and SET			
	Within a year	1-5 years	Over 5 years	Total
At 31 December 2015				
Retirement benefits	4,490	20,708	689,028	714,226
Other benefits	3,651	12,673	54,245	70,569
Total	8,141	33,381	743,273	784,795

23 Fund balances

The statement of change in the fund for the years ended 31 December 2016 and 2015 presented as part of the consolidated and entity's financial statements as follows;

(Unit : Baht'000)

	Consolidated							Total
	Fund balances							
	Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	Staff Welfare Fund	Securities Investor Protection Fund	Derivatives Investor Protection Fund	General Fund	
Opening balance at 1 January 2015	2,500,000	300,000	100,000	104,836	428,965	52,190	18,396,044	21,882,035
Other comprehensive revenues and expenses, net of tax	-	-	-	-	-	-	(13,702)	(13,702)
Revenues over expenses	-	-	-	2,956	10,304	1,086	1,368,010	1,382,356
Closing balance at 31 December 2015	2,500,000	300,000	100,000	107,792	439,269	53,276	19,750,352	23,250,689
Opening balance at 1 January 2016	2,500,000	300,000	100,000	107,792	439,269	53,276	19,750,352	23,250,689
Appropriation of general fund	2,040,000	-	-	-	-	-	(2,040,000)	-
Other comprehensive revenues and expenses, net of tax	-	-	-	-	-	-	(61)	(61)
Revenues over expenses	-	-	-	1,748	11,124	764	1,648,252	1,661,888
Closing balance at 31 December 2016	4,540,000	300,000	100,000	109,540	450,393	54,040	19,358,543	24,912,516

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23 Fund balances (Cont'd)

The statement of change in the fund for the years ended 31 December 2016 and 2015 presented as part of the consolidated and entity's financial statements as follows; (Cont'd)

(Unit : Baht'000)

	SET						Total
	Fund balances						
	Securities Clearing Reserve Fund	Derivatives Clearing Reserve Fund	Indemnity Fund	Staff Welfare Fund	Securities Investor Protection Fund	General Fund	
Opening balance at 1 January 2015	2,500,000	300,000	100,000	104,836	428,965	17,492,015	20,925,816
Other comprehensive revenues and expenses, net of tax	-	-	-	-	-	(13,702)	(13,702)
Revenues over expenses	-	-	-	2,956	10,304	1,227,898	1,241,158
Closing balance at 31 December 2015	<u>2,500,000</u>	<u>300,000</u>	<u>100,000</u>	<u>107,792</u>	<u>439,269</u>	<u>18,706,211</u>	<u>22,153,272</u>
Opening balance at 1 January 2016	2,500,000	300,000	100,000	107,792	439,269	18,706,211	22,153,272
Appropriation of general fund	2,040,000	-	-	-	-	(2,040,000)	-
Other comprehensive revenues and expenses, net of tax	-	-	-	-	-	-	-
Revenues over expenses	-	-	-	1,748	11,124	1,438,870	1,451,742
Closing balance at 31 December 2016	<u>4,540,000</u>	<u>300,000</u>	<u>100,000</u>	<u>109,540</u>	<u>450,393</u>	<u>18,105,081</u>	<u>23,605,014</u>

23 Fund balances (Cont'd)

Details of fund balances are as follows:

Securities Clearing Reserve Fund

In 1997, 2013 and 2016, the Board of Governors of the SET approved an appropriation of general funds of Baht 2,000 million, Baht 500 million and Baht 2,040 million, respectively, totalling Baht 4,540 million to the Securities Clearing Reserve Fund, which is operated by a subsidiary of the SET, in order to resolve liquidity risk in the event of default on clearing and settlement from securities trading on SET.

Derivatives Clearing Reserve Fund

In 2004, the Board of Governors of the SET approved an appropriation of general funds of Baht 300 million to the Derivatives Clearing Reserve Fund in order to assure contingent losses from the clearing system of futures contracts at Thailand Clearing House Co., Ltd.

Indemnity Fund

In 1993 and 2002, the Board of Governors of the SET approved appropriations of general funds totalling Baht 100 million to the Indemnity Fund in order to assist and assure the Board of Governors of the SET and those appointed assignees on matters requiring consideration and decisions which may affect or cause damages to other parties.

Staff Welfare Fund

In 1997 and 2004, the Board of Governors of the SET approved appropriations of general funds was Baht 75 million to the Staff Welfare Fund. All benefits earned from this fund are retained in the fund.

Securities Investor Protection Fund

In 2004, the Board of Governors of the SET approved an appropriation of Baht 300 million from broker seat admission fees as an initial fund for the establishment of the Securities Investor Protection Fund (SIPF).

The SIPF was formally established under SIPF regulations on 1 October 2004. The objective of the fund is to protect and build investor confidence in trading listed securities on the SET through the members of the SIPF. As at 31 December 2016, there were 34 SIPF members from securities companies (2015: 34 SIPF members).

The assets of SIPF consist of:

- 1) the initial fund from the SET of Baht 300 million;
- 2) the cumulative membership entrance fees and monthly fees collected from the members; and
- 3) the future benefits generated from investments in the SIPF.

23 Fund balances (Cont'd)

Details of fund balances are as follows: (Cont'd)

Securities Investor Protection Fund (Cont'd)

SIPF will protect the investors' assets which are in the custody of the securities brokers who are members of the SIPF. In the event that the members of the SIPF fail to return the assets to investors, each investor shall be compensated by the SIPF for the related damages at the actual cost, but not exceeding Baht 1 million per SIPF member, in the following cases:

- 1) if any SIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on the SET between investors and any SIPF member, and the arbitrator's award is that the SIPF member shall return the assets to investors, but the SIPF member violates the award.

The protection will not include any losses from securities trading regardless of who makes the investment decision.

The SIPF's financial statements included as part of the consolidated and entity's financial statements are as follows:

	(Unit : Baht'000)	
	Consolidated and SET	
	2016	2015
Assets		
Current assets		
Cash deposits and short-term investments	444,204	414,267
Accrued interest receivable	5,791	5,838
Other current asset	203	341
Total current assets	<u>450,198</u>	<u>420,446</u>
Non-current assets		
Long-term investments	301,334	296,575
Total non-current assets	<u>301,334</u>	<u>296,575</u>
Total assets	<u><u>751,532</u></u>	<u><u>717,021</u></u>
Liabilities and fund balances		
Current liabilities		
Other current liabilities	1,590	10
Total current liabilities	<u>1,590</u>	<u>10</u>
Non-current liabilities		
Contributions from members	213,494	209,627
Benefits on contributions from members	78,790	65,449
Total non-current liabilities	<u>292,284</u>	<u>275,076</u>
Total liabilities	<u>293,874</u>	<u>275,086</u>
Fund balances		
Initial fund	300,000	300,000
Benefits on contributions from SET	157,658	141,935
Total fund balances	<u>457,658</u>	<u>441,935</u>
Total liabilities and fund balances	<u><u>751,532</u></u>	<u><u>717,021</u></u>

23 Fund balances (Cont'd)

Details of fund balances are as follows: (Cont'd)

Securities Investor Protection Fund (Cont'd)

The SIFP's statement of comprehensive revenues and expenses for the years ended 31 December 2016 and 2015 are presented in Note 24 to the financial statements "Results of fund operations".

Derivatives Investor Protection Fund

In 2012 the board of directors of Thailand Futures Exchange Public Company Limited (TFEX), a subsidiary, has a resolution to establish the Derivatives Investor Protection Fund (DIPF) and approved an appropriation of Baht 50 million as an initial fund.

The DIPF was established on 15 November 2012. The objective of the DIPF is to provide protection for derivatives contracts investors in accordance with the rules prescribed by TFEX. Investors need to be protected must become customers of DIPF members and is a Thai natural person, a juristic person incorporated in Thailand who is not an institutional investor under the Derivatives Act B.E. 2546 (2003). As at 31 December 2016, there were 41 DIPF members from security companies (2015: 39 DIPF members).

Assets of the DIPF consist of the Company's initial capital, admission fees and contributions collected from members of the DIPF, and yields or benefits obtained from the proceeds and assets of the DIPF after the deduction of expenses for the operation of the DIPF. At the time of its establishment, the DIPF will have assets worth no less than Baht 100 million, which consists of initial capital of Baht 50 million from the Company and admission fees and contributions from DIPF members in the rest to make the total of Baht 100 million. The Company may collect additional sums of money as it deems necessary and appropriate.

DIPF will protect the investors' assets which are in the custody of the securities brokers who are members of the DIPF. In the event that the members of the DIPF fail to return the assets to investors, each investor shall be compensated by the DIPF for the related damages at the actual cost, but not exceeding Baht 1 million per DIPF member, in the following cases:

- 1) if any DIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on the SET between investors and any DIPF member, and the arbitrator's award is that the DIPF member shall return the assets to investors, but the DIPF member violates the award.

The protection will not include any losses from derivatives trading regardless of who makes the investment decision.

23 Fund balances (Cont'd)

Details of fund balances are as follows: (Cont'd)

Derivatives Investor Protection Fund (Cont'd)

The DIPF's financial statement included as part of the consolidated and entity's financial statements are as follows:

	(Unit : Baht'000)	
	Consolidated	
	2016	2015
Assets		
Current assets		
Cash deposits and short-term investments	81,860	71,947
Contributions from members	460	562
Accrued interest receivable	555	747
Total current assets	82,875	73,256
Total assets	82,875	73,256
Liabilities and fund balances		
Current liabilities		
Income tax payable	257	333
Other current liabilities	-	-
Total current liabilities	257	333
Non-current liabilities		
Contributions from members	27,600	19,000
Benefits on contributions from members	978	647
Total non-current liabilities	28,578	19,647
Total liabilities	28,835	19,980
Fund balances		
Initial fund	50,000	50,000
Benefits on contributions from TFEX	4,040	3,276
Total fund balances	54,040	53,276
Total liabilities and fund balances	82,875	73,256

The DIPF's statement of comprehensive revenues and expenses for the years ended 31 December 2016 and 2015 are presented in Note 24 to the financial statements "Results of fund operations".

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24 Results of fund operations

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows:

	(Unit : Baht'000)				
	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended 31 December 2016					
Revenues					
Operating revenues	-	-	-	5,099,000	5,099,000
Investment income, net	1,748	12,059	1,042	765,113	779,962
Other income	-	-	-	206,984	206,984
Total revenues	1,748	12,059	1,042	6,071,097	6,085,946
Expenses					
Operating expenses	-	87	88	3,693,659	3,693,834
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	401,190	401,190
Income tax expense	-	848	190	327,996	329,034
Total expenses	-	935	278	4,422,845	4,424,058
Revenues over expenses	1,748	11,124	764	1,648,252	1,661,888
Other comprehensive revenues and expense					
Items that will be reclassified subsequently to revenues and expenses					
Share of profit in investments in associates	-	-	-	(11)	(11)
Change in value of available-for-sale investments managed by SET	-	-	-	341,690	341,690
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	4,599	-	-	4,599
Income tax relating to items that will be reclassified subsequently to revenues and expenses	-	-	-	2	2
Total items that will be reclassified subsequently to revenues and expenses	-	4,599	-	341,681	346,280
Items that will not be reclassified subsequently to revenues and expenses					
Remeasurements of post-employment benefits obligations	-	-	-	(61)	(61)
Total items that will not be reclassified to revenues and expenses	-	-	-	(61)	(61)
Total comprehensive revenues and expenses	1,748	15,723	764	1,989,872	2,008,107

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24 Results of fund operations (Cont'd)

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows: (Cont'd)

	(Unit : Baht'000)				
	Consolidated				
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended 31 December 2015					
Revenues					
Operating revenues	-	-	-	4,518,405	4,518,405
Investment income, net	2,956	10,409	1,466	489,058	503,889
Other income	-	-	-	236,779	236,779
Total revenues	2,956	10,409	1,466	5,244,242	5,259,073
Expenses					
Operating expenses	-	105	108	3,334,887	3,335,100
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	401,379	401,379
Income tax expense	-	-	272	139,966	140,238
Total expenses	-	105	380	3,876,232	3,876,717
Revenues over expenses	2,956	10,304	1,086	1,368,010	1,382,356
Other comprehensive revenues and expense					
Items that will be reclassified subsequently to revenues and expenses					
Share of profit in investments in associates	-	-	-	(4)	(4)
Change in value of available-for-sale Investments managed by SET	-	-	-	(215,966)	(215,966)
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	(1,806)	-	-	(1,806)
Income tax relating to items that will be reclassified subsequently to revenue and expense	-	-	-	1	1
Total items that will be reclassified subsequently to revenues and expenses	-	(1,806)	-	(215,969)	(217,775)
Items that will not be reclassified subsequently to revenues and expenses					
Remeasurements of post-employment benefits obligations	-	-	-	(13,702)	(13,702)
Total items that will not be reclassified to revenues and expenses	-	-	-	(13,702)	(13,702)
Total comprehensive revenues and expenses	2,956	8,498	1,086	1,138,339	1,150,879

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24 Results of fund operations (Cont'd)

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows: (Cont'd)

	(Unit : Baht'000)				
		SET			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)	General Fund	Total
For the year ended 31 December 2016					
Revenues					
Operating revenues	-	-	-	2,300,790	2,300,790
Investment income, net	1,748	12,059	-	1,142,681	1,156,488
Other income	-	-	-	1,960,975	1,960,975
Total revenues	1,748	12,059	-	5,404,446	5,418,253
Expenses					
Operating expenses	-	87	-	3,385,849	3,385,936
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	401,190	401,190
Income tax expense	-	848	-	178,537	179,385
Total expenses	-	935	-	3,965,576	3,966,511
Revenues over expenses	1,748	11,124	-	1,438,870	1,451,742
Other comprehensive revenues and expenses					
Items that will be reclassified subsequently to revenues and expenses	-	-	-	-	-
Change in value of available-for-sale investments managed by SET	-	-	-	341,690	341,690
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	4,599	-	-	4,599
Total items that will be reclassified subsequently to revenues and expenses	-	4,599	-	341,690	346,289
Items that will not be reclassified subsequently to revenues and expenses	-	-	-	-	-
Remeasurements of post-employment benefits obligations	-	-	-	-	-
Total items that will not be reclassified subsequently to revenues and expenses	-	-	-	-	-
Total comprehensive revenues and expenses	1,748	15,723	-	1,780,560	1,798,031

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24 Results of fund operations (Cont'd)

Details of the results of fund operations which are included as part of the consolidated and the entity's statement of comprehensive revenues and expenses are as follows: (Cont'd)

	(Unit : Baht'000)				Total
	SET			General Fund	
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	Derivatives Investor Protection Fund (TFEX's portion)		
For the year ended 31 December 2015					
Revenues					
Operating revenues	-	-	-	1,955,884	1,955,884
Investment income, net	2,956	10,409	-	902,455	915,820
Other income	-	-	-	1,798,252	1,798,252
Total revenues	2,956	10,409	-	4,656,591	4,669,956
Expenses					
Operating expenses	-	105	-	3,027,314	3,027,419
Contributions to the Stock Exchange of Thailand Foundation	-	-	-	401,379	401,379
Total expenses	-	105	-	3,428,693	3,428,798
Revenues over expenses	2,956	10,304	-	1,227,898	1,241,158
Other comprehensive revenues and expense					
Items that will be reclassified subsequently to revenues and expenses					
Change in value of available-for-sale investments managed by SET	-	-	-	(215,966)	(215,966)
Change in value of available-for-sale investments from Securities Investor Protection Fund	-	(1,806)	-	-	(1,806)
Total items that will be reclassified subsequently to revenues and expenses	-	(1,806)	-	(215,966)	(217,772)
Items that will not be reclassified subsequently to revenues and expenses					
Remeasurements of post-employment benefits obligations	-	-	-	(13,702)	(13,702)
Total items that will not be reclassified subsequently to revenues and expenses	-	-	-	(13,702)	(13,702)
Total comprehensive revenues and expenses	2,956	8,498	-	998,230	1,009,684

25 Operating revenues

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Trading fees	1,649,855	1,371,622	1,281,627	1,076,551
Stock registrar fees	1,018,481	982,425	-	-
Listing fees	539,130	494,133	539,130	494,133
Member services fees	508,537	466,375	-	-
Clearing fees	497,657	419,887	-	-
Information service fees	340,012	306,962	290,530	250,130
Depository fees	290,297	282,827	-	-
Membership fees	132,570	87,381	67,189	29,361
Customisation and IT support fees	122,461	105,709	122,314	105,709
Fund registrar fees	-	1,084	-	-
	5,099,000	4,518,405	2,300,790	1,955,884

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26 Investment income, net

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2016	2015	2016	2015
Interest income		355,300	503,598	198,858	294,966
<u>Less</u> Interest expense					
Short-term borrowings from subsidiaries	7	-	-	(32,010)	(26,546)
Assets for clearing system protection - members' portion		(147,635)	(203,413)	-	-
Interest income, net		207,665	300,185	166,848	268,420
Dividend income from					
Mutual funds		376,095	111,335	376,095	111,335
Subsidiaries	12	-	-	377,317	438,399
Joint venture entity	13	-	-	8,497	-
Associates	13	-	-	31,487	9,446
Private fund		61	18	35	10
Other entities		29,231	2,535	29,231	2,535
Realised gain from investments		191,705	67,265	191,436	65,943
Unrealised gain (loss) from investments		(37,896)	10,426	(36,517)	9,073
Reversals of impairment loss		-	250	-	250
		<u>766,861</u>	<u>492,014</u>	<u>1,144,429</u>	<u>905,411</u>

27 Other income

	(Unit : Baht'000)				
	Consolidated		SET		
	2016	2015	2016	2015	
Educational activities income		72,737	53,757	72,737	53,757
Revenues from fees and management funds		24,513	22,099	-	-
Fines		21,198	11,139	13,094	7,859
Service income		16,237	13,566	1,840,240	1,643,421
Rental & utilities revenue		12,524	11,471	12,524	11,471
Revenues from marketing event		3,355	34,214	3,355	34,214
Transfer rights of membership		1,200	18,500	-	18,000
Other income		29,389	39,919	19,025	29,530
		<u>181,153</u>	<u>204,665</u>	<u>1,960,975</u>	<u>1,798,252</u>

28 Employee benefit expenses

	(Unit : Baht'000)				
	Consolidated		SET		
	2016	2015	2016	2015	
Management					
Salaries and other benefits		173,781	162,066	173,781	162,066
Contributions to provident fund		9,695	10,003	9,695	10,003
		<u>183,476</u>	<u>172,069</u>	<u>183,476</u>	<u>172,069</u>
Other employees					
Salaries and other benefits		1,219,853	1,138,378	1,210,988	1,138,478
Contributions to provident fund		62,445	61,476	61,869	61,476
		<u>1,282,298</u>	<u>1,199,854</u>	<u>1,272,857</u>	<u>1,199,954</u>
		<u>1,465,774</u>	<u>1,371,923</u>	<u>1,456,333</u>	<u>1,372,023</u>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3.00% to 15.00% of their basic salaries and by the Group at the rate of 10.00% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

29 SEC fees

The Securities and Exchange Act B.E. 2535 requires the SET to pay to the SEC at a rate as determined by the Board of the SEC.

In 2013, the Board of the SEC has approved to charge SET for the year 2014 - 2016 (for the period of 3 years) as follows:

1. Charge at the rate of 0.002% of trading value of the year, and
2. Charge on total equity of listing companies who have never issued securities for sale under the approval of the SEC, at the same rate that the SEC charge from listed companies who issued securities and submit report to the SEC according to clause 56 of the SEC Act.

However, if there is an event changes or problems of implementation during the period, terms and conditions may be revised.

The Board of the SEC also required Thailand Future Exchange Public Company Limited (subsidiary) to pay the fee of derivatives trading exchange. The rate for year 2014 - 2016 is Baht 2 million per annum.

30 Other expenses

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Fees and compensation expenses	75,958	58,752	75,838	55,231
Travelling and vehicle expenses	30,386	34,532	30,386	34,531
Contributions to capital market institutions	26,465	28,120	36,367	28,120
Institution membership fees	4,982	4,228	4,207	3,483
Meeting expenses	3,884	3,721	3,786	3,704
Entertainment expenses	2,052	2,491	2,127	2,491
Other expenses	9,070	11,518	8,121	8,982
	<u>152,797</u>	<u>143,362</u>	<u>160,832</u>	<u>136,542</u>

31 Income tax expense

According to the Director-General of the Revenue Department's Notification (No. 271) on Income Tax, SET has been defined as a company or juristic partnership under section 39 of the Revenue Code. As a result, SET will have to be responsible for corporate income tax effective on 9 August 2016, starting from the day after the announcement in The Royal Thai Government Gazette onwards.

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Current income tax				
Current income tax	284,799	139,700	133,853	-
Total current income tax	<u>284,799</u>	<u>139,700</u>	<u>133,853</u>	<u>-</u>
Deferred income tax				
Origination and reversal of temporary differences	43,197	266	44,684	-
Total deferred income tax	<u>43,197</u>	<u>266</u>	<u>44,684</u>	<u>-</u>
Total income tax	<u>327,996</u>	<u>139,966</u>	<u>178,537</u>	<u>-</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Thailand basic tax rate as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Revenues over expenses before income tax expense	1,989,884	1,522,322	1,630,279	1,241,158
Tax calculated at a tax rate of 20% (2015: 20%)	397,977	304,464	326,056	248,232
Income not subject to tax	(17,417)	(439)	(15,931)	-
Expenses not deductible for tax purposes	86,005	1,242	85,418	-
Eliminated transaction between related party, net of income tax	78,285	83,148	-	-
Revenues over expenses - The Stock Exchange of Thailand, net of income tax	(262,288)	(248,232)	(262,288)	(248,232)
Revenues over expenses - Securities/Derivatives Investor Protection Fund, net of income tax	(2,377)	(217)	(2,225)	-
Adjustment of deferred tax not recognised in respect of prior year	47,811	-	47,507	-
Income tax	<u>327,996</u>	<u>139,966</u>	<u>178,537</u>	<u>-</u>

The weight average applicable tax rate was 16.48% (2015: 9.19%).

32 Commitments with non-related parties

	(Unit : Baht'000)			
	Consolidated		SET	
	2016	2015	2016	2015
Capital commitments				
Buildings and other constructions	-	-	-	-
Computer and software	-	20,680	-	20,680
	-	20,680	-	20,680
Non-cancellable operating lease commitments				
Within one year	14,269	11,207	14,269	11,207
After one year but within five years	28,092	19,516	28,092	19,516
	42,361	30,723	42,361	30,723
Land lease commitments				
Within one year	15,679	13,525	15,679	13,525
After one year but within five years	62,716	47,037	62,716	47,037
Over five years	111,957	143,315	111,957	143,315
	190,352	203,877	190,352	203,877
System maintenance commitments				
Within one year	54,724	55,106	54,724	55,106
After one year but within five years	77,525	133,172	77,525	133,172
	132,249	188,278	132,249	188,278

Moreover, the SET has an obligation to capital commitment subscription in one specific-purpose fund (Note 9). Fund invested directly in energy, alternative a renewable energy firms and businesses that support the government's energy policies. The Asset Management Company will make additional investments from the SET amounting to Baht 18.4 million unless the payment was made in the full amount of capital commitment subscription of due in terms of the 10 years (3 August 2017).

33 Fair value

33.1 Fair value estimation

The fair value of the financial instruments are defined into the following three different levels by valuation method as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2016.

(Unit : Baht'000)				
Consolidated				
2016				
	Level 1	Level 2	Level 3	Total
- Trading securities	-	8,880,845	-	8,880,845
- Available-for-sales	811,461	7,833,520	-	8,644,981
- Held-to-maturity debt securities	-	650,882	-	650,882
Total	811,461	17,365,247	-	18,176,708

(Unit : Baht'000)				
SET				
2016				
	Level 1	Level 2	Level 3	Total
- Trading securities	-	7,828,762	-	7,828,762
- Available-for-sales	811,461	7,833,520	-	8,644,981
- Held-to-maturity debt securities	-	650,882	-	650,882
Total	811,461	16,313,164	-	17,124,625

33 Fair value (Cont'd)

33.1 Fair value estimation (Cont'd)

The following table presents the Group's financial assets and liabilities that are not measured at fair value at 31 December 2016.

	(Unit : Baht'000)			
	Consolidated			
	2016			
	Level 1	Level 2	Level 3	Total
- Held-to-maturity debt securities	-	1,602,741	-	1,602,741
- General investments	-	27,889	12,336	40,225
Total	-	1,630,630	12,336	1,642,966

	(Unit : Baht'000)			
	SET			
	2016			
	Level 1	Level 2	Level 3	Total
- Held-to-maturity debt securities	-	1,594,187	-	1,594,187
- General investments	-	27,889	12,336	40,225
Total	-	1,622,076	12,336	1,634,412

There was no transfers between Levels 1 and 2 during the year.

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, cash at banks for financial benefits payable, assets for margin deposits and benefits, accounts receivable, accrued interest receivable, deposits and other benefits in assets for clearing system protection, deposits and other benefits in Securities Investor Protection Fund, deposits and other benefits in Derivatives Investor Protection Fund, accounts payable and short-term borrowings from subsidiaries.

The management believes that the fair value of the Group's financial assets and liabilities does not materially differ from their carrying value.

33 Fair value (Cont'd)

33.1 Fair value estimation (Cont'd)

Valuation techniques used to derive Level 1 fair values

Available-for-sale securities presented as long-term investments and Securities Investor Protection Fund. The fair value of investments is measured by using last bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand.

Valuation techniques used to derive Level 2 fair values

Available-for-sale securities presented as short-term investments, long-term investments, Securities Investor Protection Fund and general investments, which are short-term. General investments comprise of investments in specific-purpose funds in two open-ended venture capital funds. The fair value of investments is measured by using last bid price at the close of business on the statement of financial position date by reference to the Association of Investment Management Companies.

Held-to-maturity debt securities and trading securities include fixed deposit accounts, bonds and debentures. The fair value of fixed deposit accounts, which is in Level 2, is measured by using discounted cash flows based on each contract with an average yield of 4 commercial banks. The fair value of bonds and debentures are measured by using the bid yield of debt securities published in the Thai Bond Market Association at the end of the date in the statement of financial position.

Valuation techniques used to derive Level 3 fair values

As the Group has a general investment in limited companies which the Group's shareholding was insignificant, the Group has no controlling and decision making power in the invested companies resulting in difficulty in obtaining the information to support the fair value valuation in practice. These investments are not in the stock exchange and do not have any market prices which can be used as fair value. The Group also do not have any plan for selling these investments, so the Group did not assess the fair value for the general investment. Therefore, the Group cannot disclose the fair value of the general investment in the notes to the financial statements and have stated these investments at cost net allowance for impairment (if any).

34 Litigation and contingent liabilities

34.1 Litigation

34.1.1 SET

In 2012, the Group sued the insurance group for the fire damages of the Stock Exchange of Thailand building (old building) in 2010. The Group has been seeking compensation for the damages under the insurance contract and coverage amounting to Baht 123 million combined with interest rate at 7.50% per annum. The case was dismissed by the civil court and the appeal court on 30 September 2013 and 14 November 2014, respectively. The Group then filed petitions to the supreme court. As at 31 December 2016, the case was still under the consideration of the supreme court. The outcome of the case has not presently been finalised. Therefore, the Group has not recorded any potential income in the financial statements for the years ended 31 December 2016 and 2015.

34 Litigation and contingent liabilities (Cont'd)

34.2 Contingent liabilities

34.2.1 SET

As at 31 December 2016, the SET has letters of guarantee issued by banks totalling Baht 6.99 million (2015: Baht 6.99 million) in respect of electricity usage in the ordinary course of business from which management anticipates that no material liabilities will arise.

The SET has issued a letter of comfort to a bank in respect of an overdraft credit line of Baht 2,400 million (2015: Baht 2,400 million) granted to Thailand Clearing House Co., Ltd. (TCH), a subsidiary, for clearing and settlement of equity instruments and derivatives. Under the terms of the letter of comfort, the SET is required to maintain its shareholding at 99.99% of the registered share capital in TCH to the end of the credit period. In addition, the SET is required to support TCH's operations to ensure its ability to repay the debt to the bank. As at 31 December 2016, TCH had not drawn down the overdraft credit line.

34.2.2 Subsidiaries

34.2.2.1 During 2009, the subsidiary was sued in a civil lawsuit, jointly with certain individuals and juristic persons/entities, for alleged wrongful acts.

On 22 December 2015 the supreme court ordered the subsidiary and all related parties to jointly return shares to the plaintiff; or if such return is not possible, to pay to the plaintiff the share price at the amount equal to the trading price of such shares on the date of payment, plus dividend which the plaintiff was entitled to, totaling Baht 318.68 million.

The Group has insurance coverage for professional liability (Financial Institutional Professional Indemnity Insurance), which could cover the liability for this case. In year 2016, the insurance company has confirmed responsibility for the compensation amount of Baht 106.23 million. On 18 February 2016, the insurance company paid such amount to the plaintiff.

The subsidiary did not record any potential loss in the financial statement for the year ended 31 December 2016 and 2015.

34.2.2.2 On 6 January 2014, the subsidiary was sued in a civil lawsuit as joint defendant, together with other individuals and juristic persons/entities, related to the performance of certain investment consultants from member which caused damage to the plaintiff. The claimed amount supposed to be jointly responsible for was Baht 0.96 million. On 5 October 2016, the supreme court dismissed this case.

The subsidiary did not record any potential loss in the financial statements for the year ended 31 December 2016 and 2015.

34.2.2.3 On 30 April 2015, the subsidiary and its employee were sued in a civil lawsuit as joint defendant, together with juristic entities, related to performance of duties of the subsidiary's employee which caused damage to the plaintiff. The claimed amount supposed to be jointly responsible for was Baht 1.48 million. On 23 February 2016, the plaintiff withdrew the case from civil court.

The subsidiary did not record any potential loss in the financial statements for the year ended 31 December 2016 and 2015.