

Trinity Watthana Public Company Limited  
and its subsidiaries  
Review report and interim consolidated financial statements  
For the three-month and nine-month periods ended  
30 September 2019

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Trinity Watthana Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Trinity Watthana Public Company Limited and its subsidiaries as at 30 September 2019, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate interim financial information of Trinity Watthana Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As described in Note 13 to the interim consolidated financial statements, on 1 July 2019 the Company entered into Shareholder Agreement of Tree Money Holding Company Limited with an individual, to invest in 215,000 newly-issued ordinary shares at a par value of Baht 100 each of such company for Baht 21.5 million, representing 30.07% of the issued and paid-up share capital of such company after the capital increase. The Company decided that under the terms of the Shareholder Agreement, this company is jointly controlled by the Company and the individual, and the Company therefore presents the investment in this company as investment in joint venture. The joint venture is principally engaged in investment in other companies. As of 1 July 2019, the joint venture had 12 subsidiaries that are principally engaged in the provision of pico finance services in 4 provinces, and one subsidiary that is principally engaged in the provision of related services. During the third quarter of 2019, the joint venture incorporated 6 new subsidiaries, which are in the process of applying for permits to operate pico finance business in 2 provinces. Providers of pico finance require permission from and are under the supervision of the Ministry of Finance, and are required to strictly comply with the related rules and conditions in the announcements issued by the Ministry of Finance and the Fiscal Policy Office.

As of 30 September 2019, the consolidated and separate statements of financial position presented investment in joint venture under the equity method amounting to Baht 22.7 million, with share of profit from investment in this joint venture amounting to Baht 1.2 million presented in the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended. As described in Note 3 to the interim consolidated financial statements, as at 30 September 2019, the Company had outstanding balances relating to short-term loans to this joint venture and accrued interest income of Baht 70 million and Baht 0.5 million, respectively. Moreover, the Company had interest income from loans to this joint venture amounting to Baht 1.2 million, as presented in the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended. At present, this joint venture has not yet appointed an auditor for the year 2019. The investment in and share of profit from this joint venture accounted for under the equity method was therefore valued based on the joint venture's management accounts. I was unable to apply other review procedures to reach a conclusion regarding the financial position and the financial performance of the joint venture, including the recoverable amount of short-term loans to joint venture and accrued interest income. I was also unable to apply review procedures to reach a conclusion regarding compliance of the joint venture's subsidiaries with the operating regulations under relevant announcements of the Ministry of Finance and the Fiscal Policy Office. I was therefore unable to

conclude whether and to what extent it is necessary to adjust the values of investment in joint venture under the equity method, short-term loans to joint venture and accrued interest income and share of profit from investment in joint venture, and this constitutes a limitation imposed by circumstance.

### **Qualified Conclusion**

Based on my review, except for the possible effects of the matter as described in the *Basis for Qualified Conclusion* section, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

### **Emphasis of Matter**

I draw attention to Note 13 to the interim consolidated financial statements regarding the investing in joint venture by the Company as described in the *Basis for Qualified Conclusion* section. At present, the Company is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the investing date of such joint venture. My conclusion is not qualified in respect of this matter.

Sumana Punpongsanon  
Certified Public Accountant (Thailand) No. 5872

EY Office Limited  
Bangkok: 14 November 2019

Trinity Watthana Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	57,652	49,997	2,880	6,926
Current investments	5	774,925	399,218	252,527 #	108,512
Receivables from Clearing House and broker - dealers	6	14,449	45,770	-	-
Securities and derivatives business receivables	7	1,785,227	2,248,531	-	-
Derivatives assets		5,374	299	1,479	-
Other receivables	3, 9	32,259	25,096	108,057	26,648
Current portion long-term loans to other	10	15,000	20,000	15,000	20,000
Short-term loans to subsidiaries	3	-	-	16,000	1,000
Short-term loans to joint venture	3	70,000	-	70,000	-
Short-term loans to others	10	757,733	582,848	757,733	582,848
Other current assets		14,628	10,397	2,055	1,249
<b>Total current assets</b>		<b>3,527,247</b>	<b>3,382,156</b>	<b>1,225,731</b>	<b>747,183</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	1,561,256	1,550,134
Investment in associate	12	3,169	3,278	3,169	3,278
Investment in joint venture	13	22,743	-	22,743	-
Other long-term investments	5	301,216	320,062	170,800	77,300
Long-term loans to other - net of current portion	10	-	10,000	-	10,000
Premises improvement and equipment	14	28,489	26,491	2,376	3,255
Goodwill		50,865	50,865	-	-
Intangible assets	15	10,060	9,743	-	-
Deferred tax assets		55,328	46,357	27,930	25,114
Other non-current assets		74,493	73,201	153	499
<b>Total non-current assets</b>		<b>546,363</b>	<b>539,997</b>	<b>1,788,427</b>	<b>1,669,580</b>
<b>Total assets</b>		<b>4,073,610</b>	<b>3,922,153</b>	<b>3,014,158</b>	<b>2,416,763</b>

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

Trinity Watthana Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	16	740,000	1,050,000	-	-
Payables to Clearing House and broker - dealers		182,524	10,093	-	-
Securities and derivatives business payables	17	67,367	111,947	-	-
Derivatives liabilities		3,686	-	-	-
Other payables	3, 18	56,154	88,915	87,026	12,309
Current portion of liabilities under finance lease agreements		971	544	-	-
Other short-term borrowings	16	539,748	439,902	499,796	-
Short-term unsecured debentures	16	541,000	591,100	541,000	591,100
Short-term loans from subsidiaries	3	-	-	11,345	241,250
Income tax payable		4,564	4,039	-	-
Other current liabilities		8,982	20,252	956	4,583
<b>Total current liabilities</b>		<b>2,144,996</b>	<b>2,316,792</b>	<b>1,140,123</b>	<b>849,242</b>
<b>Non-current liabilities</b>					
Long-term unsecured debentures	16	338,500	-	338,500	-
Liabilities under finance lease agreements - net of current portion		3,665	2,419	-	-
Provision for long-term employee benefits		50,374	35,304	1,573	1,034
Provision for transaction under equity method of investment in subsidiary	11	-	-	815	978
Other non-current liabilities		20,853	15,476	17,925	13,347
<b>Total non-current liabilities</b>		<b>413,392</b>	<b>53,199</b>	<b>358,813</b>	<b>15,359</b>
<b>Total liabilities</b>		<b>2,558,388</b>	<b>2,369,991</b>	<b>1,498,936</b>	<b>864,601</b>
<b>Shareholders' equity</b>					
Share capital	19				
Registered					
326,243,191 ordinary shares of Baht 5 each		1,631,216	1,631,216	1,631,216	1,631,216
Issued and fully paid-up					
199,188,966 ordinary shares of Baht 5 each (31 December 2018: 198,198,234 ordinary shares of Baht 5 each)		995,945	990,991	995,945	990,991
Share premium		289,166	289,166	289,166	289,166
Capital reserve for share-based payment transactions	20.2	6,880	4,789	6,880	4,789
Advance received from share subscription		-	4,920	-	4,920
Retained earnings					
Appropriated - statutory reserve		68,629	66,944	68,629	66,944
Unappropriated		194,756	219,686	194,756	219,686
Other components of shareholders' equity	5.2	(40,154)	(24,334)	(40,154)	(24,334)
<b>Total shareholders' equity</b>		<b>1,515,222</b>	<b>1,552,162</b>	<b>1,515,222</b>	<b>1,552,162</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,073,610</b>	<b>3,922,153</b>	<b>3,014,158</b>	<b>2,416,763</b>
		-	-	-	-

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

Directors

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(Unaudited but reviewed)

Trinity Watthana Public Company Limited and its subsidiaries  
Statement of comprehensive income  
For the three-month period ended 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Advisory fees		16,850	5,630	-	-
Securities business income	21	81,238	91,292	-	-
Derivatives business income		5,964	4,965	-	-
Gain on securities trading	5.3	-	34,690	-	16,625
Gain on derivatives trading		19,904	-	-	831
Interest and dividend income		19,952	10,066	18,987	8,847
Management service income	3	63	62	3,600	3,600
Other income		780	2,241	62	50
<b>Total revenues</b>		<b>144,751</b>	<b>148,946</b>	<b>22,649</b>	<b>29,953</b>
<b>Expenses</b>					
Operating and administrative expenses					
Personnel expenses		54,055	83,805	7,093	10,053
Depreciation and amortisation		3,210	3,014	296	296
Fee and service expenses		16,736	14,416	1,506	1,256
Doubtful accounts		-	1,233	-	-
Other expenses		19,140	18,630	1,130	362
Loss on securities trading	5.3	30,344	-	21,246	-
Loss on derivatives trading		-	149	679	-
<b>Total expenses</b>		<b>123,485</b>	<b>121,247</b>	<b>31,950</b>	<b>11,967</b>
<b>Profit (loss) before share of profit from investments in subsidiaries, associate and joint venture, finance cost and income tax</b>		<b>21,266</b>	<b>27,699</b>	<b>(9,301)</b>	<b>17,986</b>
Share of profit from investments in subsidiaries	11.2	-	-	19,054	2,433
Share of profit from investment in associate	12.2	176	185	176	185
Share of profit from investment in joint venture	13.2	1,243	-	1,243	-
<b>Profit before finance cost and income tax</b>		<b>22,685</b>	<b>27,884</b>	<b>11,172</b>	<b>20,604</b>
Finance cost		(16,161)	(10,638)	(9,225)	(4,424)
<b>Profit before income tax</b>		<b>6,524</b>	<b>17,246</b>	<b>1,947</b>	<b>16,180</b>
Income tax revenue (expense)	22	(814)	(4,356)	3,763	(3,290)
<b>Profit for the period</b>		<b>5,710</b>	<b>12,890</b>	<b>5,710</b>	<b>12,890</b>

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



(Unaudited but reviewed)

**Trinity Watthana Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the three-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		2019	2018	2019	2018
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on re-measuring available-for-sale investments		(23,436)	6,495	(5,000)	6,000
Income tax effect	22	4,687	(1,299)	1,000	(1,200)
Gain (loss) on re-measuring available-for-sale investments - net income tax	5.2	(18,749)	5,196	(4,000)	4,800
Share of other comprehensive income from investments in subsidiaries	5.2, 11.2	-	-	(14,749)	396
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net income tax		(18,749)	5,196	(18,749)	5,196
<b>Total comprehensive income for the period</b>		<u>(13,039)</u>	<u>18,086</u>	<u>(13,039)</u>	<u>18,086</u>
<b>Earnings per share</b>	23				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht/share)		<u>0.029</u>	<u>0.065</u>	<u>0.029</u>	<u>0.065</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company (Baht/share)			<u>0.060</u>		<u>0.060</u>

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

(Unaudited but reviewed)

## Trinity Watthana Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Advisory fees		27,900	10,420	-	-
Securities business income	21	250,763	343,510	-	-
Derivatives business income		14,583	15,099	-	-
Gain on securities trading	5.3	5,019	50,006	-	21,942
Gain on derivatives trading		29,742	25,216	-	4,595
Interest and dividend income		50,427	24,385	46,448	23,744
Management service income	3	538	537	10,800	10,800
Other income		4,861	5,189	2,211	449
<b>Total revenues</b>		<b>383,833</b>	<b>474,362</b>	<b>59,459</b>	<b>61,530</b>
<b>Expenses</b>					
Operating and administrative expenses					
Personnel expenses		198,900	249,494	23,826	35,697
Depreciation and amortisation		9,695	9,261	879	879
Fee and service expenses		44,390	51,059	4,340	4,820
Doubtful accounts		-	11,015	-	-
Other expenses		56,410	57,436	3,058	1,478
Loss on securities trading	5.3	-	-	12,427	-
Loss on derivatives trading		-	-	222	-
<b>Total expenses</b>		<b>309,395</b>	<b>378,265</b>	<b>44,752</b>	<b>42,874</b>
<b>Profit before share of profit from investments in subsidiaries, associate and joint venture, finance cost and income tax</b>					
Share of profit from investments in subsidiaries	11.2	-	-	27,480	46,200
Share of profit from investment in associate	12.2	391	417	391	417
Share of profit from investment in joint venture	13.2	1,243	-	1,243	-
<b>Profit before finance cost and income tax</b>		<b>76,072</b>	<b>96,514</b>	<b>43,821</b>	<b>65,273</b>
Finance cost		(46,717)	(35,324)	(21,455)	(17,357)
<b>Profit before income tax</b>		<b>29,355</b>	<b>61,190</b>	<b>22,366</b>	<b>47,916</b>
Income tax revenue (expense)	22	(5,491)	(13,889)	1,498	(615)
<b>Profit for the period</b>		<b>23,864</b>	<b>47,301</b>	<b>23,864</b>	<b>47,301</b>

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

(Unaudited but reviewed)

**Trinity Watthana Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Loss on re-measuring available-for-sale investments		(19,775)	(8,879)	(6,500)	(9,000)
Income tax effect	22	3,955	1,776	1,300	1,800
Loss on re-measuring available-for-sale investments - net income tax	5.2	(15,820)	(7,103)	(5,200)	(7,200)
Share of other comprehensive income from investments in subsidiaries	5.2, 11.2	-	-	(10,620)	97
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net income tax		(15,820)	-7,103	(15,820)	-7,103
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(9,091)	-	(92)	-
Income tax effect	22	1,818	-	18	-
Actuarial loss - net income tax		(7,273)	-	(74)	-
Share of other comprehensive income from investments in subsidiaries	11.2	-	-	(7,199)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net income tax		(7,273)	-	(7,273)	-
<b>Other comprehensive income for the period</b>		<b>(23,093)</b>	<b>(7,103)</b>	<b>(23,093)</b>	<b>(7,103)</b>
<b>Total comprehensive income for the period</b>		<b>771</b>	<b>40,198</b>	<b>771</b>	<b>40,198</b>
<b>Earnings per share</b>					
23					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht/share)		0.120	0.240	0.120	0.240
Diluted earnings per share					
Profit attributable to equity holders of the Company (Baht/share)			0.227		0.227

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

(Unaudited but reviewed)

## Trinity Watthana Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

Consolidated financial statements								
			Capital reserve	Advance received	Retained earnings		Other components of shareholders' equity	
	Issued and fully paid-up share capital	Share premium	for share-based payment transactions	from share subscription	Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
Note							Loss on re-measuring available-for-sale investments	Total
<b>Balance as at 1 January 2018</b>	987,477	288,886	-	-	65,224	265,923	(3,304)	1,604,206
Profit for the period	-	-	-	-	-	47,301	-	47,301
Other comprehensive income for the period	-	-	-	-	-	-	(7,103)	(7,103)
Total comprehensive income for the period	-	-	-	-	-	47,301	(7,103)	40,198
Share-based payment transactions	20.2	-	3,739	-	-	-	-	3,739
Capital increase from exercise of warrants	-	1,855	(31)	-	-	-	-	1,949
Advance received from share subscription	-	-	-	1,774	-	-	-	1,774
Dividend paid	25	-	-	-	-	(112,617)	-	(112,617)
Appropriation of retained earnings	-	-	-	-	1,720	(1,720)	-	-
<b>Balance as at 30 September 2018</b>	<b>989,332</b>	<b>289,011</b>	<b>3,708</b>	<b>1,774</b>	<b>66,944</b>	<b>198,887</b>	<b>(10,407)</b>	<b>1,539,249</b>
<b>Balance as at 1 January 2019</b>	990,991	289,166	4,789	4,920	66,944	219,686	(24,334)	1,552,162
Profit for the period	-	-	-	-	-	23,864	-	23,864
Other comprehensive income for the period	-	-	-	-	-	(7,273)	(15,820)	(23,093)
Total comprehensive income for the period	-	-	-	-	-	16,591	(15,820)	771
Share-based payment transactions	20.2	-	2,091	-	-	-	-	2,091
Capital increase from exercise of warrants	19	4,954	-	(4,920)	-	-	-	34
Dividend paid	25	-	-	-	-	(39,836)	-	(39,836)
Appropriation of retained earnings	-	-	-	-	1,685	(1,685)	-	-
<b>Balance as at 30 September 2019</b>	<b>995,945</b>	<b>289,166</b>	<b>6,880</b>	<b>-</b>	<b>68,629</b>	<b>194,756</b>	<b>(40,154)</b>	<b>1,515,222</b>
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Trinity Watthana Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

## Separate financial statements

	Note						Other components of shareholders' equity				Total
		Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Advance received from share subscription	Retained earnings		Other comprehensive income			
						Appropriated - statutory reserve	Unappropriated	Loss re-measuring available-for-sale investments	Share of other comprehensive income from subsidiaries	Total other compensative of shareholder's equity	
<b>Balance as at 1 January 2018</b>		987,477	288,886	-	-	65,224	265,923	(3,573)	269	(3,304)	1,604,206
Profit for the period		-	-	-	-	-	47,301	-	-	-	47,301
Other comprehensive income for the period		-	-	-	-	-	-	(7,200)	97	(7,103)	(7,103)
Total comprehensive income for the period		-	-	-	-	-	47,301	(7,200)	97	(7,103)	40,198
Share-based payment transactions	20.2	-	-	3,739	-	-	-	-	-	-	3,739
Capital increase from exercise of warrants		1,855	125	(31)	-	-	-	-	-	-	1,949
Advance received from share subscription		-	-	-	1,774	-	-	-	-	-	1,774
Dividend paid	25	-	-	-	-	-	(112,617)	-	-	-	(112,617)
Appropriation of retained earnings		-	-	-	-	1,720	(1,720)	-	-	-	-
<b>Balance as at 30 September 2018</b>		<u>989,332</u>	<u>289,011</u>	<u>3,708</u>	<u>1,774</u>	<u>66,944</u>	<u>198,887</u>	<u>(10,773)</u>	<u>366</u>	<u>(10,407)</u>	<u>1,539,249</u>
<b>Balance as at 1 January 2019</b>		990,991	289,166	4,789	4,920	66,944	219,686	(15,173)	(9,161)	(24,334)	1,552,162
Profit for the period		-	-	-	-	-	23,864	-	-	-	23,864
Other comprehensive income for the period		-	-	-	-	-	(7,273)	(5,200)	(10,620)	(15,820)	(23,093)
Total comprehensive income for the period		-	-	-	-	-	16,591	(5,200)	(10,620)	(15,820)	771
Share-based payment transactions	20.2	-	-	2,091	-	-	-	-	-	-	2,091
Capital increase from exercise of warrants	19	4,954	-	-	(4,920)	-	-	-	-	-	34
Dividend paid	25	-	-	-	-	-	(39,836)	-	-	-	(39,836)
Appropriation of retained earnings		-	-	-	-	1,685	(1,685)	-	-	-	-
<b>Balance as at 30 September 2019</b>		<u>995,945</u>	<u>289,166</u>	<u>6,880</u>	<u>-</u>	<u>68,629</u>	<u>194,756</u>	<u>(20,373)</u>	<u>(19,781)</u>	<u>(40,154)</u>	<u>1,515,222</u>
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

## Trinity Watthana Public Company Limited and its subsidiaries

## Cash flow statement

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before tax	29,355	61,190	22,366	47,916
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	9,695	9,261	879	879
Long-term employee benefit expenses	5,979	5,066	447	194
Doubtful accounts	-	11,015	-	-
Share of profit from investments in subsidiaries	-	-	(27,480)	(46,200)
Share of profit from investment in associate	(391)	(417)	(391)	(417)
Share of profit from investment in joint venture	(1,243)	-	(1,243)	-
Unrealised loss (gain) on revaluation of investments in trading securities	10,723	954	(3,514)	(116)
Gain on sales of available-for-sale investments	(4,235)	(2,440)	-	-
Gain on recalcification of investments	(8,582)	-	-	-
Loss from changing in fair value of borrowing securities	14	-	-	-
Expenses for share-based payment transactions	2,091	3,739	467	835
Gain on disposal and write-off of equipment	(604)	(778)	-	-
Interest and dividend income	(81,505)	(47,307)	(46,448)	(23,744)
Interest expenses	46,717	35,324	21,455	17,357
Profit (loss) from operating activities before changes in operating assets and liabilities	8,014	75,607	(33,462)	(3,296)
Operating assets (increase) decrease				
Current investments	(274,159)	13,860	(140,501)	(70,572)
Receivables from Clearing House and broker - dealers	31,321	39,025	-	-
Securities and derivatives business receivables	463,304	511,276	-	-
Other receivables	(740,090)	(253)	(79,149)	27,488
Derivatives assets	(5,075)	-	(1,479)	-
Short-term loans to joint venture	(70,000)	-	(70,000)	-
Loans to others	(159,885)	(187,298)	(159,885)	(187,298)
Other current assets	(3,311)	2,628	(242)	(359)
Other non-current assets	(1,291)	(17,547)	145	(547)
Operating liabilities increase (decrease)				
Payables to Clearing House and broker - dealers	172,431	31,559	-	-
Securities and derivatives business payables	(44,566)	(150,346)	-	-
Other payables	(30,062)	7,177	71,163	15,330
Derivatives liabilities	3,686	-	-	-
Other current liabilities	(11,270)	2,952	(3,627)	2,943
Other non-current liabilities	5,377	1,223	4,577	2,180
Cash from (used in) operating activities	(655,576)	329,863	(412,460)	(214,131)
Cash received from interest and dividend	812,432	45,474	42,188	19,764
Cash paid for interest expenses	(41,731)	(35,701)	(17,901)	(19,873)
Cash received (paid) for income tax	(9,083)	(32,069)	(362)	220
<b>Net cash flows from (used in) operating activities</b>	<b>106,042</b>	<b>307,567</b>	<b>(388,535)</b>	<b>(214,020)</b>

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

## **Trinity Watthana Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2019**

#### **1. General information**

1.1 Trinity Watthana Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment in other companies, listed companies and derivatives, and lending. The registered office of the Company is at No.179/111, 26th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

1.2 The Company invests 99.9% of the registered share capital of Trinity Securities Company Limited, a subsidiary, which operates its business in Thailand and undertakes securities businesses licenses, as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Securities underwriting
5. Securities borrowing and lending
6. Private fund asset management
7. Financial advisory
8. Derivatives agent

The registered office of the subsidiary is at No.179, 25th-26th, 29th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

As at 31 December 2019, the subsidiary has 7 branches (2018: 7 branches).

#### **2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in conjunction with the Notifications of the Office of the Securities and Exchange Commission. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Trinity Watthana Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
			(%)	(%)
Trinity Securities Company Limited	Securities business	Thailand	99.9	99.9
Trinity Advisory 2001 Company Limited	Financial advisory	Thailand	99.9	99.9
Trinity Intelligence Plus Company Limited	Advisory	Thailand	99.9	99.9
Trinity One Company Limited	Investment	Thailand	99.9	99.9

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

- 2.3 The separate financial statements present investments in subsidiaries, associate and joint venture under the equity method.



### 3. New financial reporting standards

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

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

#### **IFRS 15 Revenue from Contracts with Customers**

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

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

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

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

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

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Classification and measurement of investments in available-for-sale equity securities - The Group's available-for-sale investments in listed equity securities are measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gain (or loss) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

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

### **TFRS 16 Leases**

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

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

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

(a) Brokerage fees

Brokerage fees on securities and derivatives trading are recognised as income on the transaction dates.

(b) Fees and services income

Service income is recognised when services have been rendered taking into account the stage of completion. Revenue is recognised when it is probable that the amount will be collected.

Management fees for private fund management are calculated as a percentage of the net asset value of the funds managed by the subsidiary and recognised as income when services have been rendered.

(c) Interest on margin loans

Interest income is recognised as interest accrues based on the effective rate method, but where there is uncertainty as to the collectability of loans and interest the subsidiary ceases accrual.

In the following cases, collectability of loans and interest is held to be uncertain.

- (1) Loans which are not fully collateralised.
- (2) Installment loans with repayments scheduled less frequently than 3 months for which principal or interest is overdue by more than 3 months.
- (3) Installment loans with repayments scheduled no less frequently than 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- (4) Problem financial institutions.
- (5) Other receivables from which interest payment is overdue for 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

(d) Gains (losses) on securities and derivatives

Gains (losses) on securities and derivatives are recognised as income/expense on the transaction date.

(e) Interest and dividend on investments

Interest income on investments is recognised as interest accrues based on the effective rate method.

Dividends on investments are recognised when the right to receive the dividends is established.

(f) Expenses

Expenses are recognised on an accrual basis.

**4.2 Interest on borrowing**

Interest on borrowing is charged on an accrual basis.

**4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity less than 3 months, and not subject to withdrawal restrictions, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

**4.4 Long-term deposits at financial institutions**

Long-term deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with an original maturity more than 3 months and deposits subject to restriction.

**4.5 Recognition and amortisation of customer deposits**

Cash received from customers of cash balance accounts, credit balance accounts and derivatives trading are recorded as assets and liabilities of the subsidiary for the internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

**4.6 Securities borrowing and lending**

The Group record their obligations to return borrowed securities which they have been sold as short selling or lent as “Securities borrowing and lending payables”, which are included in securities and derivatives business payables in the statement of financial position. At the end of reporting period, the balance of securities borrowing and lending payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gains or losses arising from such adjustment are included in profit or loss. Securities lent to customers are recorded as “Securities borrowing and lending receivables”, which are included in securities and derivatives business receivables in the statement of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as “Collateral receivables” or “Collateral payables”.

Fees on securities borrowing and lending are recognised on an accrual basis over the term of the lending.

#### 4.7 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for loss on impairment (if any).
- e) Investments in joint venture and associate are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries, joint venture and associate are accounted for in the separate financial statements using the equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

Loss on impairment (if any) of investments in available-for-sale securities, debt securities expected to be held to maturities, and other investments are included in profit or loss.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.8 Receivables from Clearing House and broker - dealers**

Receivables from Clearing House and broker - dealers comprise the net receivable from Thailand Clearing House (TCH) for settlements of equity securities trades made through the Stock Exchange of Thailand, and net receivables from TCH from derivatives trades made through the Thailand Future Exchange, including cash collateral pledged with TCH for derivatives trade.

#### **4.9 Securities and derivatives business receivables and allowance for doubtful accounts**

Securities and derivatives business receivables are the net balances of securities business receivables and derivatives business receivables after deducting allowance for doubtful accounts.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, collateral receivables (which comprise cash placed as security with securities lenders or securities depositories) and other receivables such as overdue cash accounts and securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The subsidiary has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are made in accordance with the following criteria.

(a) Debt classified as bad debt is defined as follows:

- (1) Debts which the subsidiary has made effort to follow up, but could not collect repayment. The subsidiary has written them off in accordance with tax law.
- (2) Debts which the subsidiary has forgiven them.

(b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:

- (1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue by more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for

each installment, unless there is clear evidence and a high degree of certainty that full is recovered.

- (c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in (b).

Loans classified as bad debt will be written off when identified. Full provision of the loan balance will be set aside for loans classified as doubtful. These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

#### **4.10 Premises improvement and equipment and depreciation**

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

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

Furniture & fixtures	5 years
Office equipment	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on work under installation.

An item of premises improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.11 Intangible assets and amortisation**

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Deferred license fee	5 - 10 years



Computer software	3 - 10 years
Others	2 - 8 years

No amortisation is provided on computer software under installation.

#### **4.12 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

The recoverable amount of cash generating unit has been determined based on value in use calculating using cash flow projections from financial budgets approved by management, based on key assumptions regarding revenue growth rates and discount rates.

#### **4.13 Impairment of assets**

At the end of each reporting period, the Group perform impairment reviews in respect of the premises improvement and equipment, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.14 Payables to Clearing House and broker - dealers**

Payables to Clearing House and broker - dealers comprises the net payable to

Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand and net payable for derivatives trade made through the Thailand Futures Exchange.

#### **4.15 Securities and derivatives business payables**

Securities and derivatives business payables are the obligations of the subsidiary in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the subsidiary as collateral for securities lending.

#### **4.16 Debt issued and other borrowing**

Debts issued and other borrowing are recognised initially at the fair value of the proceeds received. Borrowings are subsequently stated at amortised cost, using the effective yield method; any difference between proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings.

#### **4.17 Related party transactions**

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

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that give them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

#### **4.18 Long-term leases**

Leases of property and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

#### **4.19 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that

entity.

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

Gains and losses on exchange are included in determining income.

#### **4.20 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits***

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service cost are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognised restructuring-related costs.

#### **4.21 Provisions**

Provisions are recognised when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will

be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **4.22 Income tax**

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

### **Current tax**

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

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **4.23 Share-based payment**

The Group recognised share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

## **4.24 Derivatives**

### **Futures contracts**

The subsidiary initially recognises future contracts at fair value. Obligations under derivatives business are regarded as the subsidiary's commitments. Amounts pledged as securities for these derivatives are recorded as receivable at Thailand Clearing House. Subsequently, as at reporting date, the futures contracts are presented at their fair value, which calculated with reference to the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited on the last business day of the year. Unrealised gain or loss resulting from changes in the fair value is included in the profit or loss.

### **Options contracts**

The subsidiary initially recognises options contracts at fair value. The subsidiary recorded the premium paid (long position) and the premium received (short position) under options contracts as at trade date as derivative assets and derivative liabilities, respectively. Subsequently, as at reporting date, the options contracts are presented at their fair value, which calculated with reference to the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited on the last business day of the year. Unrealised gain or loss resulting from changes in the fair value is included in the profit or loss.

### **Forward exchange contracts**

Forward contracts are recorded at fair value. Unrealised gains or losses on revaluation are included in determining income.

## **4.25 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates.

Significant accounting judgements and estimates are as follows:

### **Allowance for doubtful accounts for securities and derivatives business receivables**

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of loans and receivables for probable credit losses. The management uses judgement to establish reserves for estimated losses for each outstanding loan and receivable by taking into account collection risk and the value of the securities used as collateral. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

### **Goodwill and intangible assets**

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



### **Impairment of equity investments**

The Group will treat available-for-sale equity investments, held-to-maturity debt securities and non-marketable equity investments as impaired when the management judge that there has been a significant or prolonged decline in the fair value below their cost, together with investments in businesses that have been severely impacted by the global economic slowdown and take time to recover to their fair values or where other evidence of impairment exists. However, the use of different estimates and assumptions could affect the amounts of allowances for impairment of investment in such investments and adjustments to the allowances may be required in the future.

### **Recognition and derecognising of assets and liabilities**

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

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Premises improvement and equipment and depreciation**

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

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

### **Intangible assets**

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

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post employment benefits under defined benefit plans**

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

### **Fair value of financial instruments**

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

### **Litigation**

A subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## **6. Related party transactions**

The relationships between the Company and its related parties that have significant business transactions during the years 2019 and 2018 are summarised below:

<u>Name of related parties</u>	<u>Relationship</u>
Trinity Securities Company Limited	Subsidiary
Trinity Advisory 2001 Company Limited	Subsidiary
Trinity Intelligence Plus Company Limited	Subsidiary
Trinity One Company Limited	Subsidiary
Tree Money Holding Company Limited	Joint Venture
Asset Backed Holdings Limited	Associate
Conduit Management Service Limited	Under the control of an associate

During the years, the Group had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those parties. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
<b><u>Related party transactions</u></b>					
Brokerage fees from securities business					
- Directors of the Group	292	191	-	-	At the subsidiary's normal rate charged to other clients, in accordance with Association of Thai Securities Companies' notification
Brokerage fees from derivatives business					
- Directors of the Group	68	309	-	-	At the subsidiary's normal rate charged to other clients, in accordance with Association of Thai Securities Companies' notification
Private fund management fees					
- Directors of the Group	691	823	-	-	Contract price
Management service income					
- Subsidiary	-	-	14,400	14,400	Agreed upon basis
- Associate	361	366	-	-	Agreed upon basis
Rental service income					
- Joint venture	240	240	-	-	Agreed upon basis
Advisory income					
- Joint venture	1,000	-	-	-	Agreed upon basis
Dividend income					
- Subsidiary	-	-	96,000	-	Normal rate declared to ordinary investors
- Associate	500	500	500	500	Normal rate declared to ordinary investors
Other service income					
- Subsidiary	-	-	879	483	Agreed upon basis
Interest income					
- Subsidiaries	-	-	136	4,595	Interbank rate (2018: savings deposit interest rate plus 1.00% per annum)
- Joint venture	3,222	-	3,222	-	MOR Plus 4.00 per annum

					(Unit: Thousand Baht)
	Consolidated financial		Separate financial		Transfer Pricing Policy
	statements		statements		
2019	2018	2019	2018		
Interest expenses					
- Subsidiaries	-	-	4,357	579	Interbank rate (2018: savings deposit interest rate plus 1.00% per annum)
Management service expenses					
- Subsidiary	-	-	1,568	1,199	Agreed upon basis
Brokerage fee expenses					
- Subsidiary	-	-	39,825	52,008	At the subsidiary's normal rate charged to other clients, in accordance with Association of Thai Securities Companies' notification

The balances of the accounts as at 31 December 2019 and 2018 between the Group and those related parties are as follows:

					(Unit: Thousand Baht)
	Consolidated financial		Separate financial		
	statements		statements		
2019	2018	2019	2018		
<b><u>Outstanding balances of the transactions</u></b>					
Securities and derivatives business receivables					
Directors of the Group			9,175	9,364	-
Other receivables - subsidiaries (Note 12)					
Trinity Securities Company Limited			-	-	163,041
Trinity Intelligence Plus Company Limited			-	-	4
Trinity Advisory 2001 Company Limited			-	-	4
Trinity One Company Limited			-	-	17
Tree Money Holding Company Limited			1,402	-	702
Short-term loans to subsidiary					
Trinity Intelligence Plus Company Limited			-	-	-
Short-term loans to joint venture					
Tree Money Holding Company Limited			60,000	-	60,000
Securities and derivatives business payables					
Directors of the Group			6,123	4,676	-
Other payables - subsidiaries (Note 21)					
Trinity Securities Company Limited			-	-	600
Trinity One Company Limited			-	-	5
Short-term loans from subsidiaries					
Trinity Securities Company Limited			-	-	294,000
Trinity Advisory 2001 Company Limited			-	-	13,000
Trinity One Company Limited			-	-	245

Short-term loans to subsidiaries are due at call. Movements in the balance of the loans during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2019	Increase	Decrease	31 December 2019
<b>Short-term loans to subsidiaries</b>				
Trinity Securities Company Limited	-	588,082	(588,082)	-
Trinity Intelligence Plus Company Limited	1,000	-	(1,000)	-
	<u>1,000</u>	<u>588,082</u>	<u>(589,082)</u>	<u>-</u>

Short-term loans to joint venture are due within 1 year and carry interest at MOR plus 4.00% per annum. The loans are secured by the pledge of ordinary shares of the joint venture held by another venturer, the entering into business collateral agreement for the right to claim from existing and future loan receivables of subsidiaries of the joint venture and the guarantee provided by the major subsidiary of the joint venture. Movements in the balances of the loans during the period were as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2019	Increase	Decrease	31 December 2019
<b>Short-term loans to subsidiaries</b>				
Tree Money Holding Company Limited	-	100,000	(40,000)	60,000
	<u>-</u>	<u>100,000</u>	<u>(40,000)</u>	<u>60,000</u>

Short-term loans from subsidiaries are due at call. Movements in the balance of the loans during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2019	Increase	Decrease	31 December 2019
<b>Short-term loans from subsidiaries</b>				
Trinity Securities Company Limited	231,000	4,828,721	(4,765,721)	294,000
Trinity Advisory 2001 Company Limited	10,000	6,900	(3,900)	13,000
Trinity Intelligence Plus Company Limited	-	3,700	(3,700)	-
Trinity One Company Limited	250	-	(5)	245
	<u>241,250</u>	<u>4,839,321</u>	<u>(4,773,226)</u>	<u>307,245</u>

## Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit payable to their directors and management as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Short-term benefits	53,362	70,740	10,788	9,990
Post-employment benefits	7,294	8,764	-	-
Share-based payment (Note 26)	1,017	1,967	441	854
Total	<u>61,673</u>	<u>81,471</u>	<u>11,229</u>	<u>10,844</u>

The Company provided the other employee benefits to its directors and management. In the year 2019, the Company purchased liability insurance amounting to Baht 50 million for directors and management of the Group (2018: Baht 50 million).

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
Cash on hand	1,651	170	1,482	-
Deposits at financial institutions	219,393	112,073	1,708	6,926
Total cash and cash equivalents	221,044	112,243	3,190	6,926
Less: Deposits for customers' account of subsidiary	<u>(158,824)</u>	<u>(62,246)</u>	<u>-</u>	<u>-</u>
Net cash and cash equivalents	<u>62,220</u>	<u>49,997</u>	<u>3,190</u>	<u>6,926</u>

## 8. Investments

### 8.1 Cost and fair value

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Current investments</b>				
<u>Trading securities</u>				
Equity securities				
Listed securities	310,644	290,122	202,288	187,449
Less: Changes in fair value of securities	(20,054)	-	(14,371)	-
Less: Allowance for impairment loss	(468)	-	(468)	-
Listed securities - net	290,122	290,122	187,449	187,449
Unit trusts	9,686	9,604	-	-
Less: Changes in fair value of securities	(82)	-	-	-
Unit trusts - net	9,604	9,604	-	-
Equity securities - net	299,726	299,726	187,449	187,449
Debt securities				
Corporate and government debt securities	56,750	56,569	123,402	123,268
Less: Changes in fair value of securities	(181)	-	(134)	-
Debt securities - net	56,569	56,569	123,268	123,268
Total trading securities - net	356,295	356,295	310,717	310,717
<u>Available-for-sale securities</u>				
Debt securities				
Bills of exchange	336,901	334,407	88,765	88,501
Less: Discount	(2,494)	-	(264)	-
Debt securities - net	334,407	334,407	88,501	88,501
Total available-for-sale securities - net	334,407	334,407	88,501	88,501
<u>Held-to-maturity investments</u>				
Fixed deposit notes with maturity over 3 months but less than 1 year	300,000	300,000	400,000	400,000
BOT bonds with maturity over 3 months but less than year	167,418	167,418	149,630	149,630
Less: Investments for customers' accounts	(467,418)	(467,418)	(549,630)	(549,630)
Held-to-maturity investments - net	-	-	-	-
<b>Total current investments - net</b>	<b>690,702</b>	<b>670,702</b>	<b>399,218</b>	<b>399,218</b>
<b>Long-term investments</b>				
<u>Available-for-sale securities</u>				
Equity securities				
Listed securities	237,942	177,196	337,423	307,091
Less: Changes in fair value of securities	(60,746)	-	(30,332)	-
Listed securities - net	177,196	177,196	307,091	307,091
Unit trusts	5,000	4,224	5,000	4,914
Less: Changes in fair value of securities	(776)	-	(86)	-
Unit trusts - net	4,224	4,224	4,914	4,914
Total available-for-sale securities - net	181,420	181,420	312,005	312,005
<u>Non-marketable securities</u>				
Equity securities	188,294		87,883	
Less: Allowance for impairment loss	(79,826)		(79,826)	
Total non-marketable securities	108,468		8,057	
<b>Total long-term investments - net</b>	<b>289,888</b>		<b>320,062</b>	
<b>Total investments - net</b>	<b>980,590</b>		<b>719,280</b>	

(Unit: Thousand Baht)

	Separate financial statements			
	2019		2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Current investments</b>				
<u>Trading securities</u>				
Equity securities				
Listed securities	120,604	120,224	116,175	108,512
Less: Changes in fair value of securities	(380)	-	(7,663)	-
Listed securities - net	120,224	120,224	108,512	108,512
Unit trusts	9,686	9,604	-	-
Less: Changes in fair value of securities	(82)	-	-	-
Unit trusts - net	9,604	9,604	-	-
Total trading securities - net	129,828	129,828	108,512	108,512
<b>Total current investments - net</b>	<b>129,828</b>	<b>129,828</b>	<b>108,512</b>	<b>108,512</b>
<b>Long-term investments</b>				
<u>Available-for-sale securities</u>				
Equity securities				
Listed securities	88,467	57,000	88,467	69,500
Less: Changes in fair value of securities	(31,467)	-	(18,967)	-
Equity securities - net	57,000	57,000	69,500	69,500
Total available-for-sale securities - net	57,000	57,000	69,500	69,500
<u>Non-marketable securities</u>				
Equity securities	187,626		87,626	
Less: Allowance for impairment loss	(79,826)		(79,826)	
Total non-marketable securities	107,800		7,800	
<b>Total long-term investments - net</b>	<b>164,800</b>		<b>77,300</b>	
<b>Total investments - net</b>	<b>294,628</b>		<b>185,812</b>	

## 8.2 Fair value of obligated investments in equity securities

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
<b>Securities borrowing and not yet due</b>		
Equity securities	76,014	3,050
<b>Total obligated investments</b>	<b>76,014</b>	<b>3,050</b>



8.3 As at 31 December 2019 and 2018, Trinity Securities Company Limited, the Company's subsidiary, classified its debt securities (book value) by remaining period to maturity as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Trading debt securities</b>				
Corporate and government debt securities	604	-	55,965	56,569
<b>Available-for-sale debt securities</b>				
Bills of exchange	334,407	-	-	334,407
<b>Total</b>	<b>335,011</b>	<b>-</b>	<b>55,965</b>	<b>390,976</b>

(Unit: Thousand Baht)

	Consolidated financial statements			
	2018			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Trading debt securities</b>				
Corporate debt securities	501	122,767	-	123,268
<b>Available-for-sale debt securities</b>				
Bills of exchange	88,501	-	-	88,501
<b>Total</b>	<b>89,002</b>	<b>122,767</b>	<b>-</b>	<b>211,769</b>

#### 8.4 Loss on re-measuring available-for-sale investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Balance - beginning of the year	(24,334)	(3,304)	(24,334)	(3,304)
Changes during the year (net of income tax)				
- from revaluation	(24,883)	(21,017)	(10,000)	(11,600)
- from disposals	-	(13)	-	-
Share of other comprehensive income from investment subsidiaries	-	-	(14,883)	(9,430)
Balance - end of the year	<u>(49,217)</u>	<u>(24,334)</u>	<u>(49,217)</u>	<u>(24,334)</u>

#### 8.5 Gain (loss) on securities trading

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Unrealised gain (loss) on trading securities	2,235	(10,834)	7,200	(7,190)
Realised gain (loss) on sales of trading securities	(11,059)	39,559	(22,860)	12,981
Realised gain on sales of available-for-sale investments	5,491	3,769	-	-
Total	<u>(3,333)</u>	<u>32,494</u>	<u>(15,660)</u>	<u>5,791</u>

#### 9. Receivables from Clearing House and broker - dealers

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	2019	2018
Receivables from Clearing House	86,798	62,266
Less: Receivables from Clearing House for customers' accounts of the subsidiary	<u>(29,371)</u>	<u>(16,496)</u>
Receivables from Clearing House and broker - dealers	<u>57,427</u>	<u>45,770</u>

## 10. Securities and derivatives business receivables

(Unit: Thousand Baht)

Consolidated  
financial statements

	2019	2018
<b>Securities business receivables</b>		
Cash customers' accounts	53,224	65,468
Credit balance accounts	1,617,588	2,090,946
Collateral receivables	89,475	3,780
Other receivables	81,898	142,316
Total securities business receivables	1,842,185	2,302,510
Less: Allowance for doubtful accounts	(62,085)	(62,085)
Net securities business receivables	1,780,100	2,240,425
<b>Derivatives business receivables</b>		
Derivatives business receivables	2,129	4,986
Other receivables	3,120	3,120
Total derivatives business receivables	5,249	8,106
Net securities and derivatives business receivables	1,785,349	2,248,531

10.1 As at 31 December 2019, Trinity Securities Company Limited, the Company's subsidiary, has other receivables of approximately Baht 77 million (2018: Baht 77 million) for which it has stopped recognising interest income.

10.2 Trinity Securities Company Limited, the Company's subsidiary, have classified securities business receivables and derivatives business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities company. The classified is as follows:

(Unit: Million Baht)

Consolidated financial statements

	2019			2018		
	Debt balance	Allowance for doubtful accounts set up by the subsidiary	Debt balance net of allowance for doubtful accounts	Debt balance	Allowance for doubtful accounts set up by the subsidiary	Debt balance net of allowance for doubtful accounts
Normal debts	1,770	-	1,770	2,234	-	2,234
Sub - standard debts	15	-	15	15	-	15
Doubtful debts	62	(62)	-	62	(62)	-
Total	1,847	(62)	1,785	2,311	(62)	2,249

### 10.3 Allowance for doubtful accounts

(Unit: Thousand Baht)

		Consolidated financial statements	
		2019	2018
Balance - beginning of the year		62,085	69,038
Reversal of doubtful accounts		-	(6,953)
Balance - end of the year		<u>62,085</u>	<u>62,085</u>

### 11. Derivatives assets and liabilities

(Unit: Thousand Baht)

Consolidated financial statements								
Fair value of derivatives								
Type of derivatives	2019		2018		Notional amount			
					2019		2018	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward contracts <sup>(1)</sup>	6,772	4,833	-	-	126,427	90,149	-	-
Warrants	210	-	298	-	10,496	-	9,504	-
Total	<u>6,982</u>	<u>4,833</u>	<u>298</u>	<u>-</u>	<u>136,923</u>	<u>90,149</u>	<u>9,504</u>	<u>-</u>

<sup>(1)</sup> Forward contracts are for the Company and clients' portfolio in full amount.

(Unit: Thousand Baht)

Separate financial statements								
Fair value of derivatives								
Type of derivatives	2019		2018		Notional amount			
					2019		2018	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward contracts	1,939	-	-	-	36,179	-	-	-
Total	<u>1,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,179</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 12. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Accrued income	26,229	25,096	6,072
Other receivables - subsidiaries (Note 6)	-	-	67,066	23,393
Dividend receivables - subsidiaries (Note 6)	-	-	96,000	-
Other receivables - Joint venture (Note 6)	1,402	-	702	-
Total other receivables	<u>27,631</u>	<u>25,096</u>	<u>169,840</u>	<u>26,648</u>

### 13. Loans to others

As at 31 December 2019, the Company has loans to unrelated companies and individuals which carry interest at 2.50% per annum (2018: MOR to MOR plus 4.87% per annum) and are secured by the pledges of the borrowers' securities, with details as follows:

	(Unit: Thousand Baht)			
	Repayment within		Consolidated / Separate financial statements	
	2019	2018	2019	2018
Short-term loans to others	December 2020	December 2019	1,007,427	582,848
Long-term loans to other	December 2021	June 2020	157,000	30,000
Less: Portion due within one year			(10,000)	(20,000)
Long-term loans to other - net of current portion			147,000	10,000

### 14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	(Unit: Thousand Baht)							
	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on the equity method	
	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)				
Trinity Securities Company Limited	1,200,000	1,200,000	99.9	99.9	1,175,437	1,173,516	1,514,579	1,533,974
Trinity Advisory 2001 Company Limited	10,000	10,000	99.9	99.9	10,052	10,034	16,520	15,926
Trinity Intelligence Plus Company Limited	3,000	3,000	99.9	99.9	3,040	3,026	3,747	-*
Trinity One Company Limited	250	250	99.9	99.9	250	250	229	234
Total					1,188,779	1,186,826	1,535,075	1,550,134

\* Investment under equity method was presented under "Provision for transaction under equity method of investment in subsidiary".

The Company presented the negative value of investment in subsidiary accounted for under equity method, which was resulted from recognition of share of loss from investment in subsidiary, as "Provision for transaction under equity method of investment in subsidiary" in the separate statement of financial position, with detail as follows:

Company's name	(Unit: Thousand Baht)	
	2019	2018
Trinity Intelligence Plus Company Limited	-	978

Total	-	978
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During the year 2019, the Company recognised share-based payment transactions when services from its subsidiaries' employees were rendered, and the Company recorded them against investments in subsidiaries amounting to Baht 2 million.

#### 14.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of comprehensive income from investment in subsidiaries in the separate financial statements and dividend income from subsidiaries as follows:

(Unit: Thousand Baht)

Subsidiaries	Separate financial statements					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2019	2018	2019	2018	2019	2018
Trinity Securities Company Limited	96,589	82,242	(21,904)	(9,431)	96,000	-
Trinity Advisory 2001 Company Limited	755	845	(178)	-	-	-
Trinity Intelligence Plus Company Limited	4,712	(3,506)	-	-	-	-
Trinity One Company Limited	(6)	(15)	-	-	-	-
Total	102,050	79,566	(22,082)	(9,431)	96,000	-

### 15. Investment in associate

#### 15.1 Details of investment in associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated / Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on the equity method	
			2019	2018	2019	2018	2019	2018
Asset Backed Holdings Limited	Investments in securitisation	Thailand	49.9	49.9	3,532	3,532	3,279	3,278

Asset Backed Holdings Limited which operates its business in Thailand and its principal activity is investments in securitisation entities authorised by the Office of the Securities and Exchange Commission invested in subsidiaries in the percentage of shareholding as follows:

Subsidiary of Asset Backed Holdings Limited	Type of business	Percentage of shareholding	
		2019	2018
Conduit Management Services Limited	Management service for special purpose vehicles	100	100

## 15.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit from investment in associate in the consolidated and separate financial statements and dividend income from associate as follows:

(Unit: Thousand Baht)

Associate	Consolidated / Separate financial statements					
	Share of profit		Share of other comprehensive income		Dividend received	
	2019	2018	2019	2018	2019	2018
Asset Backed Holdings Limited	501	516*	-	-	500	500
<b>Total</b>	<b>501</b>	<b>516</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>500</b>

\* For the year 2018, the Company's interest in the equity of associate was calculated based on the financial statements with prepared by the associate's management and has not yet been audited by its auditor.

## 15.3 Summarised financial information of associate

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit for the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Asset Backed Holdings Limited	0.1	0.1	6.3	5.3	-	-	1.3	1.3	1.0	1.0

## 16. Investments in joint venture

### 16.1 Details of investments in joint venture:

Investments in joint venture represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated / Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2019	2018	2019	2018	2019	2018
		(%)	(%)				
Tree Money Holding Company Limited	Investing in companies that providing pico finance services	30.07	-	21,500	-	24,347	-

On 1 July 2019 the Company entered into Shareholder Agreement of Tree Money Holding Company Limited with an individual, to invest in 215,000 newly-issued ordinary shares at a par value of Baht 100 each of such company for Baht 21.5 million, representing 30.07% of the issued and paid-up share capital of such company after the capital increase. The Company decided that under the terms of the Shareholder Agreement, this company is jointly controlled by the Company and the individual, and the Company therefore presents the investment in this company as investment in joint venture. The joint venture is principally engaged in investment in other companies. As of 1 July 2019, the joint venture had 12 subsidiaries that are principally engaged in the provision of pico finance services in 4 provinces, and one subsidiary that is principally engaged in the provision of related services. During the third quarter of 2019, the joint venture incorporated 6 new subsidiaries, which are in the process of applying for permits to operate pico finance business in 2 provinces. Providers of pico finance require permission from and are under the supervision of the Ministry of Finance, and are required to strictly comply with the related rules and conditions in the announcements issued by the Ministry of Finance and the Fiscal Policy Office.

Book values of assets acquired and liabilities assumed from Tree Money Holding Company Limited as at the investing date were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	26,822
Loan receivables	73,166
Interest receivables	573
Deferred tax assets	2,139
Other current assets	450
Equipment	21,214
Deposit	41
Loans	(20,000)
Loans from director	(15,159)
Accrued expenses	(676)
Interest payable	(1,088)
Income tax payable	(2,612)
Liabilities under hire purchase agreements	(1,246)
Net assets of Tree Money Holding Company Limited	<u>83,624</u>
Shareholding percentage (%)	<u>30.07</u>
Net assets in shareholding percentage of the company	25,146
Less: Excess of purchase price over book value	<u>(3,646)</u>



Cash paid for purchase of investment in joint venture 21,500

At present, the Company is in the process of assessing the fair value of the assets acquired and liabilities assumed at the investing date, in order to allocate costs of the business acquisition to the identifiable items. It is to be completed within the period of twelve months from the investing date. During the measurement period, if the Company obtains additional information relating to facts and circumstances that existed as of the investing date, the Company will adjust the provisional values recognised at the investing date, to reflect this new information.

## 16.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investment in the joint venture in the consolidated and separate financial statements and dividend income from the joint venture as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated / Separate financial statements					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2019	2018	2019	2018	2019	2018
Tree Money Holding Company Limited	2,847	-	-	-	-	-

## 17. Premises improvement and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Furniture and fixtures	Office equipment	Motor vehicles	Work under installation	Total
<b>Cost</b>					
1 January 2018	45,891	94,572	24,295	-	164,758
Additions	295	8,940	4,043	53	13,331
Disposals	(395)	(360)	(2,432)	-	(3,187)
Write-off	(483)	(104)	-	-	(587)
Transfer in (out)	-	53	-	(53)	-
31 December 2018	45,308	103,101	25,906	-	174,315
Additions	11	8,934	7,029	-	15,974
Disposals	(3)	(3,128)	(7,120)	-	(10,251)
Write-off	-	(4,550)	-	-	(4,550)
31 December 2019	45,316	104,357	25,815	-	175,488

(Unit: Thousand Baht)

Consolidated financial statements					
	Furniture and fixtures	Office equipment	Motor vehicles	Work under installation	Total
<b>Accumulated depreciation</b>					
1 January 2018	44,911	81,947	14,055	-	140,913
Depreciation for the year	718	5,884	4,075	-	10,677
Depreciation on disposals	(395)	(360)	(2,432)	-	(3,187)
Depreciation on write-off	(476)	(103)	-	-	(579)
31 December 2018	44,758	87,368	15,698	-	147,824
Depreciation for the year	295	6,945	4,082	-	11,322
Depreciation on disposals	(3)	(3,128)	(5,568)	-	(8,699)
Depreciation on write-off	-	(4,550)	-	-	(4,550)
31 December 2019	45,050	86,635	14,212	-	145,897
<b>Net book value</b>					
31 December 2018	550	15,733	10,208	-	26,491
31 December 2019	266	17,722	11,603	-	29,591
<b>Depreciation for the years</b>					
2018					10,677
2019					11,322

(Unit: Thousand Baht)

Separate financial statements			
	Furniture and fixtures	Motor vehicles	Total
<b>Cost</b>			
1 January 2018	3	5,879	5,882
31 December 2018	3	5,879	5,882
Disposals	-	(4,630)	(4,630)
31 December 2019	3	1,249	1,252
<b>Accumulated depreciation</b>			
1 January 2018	3	1,448	1,451
Depreciation for the year	-	1,176	1,176
31 December 2018	3	2,624	2,627
Depreciation for the year	-	1,158	1,158
Depreciation on disposals	-	(3,081)	(3,081)
31 December 2019	3	701	704
<b>Net book value</b>			
31 December 2018	-	3,255	3,255
31 December 2019	-	548	548
<b>Depreciation for the years</b>			
2018			1,176
2019			1,158

As at 31 December 2019, the subsidiary had motor vehicles with net book value of Baht 4.2 million which were acquired under finance lease agreements (2018: Baht 2.9 million).

As at 31 December 2019 certain premises improvement and equipment have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 128 million (2018: Baht 125 million).

## 18. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Deferred license fee	Computer software	Others	Computer software under installation	Total
<b>Cost</b>					
1 January 2018	4,206	37,363	3,470	2,053	47,092
Additions	-	773	576	-	1,349
Write-off	-	-	(982)	-	(982)
31 December 2018	4,206	38,136	3,064	2,053	47,459
Additions	-	1,060	481	19	1,560
Write-off	(3,706)	(3,803)	(282)	-	(7,791)
31 December 2019	500	35,393	3,263	2,072	41,228
<b>Amortisation</b>					
1 January 2018	3,374	32,061	1,540	-	36,975
Amortisation for the year	438	742	543	-	1,728
Write off	-	-	(982)	-	(982)
31 December 2018	3,812	32,803	1,101	-	37,716
Amortisation for the year	100	833	585	-	1,518
Write off	(3,706)	(3,803)	(282)	-	(7,791)
31 December 2019	206	29,833	1,404	-	31,443
<b>Net book value</b>					
31 December 2018	394	5,333	1,963	2,053	9,743
31 December 2019	294	5,560	1,859	2,072	9,785
<b>Amortisation expense for the years</b>					
2018					1,728
2019					1,518

As at 31 December 2019, certain computer software items have been fully amortisation but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 26 million (2018: Baht 30 million).

**19. Short-term borrowings from financial institutions, other short-term borrowings and short-term unsecured debentures**

(Unit: Thousand Baht)

Type	Interest rate per annum		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
	(% per annum)	(% per annum)				
<b>Short-term borrowings from financial institutions</b>						
Promissory notes	Inter bank rate	Inter bank rate	1,005,000	1,050,000	-	-
			<u>1,005,000</u>	<u>1,050,000</u>	<u>-</u>	<u>-</u>
<b>Other short-term borrowings</b>						
Bills of exchange	Inter bank rate	Inter bank rate	539,818	439,902	499,866	-
			<u>539,818</u>	<u>439,902</u>	<u>499,866</u>	<u>-</u>
<b>Short-term unsecured debentures</b>						
Debentures	2.80 - 3.10	2.80 - 3.25	401,800	591,100	401,800	591,100
			<u>401,800</u>	<u>591,100</u>	<u>401,800</u>	<u>591,100</u>

There is no collateral for these short-term borrowings from financial institutions, other short-term borrowings and short-term unsecured debentures and unsubordinated with debentureholders' representative debentures, remaining period to maturity within 1 year.

**20. Securities and derivatives business payables**

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
<b>Securities business payables</b>		
Cash customers' accounts	121,320	105,860
Securities borrowing and lending payables	<u>12,209</u>	<u>-</u>
Total securities business payables	<u>133,529</u>	<u>105,860</u>
<b>Derivatives business payables</b>		
Derivatives business payables	<u>1,214</u>	<u>6,087</u>
Total derivatives business payables	<u>1,214</u>	<u>6,087</u>
Total securities and derivatives business payables	<u>134,743</u>	<u>111,947</u>

## 21. Other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accrued expenses	106,146	88,915	13,054	11,400
Accrued expenses - subsidiaries (Note 6)	-	-	5	-
Other payables - subsidiaries (Note 6)	-	-	600	909
<b>Total other payables</b>	<b>106,146</b>	<b>88,915</b>	<b>13,659</b>	<b>12,309</b>

## 22. Unsecured debenture

On 18 June 2019 and 16 August 2019, the Company issued unsubordinated and unsecured with debentureholders' representative debentures.

Issue date	Number of debenture (units)	Interest rate per annum	Term	Maturity date	(Unit: Thousand Baht)	
					Consolidated /separate	
					financial statements	
					2019	2018
18 June 2019	200,500	3.80	1 year 5 months 29 days	17 December 2020	200,500	-
16 August 2019	138,000	3.80	2 years	16 August 2021	138,000	-
22 October 2019	45,400	3.65	2 years	22 October 2021	45,400	-
4 December 2019	83,000	3.80	1 year 11 month 28 days	2 December 2021	83,000	-
					466,900	-
Less: Long-term unsecured debenture - due within one year					(200,500)	-
Long-term unsecured debenture - net of current portion					266,400	-

## 23. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Liabilities under finance lease agreements	4,831	3,267
Less: Deferred interest expenses	(434)	(304)
<b>Total</b>	<b>4,397</b>	<b>2,963</b>
Less: Portion due within one year	(983)	(544)
Liabilities under finance lease agreements - net of current portion	3,414	2,419

The subsidiary has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	1,178	3,653	4,831
Deferred interest expenses	(195)	(239)	(434)
Present value of future minimum lease payments	<u>983</u>	<u>3,414</u>	<u>4,397</u>

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2018		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	660	2,607	3,267
Deferred interest expenses	(116)	(188)	(304)
Present value of future minimum lease payments	<u>544</u>	<u>2,419</u>	<u>2,963</u>

#### 24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Provision for long-term employee benefits</b>				
<b>at the beginning of year</b>	35,304	28,275	1,034	775
Included in profit or loss:				
Current service cost	3,717	5,836	325	224
Interest cost	1,109	1,193	36	35
Past service cost	2,359	-	175	-
Included in other comprehensive income				
Actuarial gain arising from				
Demographic assumptions change	6,527	-	173	-
Financial assumptions change	(126)	-	(10)	-
Experience adjustments	2,690	-	(71)	-
<b>Provision for long-term employee benefits</b>				
<b>at the end of year</b>	<u>51,580</u>	<u>35,304</u>	<u>1,663</u>	<u>1,034</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 2.4 million (the Company only: Baht 0.2 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

As at 31 December 2019, the Group expects to pay Baht 3 million of long-term employee benefit during the next year (2018: Nil).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 10 years (the Company only: 10 years) (2018: 18 years (the Company only: 18 years)).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.29 - 2.81	3.54	2.81	3.54
Salary increase rate	4.00	5.00	4.00	5.00
Turnover rate	7.64 - 22.92	0.00 - 22.10	7.64 - 22.92	0.00 - 22.10

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	Consolidated financial statements			
	As at 31 December 2019			
	Effect to		Effect to	
	provision for		provision for	
	employee		employee	
	Increase	benefits	Decrease	benefits
	(Percent)	(Thousand Baht)	(Percent)	(Thousand Baht)
Discount rate	0.5	(1,420)	0.5	1,508
Salary increase rate	1.0	3,935	1.0	(3,536)
Staff turnover rate	20.0	(5,907)	20.0	7,125

Consolidated financial statements

As at 31 December 2018				
	Increase	Effect to provision for employee benefits	Decrease	Effect to provision for employee benefits
	(Percent)	(Thousand Baht)	(Percent)	(Thousand Baht)
Discount rate	0.5	(1,012)	0.5	1,066
Salary increase rate	1.0	3,205	1.0	(2,896)
Staff turnover rate	10.0	(2,511)	10.0	2,806

Separate financial statements

As at 31 December 2019				
	Increase	Effect to provision for employee benefits	Decrease	Effect to provision for employee benefits
	(Percent)	(Thousand Baht)	(Percent)	(Thousand Baht)
Discount rate	0.5	(82)	0.5	88
Salary increase rate	1.0	211	1.0	(186)
Staff turnover rate	20.0	(310)	20.0	385

Separate financial statements

As at 31 December 2018				
	Increase	Effect to provision for employee benefits	Decrease	Effect to provision for employee benefits
	(Percent)	(Thousand Baht)	(Percent)	(Thousand Baht)
Discount rate	0.5	(46)	0.5	49
Salary increase rate	1.0	132	1.0	(117)
Staff turnover rate	10.0	(118)	10.0	135



## 25. Share capital

On 9 March 2018, the Extraordinary General Meeting of the Company's shareholders approved the reduction of the Company's registered share capital by cancelling 539 authorised but unissued shares with a par value of Baht 5 per share from the existing registered share capital of Baht 987,480,000 to be the new registered share capital of Baht 987,477,305, consisting of 197,495,461 ordinary shares with a par value of Baht 5 per share. In addition, the meeting approved the increase of the Company's registered share capital by Baht 643,738,650, consisting of 128,747,730 ordinary shares with a par value of Baht 5 per share, from the existing registered share capital of Baht 987,477,305 to a new registered share capital of Baht 1,631,215,955, with the new ordinary shares to be allocated as follows:

- 1) Warrants to purchase ordinary shares of the Company ("TNITY-W1")  
Not more than 98,747,730 new ordinary shares are to be reserved to support the exercise of TNITY-W1, which are registered and transferable warrants, as discussed in Note 26.1 to the financial statements.
- 2) 30,000,000 additional ordinary shares are to be allocated to support the exercise of the rights of the ESOP warrants, as discussed in Note 26.2 to the financial statements.

The Company registered the change in its registered share capital with the Ministry of Commerce on 19 March 2018.

### Reconciliation of share capital

	Consolidated / Separate	
	financial statements	
	(Number of shares)	(Thousand Baht)
<u>Registered share capital</u>		
As at 1 January 2018	197,496,000	987,480
Decrease from approval of the Extraordinary General Meeting of the Company's shareholders on 9 March 2018	(539)	(3)
Increase from approval of the Extraordinary General Meeting of the Company's shareholders on 9 March 2018	128,747,730	643,739
As at 31 December 2018	326,243,191	1,631,216
As at 31 December 2019	326,243,191	1,631,216

Consolidated / Separate  
financial statements

	(Number of shares)	(Thousand Baht)
<u>Issued and fully paid-up share capital</u>		
As at 1 January 2018	197,495,461	987,477
Increase from exercise of warrants	702,773	3,514
As at 31 December 2018	198,198,234	990,991
Increase from exercise of warrants	990,732	4,954
As at 31 December 2019	199,188,966	995,945

The increasing of the Company's share capital during the year 2018 is detailed below.

Date of exercise	Quantity of exercised TNITY-W1 warrants*	Quantity of exercised ESOP warrants**	Ordinary shares issued for exercised warrants	Date of registration of share capital with the Ministry of Commerce	Date of the Stock Exchange of Thailand approved ordinary shares as listed securities
29 Jun 2018	271,000	100,000	371,000	5 Jul 2018	10 Jul 2018
28 Sep 2018	209,140	122,633	331,773	3 Oct 2018	8 Oct 2018
Total	480,140	222,633	702,773		

\* Exercise price of TNITY-W1 warrants is Baht 5.00 per share.

\*\* Exercise price of ESOP warrants is Baht 5.94 per share.

The increasing of the Company's share capital during the year 2019 is detailed below.

Date of exercise	Quantity of exercised TNITY-W1 warrants*	Quantity of exercised ESOP warrants**	Ordinary shares issued for exercised warrants	Date of registration of share capital with the Ministry of Commerce	Date of the Stock Exchange of Thailand approved ordinary shares as listed securities
28 Dec 2018	984,032	-	984,032	4 Jan 2019	8 Jan 2019
29 Mar 2019	6,700	-	6,700	5 Apr 2019	11 Apr 2019
Total	990,732	-	990,732		

\* Exercise price of TNITY-W1 warrants is Baht 5.00 per share.

\*\* Exercise price of ESOP warrants is Baht 5.94 per share.

## 26. Warrants

### 26.1 TNITY-W1

On 9 March 2018, the Extraordinary General Meeting of the Company's shareholders approved the allotment of up to 98,747,730 warrants (TNITY-W1), which are registered and transferable warrants, to the Company's existing shareholders who subscribe to the newly issued shares. Details of the warrants are summarised below.

Number of warrants issued	: 98,747,323 units
Number of warrants subscribed	: 98,747,323 units
Offering price	: Baht 0 per unit
Offering method	: 2 existing ordinary shares to one unit of the TNITY-W1 warrants
Exercise ratio and price	: 1 warrant per 1 newly issued ordinary share at a price of Baht 5.00 per share
Date of issuance	: 22 March 2018
Term of the warrant	: 3 years from the issuance date of warrants
Expiry date	: 21 March 2021
Exercise dates	: On the last business day of March, June, September and December

Reconciliation of number of TNITY-W1 warrants

	(Unit: Units)
	Consolidated / Separate financial statements
Number of warrants as at 1 January 2018	-
Allotment during year	98,747,323
Exercise during year	(1,464,172)
Number of warrants as at 31 December 2018	97,283,151
Exercise during year	(6,700)
Number of warrants as at 31 December 2019	97,276,451

**26.2 ESOP warrants**

On 9 March 2018, the Extraordinary General Meeting of the Company's shareholders approved the allotment of warrants under Employee Stock Option Plan to the directors, executives and employees of the Group for 30,000,000 units. The details are as follows:

No. of securities offered:	30,000,000 units
No. of shares reserved for exercise:	30,000,000 shares
Term:	3 years from the issuance date of warrants
Offering date:	23 March 2018
Expiry date:	22 March 2021
Offering price:	0 Baht

Exercise price:	5.94 Baht per share (equal to the average 5 business days of closing price of TNITY after the date of shareholders granted the right to purchase ordinary shares), except there is an adjustment of right under the right adjustment conditions.
Exercise ratio:	1 ordinary share per 1 warrant.
Allotment method:	The number of warrants issued to each director, executive and employee of the Company and its subsidiaries depends on the corporate position, service period, knowledge, experience, responsibility, performance, potential or benefits contributed to the Group. No directors, executives and employees of the Company and its subsidiaries is offered more than 5% of the warrants issued.
Exercise periods:	On the last business day of each quarter which the exercised proportion cannot be more than one-third of the allocated warrants each year. The exercise price above may be adjusted pursuant to the conditions for the adjustment of the rights.

The estimated fair value of each share option granted is Baht 0.315. This was calculated using the Binomial formula. The model inputs were the share price at the price determination date of Baht 5.90, the exercise price of Baht 5.94, expected volatility of 18.12%, an expected dividend yield of 8.90%, the life of the share options of 3 years, and a risk-free interest rate of 1.57%.

As at 31 December 2018, the Company had allotted 26,194,500 units of ESOP warrants to directors, executives and employees of the Group (2019: Nil), and 3,805,500 ESOP warrants remained unallocated (2019: 3,805,500 units).

During the year 2019, the Group recorded expenses amounting to Baht 2.5 million (the Company only: Baht 0.6 million) (2018: Baht 4.9 million (the Company only: Baht 1.1 million)) as personnel expenses.

### Movements in the number of ESOP warrants

	(Unit: Units)
	<u>Consolidated / Separate financial statements</u>
Number of warrants as at 1 January 2018	-
Allotment during year	26,194,500
Exercise during year	<u>(222,633)</u>
Number of warrants as at 31 December 2018	<u>25,971,867</u>
Number of warrants as at 31 December 2019	<u>25,971,867</u>

### **26.3 Advance received from share subscription**

On 28 December 2018, the holders of 984,032 TNITY-W1 warrants exercised options to purchase 984,032 ordinary shares at an exercise price of Baht 5 each. The Company received total payment of the additional share capital amounting to Baht 4.9 million in December 2018 and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 4 January 2019. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 8 January 2019. As at 31 December 2018, the Company separately presented the above cash received from the share capital increase in the statement of financial position under the caption "Advance received from share subscription".

### **27. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2019, the Company had set aside the statutory reserve of Baht 6.4 million from profit for the year (2018: Baht 1.7 million).

## 28. Income tax

Income tax expenses (revenue) for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge	26,285	21,578	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(3,825)	(1,518)	(2,570)	(1,292)
<b>Income tax expenses (revenue) reported in the statements of comprehensive income</b>	<b>22,460</b>	<b>20,060</b>	<b>(2,570)</b>	<b>(1,292)</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to loss on change in value of available-for-sale investments	6,221	5,258	2,500	2,900
Deferred tax relating to actuarial loss	1,818	-	18	-

Reconciliation between accounting profit and income tax expenses (revenue) is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	116,679	88,161	91,648	66,809
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	23,336	17,632	18,330	13,362
Unused tax losses which may not be utilised (used)	(736)	2,235	-	1,590
Effects of:				
Tax exempted revenue	(1,108)	(708)	(21,519)	(16,622)
Non-deductible expenses	1,591	1,439	619	378
Additional expense deductions allowed	(563)	(607)	-	-
Others	(60)	69	-	-
Total	(140)	193	(20,900)	(16,244)
Income tax expenses (revenue) reported in the statements of comprehensive income	22,460	20,060	(2,570)	(1,292)

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	10,242	10,242	-	-
Allowance for impairment of investments	16,059	16,059	15,965	15,965
Unrealised loss from revaluation of trading investments	4,960	3,779	93	1,533
Unrealised loss from revaluation of available-for-sale investments	12,304	6,084	6,293	3,793
Unrealised loss from revaluation of borrowings securities	89	-	-	-
Provision for long-term employee benefits	10,316	7,006	332	207
Unused tax loss	7,519	3,616	7,519	3,616
Total	61,489	46,786	30,202	25,114

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Deferred tax liabilities</b>				
Unrealised gain from revaluation of derivatives	1,552	429	-	-
Unrealised gain from reclassification of investments	1,717	-	-	-
Total	3,269	429	-	-
Deferred tax assets - net	58,220	46,357	30,202	25,114

As at 31 December 2019, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 0.02 million (2018: Baht 3.71 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary difference and unused tax losses. The subsidiaries have the unused tax loss amounting to Baht 0.02 million which will expire by 2023 to 2024.

## 29. Securities business income

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Brokerage fees from securities business	151,044	241,678
Fees and service income	206,980	57,326
Interest and dividend	38,840	27,530
Interest on margin loans	98,081	123,025
Total	494,945	449,559

## 30. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.



The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated / Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	<u>94,219</u>	68,101	<u>199,187</u>	197,782	<u>0.47</u>	<u>0.34</u>
<b>Effect of dilutive potential ordinary shares</b>						
TNITY-W1		-		12,169		
ESOP		<u>-</u>		<u>-</u>		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares		<u>68,101</u>		<u>209,951</u>		<u>0.32</u>

No presentation of diluted earnings per share in the statement of comprehensive income and the TNITY-W1 and ESOP warrants are excluded from the potential ordinary shares since their exercise price was in excess of the fair value of the ordinary shares for the year ended 31 December 2019.

### 31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The authorised decision maker has been identified as the Company's Board of Directors.

The Company and its subsidiaries are organised into business units based on their products and services and have two reportable segments which are Securities and Derivatives Business, and Financial Advisory Business and investment banking.

The authorised operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company and its subsidiaries are not allocated operating expenses and income tax expenses to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2019				
	Securities and derivatives business	Financial advisory business and investment banking	Total reportable segments	Adjustments and eliminations	Total
Revenue from external customers	281	208	489	-	489
Inter-segment revenue	6	22	28	(28)	-
Interest revenue	190	-	190	(4)	186
Interest expenses	(66)	-	(66)	4	(62)
Share of profit from investment in associate	-	1	1	-	1
Share of profit from investment in joint venture	-	3	3	-	3
<b>Segment profit</b>	<b>372</b>	<b>203</b>	<b>575</b>	<b>(28)</b>	<b>547</b>
<b>Unallocated expenses:</b>					
Operating expenses					
Personnel expenses					(324)
Depreciation and amortisation					(13)
Other expenses					(94)
Income tax expenses					(22)
<b>Profit for the year</b>					<b>94</b>

(Unit: Million Baht)

	For the year ended 31 December 2018				
	Securities and derivatives business	Financial advisory business and investment banking	Total reportable segments	Adjustments and eliminations	Total
Revenue from external customers	402	38	440	-	440
Inter-segment revenue	5	21	26	(26)	-
Interest revenue	186	-	186	(5)	181
Interest expenses	(53)	-	(53)	5	(48)
Share of profit from investment in associate	-	1	1	-	1
<b>Segment profit</b>	<b>482</b>	<b>58</b>	<b>540</b>	<b>(26)</b>	<b>514</b>
<b>Unallocated expenses:</b>					
Operating expenses					
Personnel expenses					(335)
Depreciation and amortisation					(12)
Other expenses					(79)
Income tax expenses					(20)
<b>Profit for the year</b>					<b>68</b>

## Revenue from contracts with customers

(Unit: Thousand Baht)

	Consolidate financial statements	
	For the year ended 31 December	
	2019	2018
<b>Segment:</b>		
Securities and derivatives business	281,984	400,925
Financial advisory business and investment banking	207,962	38,705
Total revenue from contracts with customers	<u>489,946</u>	<u>439,630</u>
<b>Timing of revenue recognition:</b>		
Revenue recognised at a point in time	452,441	424,470
Revenue recognised over time	37,505	15,160
Total revenue from contracts with customers	<u>489,946</u>	<u>439,630</u>

The following table presents segment assets of the Group's operating segments as at 31 December 2019 and 2018:

(Unit: Million Baht)

	Securities and derivative business	Financial advisory business and investment banking	Total segments	Unallocated assets	Total
Segment assets					
At 31 December 2019	<u>2,842</u>	<u>12</u>	<u>2,854</u>	<u>1,547</u>	<u>4,401</u>
At 31 December 2018	<u>3,030</u>	<u>7</u>	<u>3,037</u>	<u>885</u>	<u>3,922</u>

## Geographic information

The Group are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## Major customers

For the year 2019, the Group has revenue from a major customer in amount of Baht 145 million, arising from sale by the financial advisory business and investment banking segment (2018: the Group has no major customer with revenue of 10 percent or more of an entity's revenues).

### 32. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributed to the fund monthly at the rate of 3% - 15% of basic salary. The fund, which is managed by UOB Asset management (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions from the Group for the year 2019 amounting to approximately of Baht 19 million (the Company only: Baht 1 million) (2018: Baht 18 million (the Company only: Baht 1 million)) were recognised as expenses.

### 33. Dividend paid

Dividend	Approved by	Approved dividend per share (Baht)	Total additional dividend paid (Thousand Baht)
Final dividend for 2017	Annual General Meeting of the shareholders on 24 April 2018	0.45	88,873
Interim dividend for 2018	Board of Director's Meeting on 14 August 2018	0.12	23,744
Total for 2018			<u>112,617</u>
Final dividend for 2018	Annual General Meeting of the shareholders on 26 April 2019	0.20	39,836
Total for 2019			<u><u>39,836</u></u>

### 34. Commitments and contingent liabilities

34.1 The subsidiaries have the outstanding rental and service commitments under long-term operating lease agreements for their office and equipment as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2019	2018
Payable:		
In up to 1 year	22.6	29.3
In over 1 and up to 5 years	0.7	22.3

- 34.2 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or a percentage of trading volume each month and/or a percentage of net settlements each month.
- 34.3 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transaction.
- 34.4 Trinity Securities Company Limited, the Company's subsidiary, is required to pay fee to the Office of the Securities and Exchange Commission in relation to securities business licenses for securities brokerage, securities trading, investment advisory, securities underwriting, securities borrowing and lending and private fund asset management. The fee is charged at the certain rate from the aforesaid activities.
- 34.5 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay certain service fees to Thailand Securities Depository Company Limited (TSD), as its Back Office Service Bureau. These comprise a monthly fixed amount and certain other fees specified in the agreement.
- 34.6 As at 31 December 2019 and 2018, the Company's subsidiary has commitments in respect of futures contracts and options traded through the Thailand Futures Exchange as detailed in Note 36.3 to the financial statements.
- 34.7 Litigations
- a) On 27 July 2017, Trinity Securities Company Limited, the Company's subsidiary, was sued as a co-defendant in a lawsuit filed by one of its securities business receivables against the subsidiary and two other securities companies for the sale of collateral, as the plaintiff's shares could not be traded on the Stock Exchange of Thailand. The plaintiff sought the return of these assets and asked the Court to suspend the sale of the plaintiff's shares. The Court considered the indictment and took the view that it had no grounds because the plaintiff's shares could not be traded on the Stock Exchange of Thailand, in accordance with the temporary suspension order, and there was not enough evidence to support the issue of a temporary injunction prior to the ruling of the Court. Therefore, the Court dismissed the case.

On 19 October 2017, the plaintiff filed another application with the Court for an injunction to prevent the auction of the plaintiff's shares, and the Court considered the request on the same day and ordered the suspension of the auction of the plaintiff's shares until ordered otherwise. Subsequently, the Court dismissed the case on 27 September 2018 and all three defendants therefore do not have to return the plaintiff's shares and are able offer these shares in the auction. On 3 October 2018, the plaintiff filed another application with the Court seeking an injunction to prevent the auction of the plaintiff's shares, but the Court considered this that there were no reasonable grounds to suspend the auction of the plaintiff's shares.

Subsequently, on 15 November 2018, the plaintiff lodged an appealed with the Court for requesting all three defendants to return the all plaintiff's shares. Subsequently, on 30 January 2020, the Court of Appeal upheld the judgement of the Court of First Instance that the appeal of the plaintiff lacked reasonable grounds.

- b) On 28 November 2018, one of securities business receivables, which is the plaintiff in litigation in Note 34.7 a), filed a lawsuit against the subsidiary, as the first defendant, together with three other defendants, totaling four defendants, regarding a request to the Court to revoke the sale of the plaintiff's shares, and demanded damages to be paid by the four defendants totaling Baht 50 million plus interest at a rate 7.5% per annum from the date of the lawsuit until the settlement is completed. The Court accepted the case.

On 25 February 2020, the plaintiff lodged a petition to withdraw the case with the subsidiary and three other defendants and undertook not to bring another lawsuit of the same nature against any of the four defendants. The Court approved the plaintiff's withdrawal of the lawsuit against the four defendants.

### 35. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Derivatives assets				
Forward contracts <sup>(1)</sup>	-	7	-	7
Investments in trading securities				
Equity securities	253	37	-	290
Unit trusts	-	10	-	10
Debt securities	-	57	-	57
Investments in available-for-sale securities				
Equity securities	177	-	-	177
Unit trusts	4	-	-	4
Debt securities	-	334	-	334
<b>Financial liability measured at fair value</b>				
Derivatives liabilities				
Forward contracts <sup>(1)</sup>	-	5	-	5

<sup>(1)</sup> Forward contracts on behalf of the subsidiary company for the Company and clients' portfolio in full amount

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in trading securities				
Equity securities	188	-	-	188
Debt securities	-	123	-	123
Investments in available-for-sale securities				
Equity securities	307	-	-	307
Unit trusts	5	-	-	5
Debt securities	-	89	-	89

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Derivatives assets				
Forward contracts	-	2	-	-
Investments in trading securities				
Equity securities	82	37	-	119
Unit trusts	-	10	-	10
Investments in available-for-sale securities				
Equity securities	57	-	-	57

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in trading investments				
Equity securities	109	-	-	109
Investments in available-for-sale securities				
Equity securities	69	-	-	69

#### Valuation techniques and inputs to Level 2 valuation

The fair value of investments in debt securities has been determined by using the yield rates of the last working day of the reporting period as announced by the Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.



## **36. Financial instruments**

### **36.1 Financial risk management**

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investments, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, other receivables, short-term and long-term loans, derivatives assets, payables to Clearing House and broker - dealers, securities and derivatives business payables, other payables, derivatives liabilities, borrowings, and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group are exposed to credit risk primarily with respect to deposits at financial institutions, investments in debt securities, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, other receivables and loans to.

To control this risk, the management set proper policies and procedures for credit control, i.e. an establishment of credit approval authority from those of officer's level to the Credit Committee and Board of Directors; rules regulating a cluster of credit provision to any particular clients/counterparties; specification of securities eligible for credit offer; analysis of debt settlement ability of both clients and counterparties; and an annual review of credit line. In addition, the Group's credits are not clustered in any particular group of clients or counterparties given that the Group has a large and diversified client base. As a result, the Group did not expect to suffer any material adverse affect from its credit provision. However, the maximum exposure to credit risk is limited to the carrying amounts as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Financial assets</b>				
Deposits at financial institutions in the name of Company, its subsidiaries and on behalf of customers	519	512	2	7
Investments in debt securities in the name of subsidiary and on behalf of customers	558	361	-	-
Receivables from Clearing House and broker - dealers	57	46	-	-
Securities and derivatives business receivables	1,785	2,249	-	-
Other receivables	28	25	170	27
Short-term loans to subsidiary	-	-	-	1
Short-term loans to joint venture	60	-	60	-
Short-term loans to others	1,007	583	1,007	583
Long-term loans to other	157	30	157	30

**Interest rate risk**

The Group's exposure to interest rate risk relates primarily to their deposits at financial institutions, investments in debt securities, securities business receivables - credit balance accounts, loan to, borrowings, unsecured debentures, and liabilities under finance lease agreements. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. As a result, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2019 and 2018 classified by type of interest rates and, for those financial assets and liabilities are categorised by the contractual repricing or maturity date (whichever is earlier) are as follows:

(Unit: Million Baht)

Consolidated financial statement										
2019										
Outstanding balances of net financial instruments										
	Floating interest rate	Fixed interest rate					No interest	Total	Interest rate per annum (%)	
		Repricing or maturity dates				Floating rate			Fixed rate	
		At call	Within 1 year	1 - 5 years	Over 5 years					
<b>Financial instruments - assets</b>										
Cash and cash equivalents	53	-	-	-	-	9	62	Saving deposit interest rate	-	
Investments										
- Equity securities	-	-	-	-	-	590	590	-	-	
- Debt securities	-	-	335	-	56	-	391	-	2.87 - 4.10	
Receivables from Clearing House and broker - dealers	-	-	-	-	-	57	57	-	-	
Securities and derivatives business receivables	1,618	-	-	-	-	167	1,785	5.50 - 15.00	-	
Other receivables	-	-	-	-	-	28	28	-	-	
Short-term loans to joint venture	-	-	60	-	-	-	60	-	MOR to MOR Plus 4.0	
Short-term loans to others	-	-	1,007	-	-	-	1,007	-	MOR to MOR Plus 2.5	
Long-term loans to other	-	-	10	147	-	-	157	-	MOR to MOR Plus 1.25	
<b>Financial instruments - liabilities</b>										
Short-term borrowings from financial institutions	-	805	200	-	-	-	1,005	-	Interbank rate	
Payables to Clearing House and broker - dealers	-	-	-	-	-	48	48	-	-	
Securities and derivatives business payables	-	-	-	-	-	135	135	-	-	
Other payables	-	-	-	-	-	106	106	-	-	
Other short-term borrowings	-	-	540	-	-	-	540	-	Interbank rate	
Unsecured debentures	-	-	603	266	-	-	869	-	2.80 - 3.80	
Liabilities under finance lease agreements	-	-	1	3	-	-	4	-	4.00 - 5.66	

(Unit: Million Baht)

## Consolidated financial statement

2018

	Outstanding balances of net financial instruments							Interest rate per annum	
	Floating interest rate	Fixed interest rate				No interest	Total	(% )	
		Repricing or maturity dates						Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial instruments - assets</b>									
Cash and cash equivalents	38	-	-	-	-	12	50	Savings deposit interest rate	-
Investments									
- Equity securities	-	-	-	-	-	508	508	-	-
- Debt securities	-	-	89	123	-	-	212	-	2.20 - 6.80
Receivables from Clearing House and broker - dealers	-	-	-	-	-	46	46	-	-
Securities and derivatives business receivables	2,091	-	-	-	-	158	2,249	5.50 - 15.00	-
Other receivables	-	-	-	-	-	25	25	-	-
Short-term loans to others	-	-	583	-	-	-	583	-	MOR to MOR plus 4.87
Long-term loans to other	-	-	20	10	-	-	30	-	MOR plus 0.625
<b>Financial instruments - liabilities</b>									
Short-term borrowings from financial institutions	-	650	400	-	-	-	1,050	-	Interbank rate
Payables to Clearing House and broker - dealers	-	-	-	-	-	10	10	-	-
Securities and derivatives business payables	-	-	-	-	-	112	112	-	-
Other payables	-	-	-	-	-	89	89	-	-
Other short-term borrowings	-	-	440	-	-	-	440	-	Interbank rate
Unsecured debentures	-	-	591	-	-	-	591	-	2.80 - 3.25
Liabilities under finance lease agreements	-	-	1	2	-	-	3	-	4.00

(Unit: Million Baht)

## Separate financial statement

2019

	Outstanding balances of net financial instruments							Interest rate per annum	
	Floating interest rate	Fixed interest rate				No interest	Total	(% )	
		Repricing or maturity dates						Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial instruments - assets</b>									
Cash and cash equivalents	-	-	-	-	-	3	3	-	-
Investments									
- Equity securities	-	-	-	-	-	295	295	-	-
Other receivables	-	-	-	-	-	170	170	-	-
Short-term loans to joint venture	-	-	60	-	-	-	60	-	MOR to MOR Plus 4.00
Short-term loans to others	-	-	1,007	-	-	-	1,007	-	MOR to MOR Plus 2.50
Long-term loans to other	-	-	10	147	-	-	157	-	MOR to MOR Plus 1.25

(Unit: Million Baht)

Separate financial statement									
2019									
Outstanding balances of net financial instruments									
Floating interest rate	Fixed interest rate					No interest	Total	Interest rate per annum (%)	
	Repricing or maturity dates				Floating rate			Fixed rate	
	At call	Within 1 year	1 - 5 years	Over 5 years					
<b>Financial instruments - liabilities</b>									
Other payables	-	-	-	-	-	14	14	-	-
Unsecured debentures	-	-	603	266	-	-	869	-	2.80 - 3.80
Other short-term borrowings	-	-	500	-	-	-	500	-	Interbank rate
Short-term loans from subsidiaries	-	307	-	-	-	-	307	-	Interbank rate

(Unit: Million Baht)

Separate financial statement									
2018									
Outstanding balances of net financial instruments									
Floating interest rate	Fixed interest rate					No interest	Total	Interest rate per annum (%)	
	Repricing or maturity dates				Floating rate			Fixed rate	
	At call	Within 1 year	1 - 5 years	Over 5 years					
<b>Financial instruments - assets</b>									
Cash and cash equivalents	-	-	-	-	-	7	7	-	-
Investments									
- Equity securities	-	-	-	-	-	186	186	-	-
Other receivables	-	-	-	-	-	27	27	-	-
Short-term loans to subsidiary	-	1	-	-	-	-	1	-	Saving deposit interest rate plus 1.25
Short-term loans to others	-	-	583	-	-	-	583	-	MOR to MOR plus 4.87
Long-term loans to other	-	-	20	10	-	-	30	-	MOR plus 0.625
<b>Financial instruments - liabilities</b>									
Other payables	-	-	-	-	-	13	13	-	-
Unsecured debentures	-	-	591	-	-	-	591	-	2.80 - 3.25
Short-term loans from subsidiaries	-	241	-	-	-	-	241	-	Savings deposit interest rate plus 0.75 - 1.00

## Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate its financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the Group incurring a financial loss.

The Group's liquidity risk are in connection with their assets and financial obligations. However, given that most of the Group's assets and financial obligations are short-term, the liquidity risk is low. To control this risk, the management reviews the net capital ratio report on a daily basis and instructs any departments engaging in new transactions which may have effects on the Group's liquidity to check with the Accounting and Finance Department so as to make sure that such transactions will not cause its subsidiary's net capital ratio to be lower than its subsidiary's specified ratio which is higher than that prescribed by the Office of the Securities and Exchange Commission. In case that a financial crisis arises in the Group, the management will closely follow up and monitor all transactions.

During the current year, its subsidiary was able to maintain a net capital ratio exceeding the requirement laid down by the Office of Securities and Exchange Commission.

The years of time from the end of reporting date to the maturity dates of financial instruments as of 31 December 2019 and 2018 follows:

(Unit: Million Baht)

	Consolidated financial statement					
	2019					
	Outstanding balances of net financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	62	-	-	-	-	62
Investments						
- Equity securities	-	-	-	-	590	590
- Debt securities	-	335	56	-	-	391
Receivables from Clearing House and broker						
- dealers	-	57	-	-	-	57
Securities and derivatives business receivables	-	167	-	-	1,618	1,785
Other receivables	-	28	-	-	-	28
Short-term loans to joint venture	-	60	-	-	-	60
Short-term loans to others	-	1,007	-	-	-	1,007
Long-term loans to other	-	10	147	-	-	157
<b><u>Financial instruments - liabilities</u></b>						
Short-term borrowings from financial institutions	805	200	-	-	-	1,005
Payables to Clearing House and broker - dealers	-	48	-	-	-	48
Securities and derivatives business payables	-	135	-	-	-	135
Other payables	-	106	-	-	-	106
Other short-term borrowings	-	540	-	-	-	540
Unsecured debentures	-	603	266	-	-	869
Liabilities under finance lease agreements	-	1	3	-	-	4

(Unit: Million Baht)

Consolidated financial statement						
2018						
Outstanding balances of net financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	50	-	-	-	-	50
Investments						
- Equity securities	-	-	-	-	508	508
- Debt securities	-	89	123	-	-	212
Receivables from Clearing House and broker						
- dealers	-	36	-	-	10	46
Securities and derivatives business						
receivables	-	151	7	-	2,091	2,249
Other receivables	-	25	-	-	-	25
Short-term loans to others	-	583	-	-	-	583
Long-term loans to other	-	20	10	-	-	30
<b><u>Financial instruments - liabilities</u></b>						
Short-term borrowings from financial institutions	650	400	-	-	-	1,050
Payables to Clearing House and broker - dealers	-	10	-	-	-	10
Securities and derivatives business payables	-	112	-	-	-	112
Other payables	-	89	-	-	-	89
Other short-term borrowings	-	440	-	-	-	440
Unsecured debentures	-	591	-	-	-	591
Liabilities under finance lease agreements	-	1	2	-	-	3

(Unit: Million Baht)

Separate financial statement						
2019						
Outstanding balances of net financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	3	-	-	-	-	3
Investments						
- Equity securities	-	-	-	-	295	295
Other receivables	-	170	-	-	-	170
Short-term loans to joint venture	-	60	-	-	-	60
Short-term loans to others	-	1,007	-	-	-	1,007
Long-term loans to other	-	10	147	-	-	157
<b><u>Financial instruments - liabilities</u></b>						
Other payables	-	14	-	-	-	14
Unsecured debentures	-	603	266	-	-	869
Other short-term borrowing	-	500	-	-	-	500
Short-term loans from subsidiaries	307	-	-	-	-	307

65

(Unit: Million Baht)

	Separate financial statement					
	2018					
	Outstanding balances of net financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	7	-	-	-	-	7
Investments						
- Equity securities	-	-	-	-	186	186
Other receivables	-	27	-	-	-	27
Short-term loans to subsidiary	1	-	-	-	-	1
Short-term loans to others	-	583	-	-	-	583
Long-term loans to other	-	20	10	-	-	30
<b><u>Financial instruments - liabilities</u></b>						
Other payables	-	13	-	-	-	13
Unsecured debentures	-	591	-	-	-	591
Short-term loans from subsidiaries	241	-	-	-	-	241

### **Market risk**

The Group's price fluctuation risk are in connection with investment in securities and derivatives.

To control this risk, the management instructs the Proprietary Committee to stipulate the investment policy and requirements and rules to limit loss (Stop Loss Limit) from the Group's proprietary trading. In this regard, the Risk Management and Management Information Department is assigned to follow up the risk management and regularly report results to the Proprietary Committee both on a daily and monthly basis to ensure that the investment risks are acceptable to the Group.

### **Foreign currency risk**

The Group are exposed to significant foreign currency risk in respect of financial assets and liabilities in foreign currencies. The Group seek to reduce this risk by entering into forward contracts when it considers appropriate. Generally, the forward contracts mature within 1 year.



As at 31 December 2019, outstanding balances of the Company's financial assets denominated in foreign currency is as follows:

Separate financial statements				
Foreign currencies	Financial assets		Average buying exchange rate	
	2019	2018	2019	2018
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1.3	-	30.731	-

Forward contracts outstanding as at 31 December 2019 are summarised below.

Consolidated financial statements					
Foreign currencies	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	4,000	-	31.582	-	4 May 2020
US Dollar	-	3	-	30.170	3 January 2020

As at 31 December 2019, a subsidiary entered into forward contracts with banks to reduce the foreign currency risk in respect of investment in foreign currency for the Company and clients' portfolio.

Separate financial statements					
Foreign currencies	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	1,146	-	31.582	-	4 May 2020

As at 31 December 2019, the Company entered into forward contracts to reduce the foreign currency risk in respect of its investments in foreign currencies.

### 36.2 Fair values of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, other receivables, short-term loans, short-term borrowings, payables to Clearing House and broker - dealers, and securities and derivatives business payables, their carrying amounts in the statement of financial position approximate their fair value.

- b) For investment in debts securities, their fair values, are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For investment in marketable equity securities and derivatives, their fair values, are generally derived from quoted market prices.
- d) For other derivatives, their fair values have been determined by using a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, forward exchange rates. The Group had considered to counterparty credit risk when determining the fair value of derivatives.
- e) For fixed rate debenture, the fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. The estimated fair value does not significantly differ from the carrying value presenting in the statement of financial position.
- f) For long-term loans to other and liabilities under finance lease agreements carrying interest approximate to the market rate, their carrying amounts in the statement of finance position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

### 36.3 Commitments in respect of derivatives trading

As at 31 December 2019 and 2018, the fair values of financial derivatives which are the commitments of Trinity Securities Company Limited, the Company's subsidiary, are as follows:

(Unit: Million Baht)

	2019				Total
	Remaining period before maturity date				
	1 - 3 months	3 - 6 months	6 - 9 months	10 - 12 months	
Futures and Options					
Long position	14	-	-	-	14
Short position	151	5	-	-	156

(Unit: Million Baht)

	2018				Total
	Remaining period before maturity date				
	1 - 3 months	3 - 6 months	6 - 9 months	10 - 12 months	
Futures and Options					
Long position	58	-	-	-	58
Short position	64	-	-	-	64

Fair value of financial derivatives instruments was measured at fair value using Level 1 input.

### 37. Capital management

The primary objectives of the Group's capital management is to ensure that it has an appropriate financing structure, to preserve the ability to continue its business as a going concern, and to maintain net capital ratio in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

### 38. Event after the reporting period

On 27 February 2020 a meeting of the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of shareholders to be held on 20 April 2020 for dividend payment from profit of 2019 to the shareholders of Baht 0.44 per share, or a total of Baht 87.65 million. The dividend payment is schedule for 15 May 2020. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### 39. Reclassifications

Certain amounts in the consolidated and separate statements of financial position as at 31 December 2018 have been reclassified to conform to the current year's classifications with no effect to previously reported profit or shareholders' equity as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December 2018		As at 31 December 2018	
	As reclassified	As reclassified	As reclassified	As reclassified
Derivatives assets	298	-	-	-
Current investments	399,218	399,516	-	-
Available-for-sales investments	312,005	-	69,500	-
Other long-term investments	8,057	320,062	7,800	77,300

### 40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.