

## Independent Auditor's Report

To the Shareholders of Trinity Watthana Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Trinity Watthana Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Trinity Watthana Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trinity Watthana Public Company Limited and its subsidiaries and of Trinity Watthana Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matters

My opinion is not modified in respect of these matters.

I draw attention to notes to the consolidated financial statements the following matters:

A) As discussed in Note 1.3 and Note 3 to the consolidated financial statements. Due to the impact of the COVID-19 Pandemic, in preparing financial statements for the year ended 31 December 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

B) As discussed in Note 18 to the consolidated financial statements regarding the investment in joint venture, the Company completed its assessment of the fair value of joint venture's assets acquired and liabilities assumed at the investing date during the current year and has restated the consolidated and

separate financial statements for the year ended 31 December 2019, presented herein for comparative purposes, to reflect the fair value of these assets and liabilities.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### **Recognition of brokerage fees and interest on margin loans**

The Group's income mainly consisted of brokerage fees and interest on margin loans, amounting to Baht 236 million and Baht 83 million for the year 2020, respectively, as discussed in Note 31 to the consolidated financial statements, representing 33 percent and 12 percent of the Group's total revenues. The subsidiary charges brokerage fees at percentages of trading volume, which are freely negotiated rate based on a sliding scale fee structure, whereas interest on margin loans is charged at fixed rates that are adjusted periodically based on market conditions and the competitive environment. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees and interest on margin loans relies primarily on data processed by information systems, I addressed the measurement and occurrence of brokerage fees and interest on margin loans as a key audit matter. The audit procedures I performed were to assess and test, on a sampling basis, the subsidiary's internal controls relevant to recognition of brokerage fees and interest on margin loans, including computer-based

controls relevant to the calculation of brokerage fees and interest on margin loans. I also tested, on a sampling basis, the brokerage rates, interest rates, calculation and account recording. In addition, I performed analytical procedures on brokerage fees and interest on margin loans and examined, on a sampling basis, material manual adjustments recorded via journal vouchers.

**Allowance for expected credit losses on securities business receivables**

As of 31 December 2020, securities business receivables amounting to Baht 2,461 million, representing 49 percent of the Group's total assets. As discussed in Note 5.24, 6 and 11 to the consolidated financial statements, the subsidiary recognized allowance for expected credit losses on such receivables based on Thai Financial Reporting Standard No. 9. The estimation of allowance for expected credit losses on securities business receivables is significant because management of the subsidiary must exercise judgment to identify significant changes in credit risk and to determine assumptions used in the expected credit loss model. Moreover, the subsidiary has a large number of customers and the balance of these receivables is significant to the consolidated financial statements. Therefore, I addressed the adequacy of allowance for expected credit losses for such receivables as a key audit matter.

I performed audit procedures on the adequacy of allowance for expected credit losses as follows:

- I assessed, and tested on a sampling basis, the subsidiary's internal controls relevant to the status of account receivables, the staging in accordance with changes in credit risk of receivables, the calculation of allowance for expected credit losses and the recording. I also assessed, and tested on a sampling basis, the reasonableness of assumptions and the expected credit loss model.
- I examined the adequacy of allowance for expected credit losses as at the end of reporting period by testing on a sampling basis, data used in the calculation of allowance for expected credit losses, the status of outstanding receivable, the staging in accordance with changes in credit risk of receivables, the collections after the end of reporting period and the calculation of allowance for expected credit losses, as well as the adequacy and appropriateness of disclosure.

**Goodwill**

As discussed in Notes 5.11 to the consolidated financial statements, goodwill is assessed for impairment annually and when circumstances indicate that the carrying value may be

impaired. I have focused my audit on the consideration of impairment of goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in using the financial model to calculate the realisable values and in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

I assessed the identified cash generating units and financial model and gained an understanding of and tested the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets as well as reviewed the discount rate applied by making enquiry of responsible executives and comparing details with sources of information about the Group and the industry.

### **Other Information**

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or,

- if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Kirdsiri Kanjanaprakasit  
Certified Public Accountant (Thailand) No. 6014

EY Office Limited  
Bangkok: 25 February 2021