

Trinity Watthana Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Trinity Watthana Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

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 2020, the subsidiary has 6 branches (2019: 7 branches).

1.3 COVID-19 Pandemic

The COVID-19 Pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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, 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”) (collectively as “the Group”):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|---|-----------------------------|--------------------------|----------------------------|------|
| | | | 2020 | 2019 |
| | | | (%) | (%) |
| 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 |
| Asset Backed Holdings Limited | Investing in securitisation | Thailand | 99.9 | -* |

* As at 31 December 2019, the status of Asset Backed Holdings Limited was an associate with percentage of shareholding at 49.9%.

Details of changes in the Group's structure during the current year are shown in Note 16 to the consolidated financial statements.

The subsidiary which the Company owns through other company is as follows:

| Company name | Nature of business | Country of incorporation | Percentage of shareholding | |
|---|---|--------------------------|----------------------------|-----------|
| | | | 2020 | 2019 |
| | | | (Percent) | (Percent) |
| Subsidiary under “Asset Backed Holdings Limited” | | | | |
| Conduit Management Services Limited | Management service for special purpose vehicles | Thailand | 100 | - |

- 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 2019) and new 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. 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:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TRFIC 16 Hedges of a Net Investment in a Foreign Operation

TRFIC 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. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of non-listed equity investments - The Group has decided to measure these investments at fair value and classify them as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income.
- Classification and measurement of investments in available-for-sale equity securities - The Group has elected to irrevocably classify some of these investments as financial assets at fair value through other comprehensive income and some of them as financial assets at fair value through profit or loss.
- Classification and measurement of investments in available-for-sale debt securities - The Group has decided to classify some of these investments as financial assets at amortised cost or fair value through other comprehensive income or fair value through profit or loss based on their characteristics of the contractual cash flows and the Group's business model on the TFRS 9 transition date.

- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, contract assets and loan commitments, and it is no longer necessary for a credit-impaired event to have occurred.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

IFRS 16 Leases

IFRS 16 supersedes IAS 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 IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of financial assets in the form of debt instruments and investments in unquoted equity instruments, and reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed some of the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of expected credit losses using a simplified approach, fair value of financial assets in the form of debt instruments and investments in unquoted equity instruments, and deferred tax assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of financial assets in the form of debt instruments and reversal of deferred tax assets. This has no significant impact on the Group's financial statements.

However, the Group elected to continue to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.

The Group is evaluating the impact on the financial statements and expects the valuation of current investments to be significantly affected. The Group will consider recording the impact on the financial statements after the relief measures expire.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the consolidated financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statement of financial position at the beginning 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|---|---------|-------------------|
| | 31 December 2019 (Restated) | The impacts of | | 1 January 2020 |
| | | Financial reporting standards related to financial instruments | TFRS 16 | |
| Statement of financial position | | | | |
| Assets | | | | |
| Current assets | | | | |
| Securities and derivatives business receivables | 1,785,349 | (99) | - | 1,785,250 |
| Non-current assets | | | | |
| Long-term investments | 289,888 | 1,232 | - | 291,120 |
| Investment in joint venture | 26,866 | (1,020) | - | 25,846 |
| Premises improvement and equipment | 29,591 | - | (4,198) | 25,393 |
| Right-of-use assets | - | - | 110,215 | 110,215 |
| Deferred tax assets | 58,220 | (226) | - | 57,994 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of lease liabilities | 983 | - | 25,832 | 26,815 |
| Non-current liabilities | | | | |
| Lease liabilities, net of current portion | 3,414 | - | 71,176 | 74,590 |
| Provision for dismantling cost | - | - | 9,009 | 9,009 |

(Unit: Thousand Baht)

Consolidated financial statements

| | The impacts of | | | 1 January 2020 |
|--|---------------------|---|---------|-------------------|
| | 31 December 2019 | Financial reporting standards related to financial instruments | TFRS 16 | |
| | (Restated) | | | |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated | 262,919 | (1,875) | - | 261,044 |
| Other components of shareholders' equity - Loss on investments in equity designated at fair value through other comprehensive income | - | (47,455) | - | (47,455) |
| Other components of shareholders' equity - Loss on change in value of available-for-sale investments | (49,217) | 49,217 | - | - |

(Unit: Thousand Baht)

Separate financial statements

| | The impacts of | | | 1 January 2020 |
|--|---------------------|---|---------|-------------------|
| | 31 December 2019 | Financial reporting standards related to financial instruments | TFRS 16 | |
| | (Restated) | | | |
| Statement of financial position | | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Long-term investments | 164,800 | 1,232 | - | 166,032 |
| Investments in subsidiaries | 1,535,075 | (79) | - | 1,534,996 |
| Investments in joint venture | 26,866 | (1,020) | - | 25,846 |
| Deferred tax assets | 30,202 | (246) | - | 29,956 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|--|-------------------------------|-------------|---------|-----------|
| | The impacts of | | | |
| | 31 December | Financial | | 1 January |
| | 2019 | reporting | TFRS 16 | 2020 |
| | (Restated) | standards | | |
| | | related to | | |
| | | financial | | |
| | | instruments | | |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated | 262,919 | (1,875) | - | 261,044 |
| Other components of shareholders' equity - Loss on investments in equity designated at fair value through other comprehensive income | - | (24,187) | - | (24,187) |
| Other components of shareholders' equity - Loss on change in value of available-for-sale investments | (25,173) | 25,173 | - | - |
| Other components of shareholders' equity - Share of other comprehensive income from investments in subsidiaries | (24,044) | 776 | - | (23,268) |

4.1 Financial instruments

a) Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--|-------------------------------|--|
| | Retained earnings | Other components of shareholders' equity | Retained earnings | Other components of shareholders' equity |
| Fair value measurement of non-listed equity investment | - | 1,232 | - | 1,232 |
| Classification of available-for-sale equity investments as financial assets at fair value through profit or loss | (776) | 776 | (776) | 776 |
| Recognition of an allowance for expected credit losses on financial assets at amortised cost | (99) | - | - | - |
| Recognition of an allowance for expected credit losses on financial assets at amortised cost in subsidiary (Equity method) | - | - | (79) | - |
| Recognition of an allowance for expected credit losses on financial assets at amortised cost in joint venture (Equity method) | (1,020) | - | (1,020) | - |
| Recognition of income tax effect | 20 | (246) | - | (246) |
| Impacts of the adoption of financial reporting standards related to financial instruments | (1,875) | 1,762 | (1,875) | 1,762 |

b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|--|---|------------------|
| | The former carrying amount | Classification and measurement in accordance with TFRS 9 | | |
| | | Fair value through profit or loss | Fair value through other comprehensive income | Amortised cost |
| Financial assets as at 1 January 2020 | | | | |
| Cash and cash equivalents | 62,220 | - | - | 62,220 |
| Current Investments | 690,702 | 356,295 | - | 690,702 |
| Receivables from Clearing House and broker - dealers | 57,427 | - | - | 57,427 |
| Securities and derivatives business receivables | 1,785,349 | - | - | 1,785,250 |
| Derivative assets | 6,982 | 6,982 | - | 6,982 |
| Other receivables | 27,631 | - | - | 27,631 |
| Long-term loans to other | 157,000 | - | - | 157,000 |
| Short-term loans to joint venture | 60,000 | - | - | 60,000 |
| Short-term loans to others | 1,007,427 | - | - | 1,007,427 |
| Long-term investments | 289,888 | 104,224 | 186,896 | 291,120 |
| Total financial assets | 4,144,626 | 467,501 | 186,896 | 4,145,759 |

(Unit: Thousand Baht)

Separate financial statements

| The former carrying amount | Classification and measurement in accordance with TFRS 9 | | | |
|--|--|---|----------------|------------------|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total |
| Financial assets as at 1 January 2020 | | | | |
| Cash and cash equivalents | 3,190 | - | - | 3,190 |
| Current Investments | 129,828 | 129,828 | - | 129,828 |
| Derivative assets | 1,939 | 1,939 | - | 1,939 |
| Other receivables | 169,840 | - | - | 169,840 |
| Long-term loans to other | 157,000 | - | - | 157,000 |
| Short-term loans to joint venture | 60,000 | - | - | 60,000 |
| Short-term loans to others | 1,007,427 | - | - | 1,007,427 |
| Long-term investments | 164,800 | 100,000 | 66,032 | 166,032 |
| Total financial assets | 1,694,024 | 231,767 | 66,032 | 1,397,457 |

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 5 million (Separate financial statements: nil)

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

| | (Unit: Thousand Baht) |
|---|-----------------------------|
| | Consolidated |
| | <u>financial statements</u> |
| Operating lease commitments as at 31 December 2019 | 23,284 |
| Less: Short-term leases and leases of low-value assets | (1,018) |
| Add: Option to extend lease term | 79,056 |
| Less: Deferred interest expenses | (4,314) |
| Increase in lease liabilities due to TFRS 16 adoption | 97,008 |
| Liabilities under finance lease agreements as at 31 December 2019 | 4,397 |
| Lease liabilities as at 1 January 2020 | <u>101,405</u> |
| Weighted average incremental borrowing rate (percent per annum) | 2.31 |
| Comprise of: | |
| Current lease liabilities | 26,815 |
| Non-current lease liabilities | 74,590 |
| | <u>101,405</u> |

5. Significant accounting policies

5.1 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 income

Accounting policies adopted since 1 January 2020

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Accounting policies adopted before 1 January 2020

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) Gain (loss) and return on financial instruments

Gain (loss) on investments and derivatives

Gain (loss) on investments and derivatives are recognised as income or expense on the transaction dates.

Dividend

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

(e) Expenses

Expenses are recognised on an accrual basis.

(f) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

5.2 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.

5.3 Recognition of customers assets

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

5.4 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.

5.5 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.

5.6 Securities and derivatives business receivables

Securities and derivatives business receivables are the net balances of securities business receivables and derivatives business receivables after deducting allowance for expected credit losses.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, collateral receivables (which comprise cash pledged 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.

5.7 Loans

Loans are initially recognised at the amount granted to borrower and are subsequently stated at amortised cost, based on the effective interest rate. Returns are recognised in profit or loss over the term of loan.

5.8 Investments in subsidiaries, joint venture and associate

Investments in subsidiaries, joint venture and associate are accounted for in the consolidated and separate financial statements using the equity method.

5.9 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.

5.10 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.

5.11 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.

5.12 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | |
|-----------------------------------|-------------|
| Building and building improvement | 2 - 5 Years |
| Motor vehicles | 5 Years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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.

Leases of assets 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.

5.13 Related party transactions

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

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

5.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

5.15 Impairment of non-financial assets

At the end of each reporting period, the Group perform impairment reviews in respect of the premises improvement and equipment, right-of-use asset and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries 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.

5.16 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.

5.17 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.

5.18 Other borrowings

Other borrowings 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.

5.19 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.

5.20 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.

5.21 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.

5.22 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.

5.23 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.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

5.24 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially measured at fair value on trade date and are subsequently measured at amortised cost and are subject to impairment (if any).

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as gains (losses) and return on financial instruments in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as gains (losses) and return on financial instruments in profit or loss.

Classification and measurement of financial liabilities

Except for securities borrowing and lending payables, and derivative (losses) are measured at fair value through profit or loss. At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

Changes in conditions of financial instruments which are not measured at fair value

Financial assets

If there is a change in conditions of financial instruments and the Group estimates that cash flows of the financial assets significantly change, the former financial assets will be derecognised and reverted to be recorded at fair value. The difference of those book values is recorded in profit or loss as a part of loss on impairment.

If the cash flows of financial assets have an insignificant change, the Group adjusts gross value of the financial assets and records the adjusted amount to profit (loss) on changes in contractual term in profit or loss which is a part of loss on impairment.

Financial liabilities

The Group derecognises the financial liabilities if there is a change in contractual terms which causes significant changes in cash flows of the financial liabilities, and recognises the financial liabilities at fair value. The difference between book value and fair value is recorded in profit or loss.

If the cash flows of financial liabilities have an insignificant change, the Group adjusts gross value of the financial liabilities which reflects the reviewed net present value, then discounts using the former effective interest rate, and records the adjusted amount to profit or loss.

Derecognition of financial instruments

Financial assets are primarily derecognised when the rights to receive cash flows from the asset have expired or when the Group has transferred its rights to receive cash flows from the asset and either transferred all or substantially all the risks and rewards of the asset. Interest derived from remaining financial asset or transferred is recognised as asset or liability.

Financial liabilities are derecognised when the obligation under the liability are discharged or cancelled or expires.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) on investments in debt instruments including cash equivalents, receivables from Clearing House and broker - dealers, securities business receivables - cash accounts, securities business receivables - credit balance accounts, collateral receivables, derivatives business receivables, other securities business receivables, loans, and investment in debt securities that are measured at amortised cost by using General Approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

Allowance for expected credit losses are re-measured at every end of reporting period in order to reflect the change in credit risk from those have been initially recognised of related financial instruments.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by present observable and supportable and reasonable forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date. The Group continuously reviews and revisits the methods used, assumptions and forward-looking information.

For credit balance accounts, the allowance is set up based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions assessment/forward-looking. In considering whether there has been a significant increase in credit risk since initial recognition, it is based on outstanding status of the debtors, required maintaining of collateral, high credit-risk debtors with a high attention by the Group's management, and the default.

Increase (decrease) of allowance for expected credit losses is recorded as expenses during the period in the statement of comprehensive income.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Allowance for doubtful securities and derivatives business receivables

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.

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.

5.25 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.

6. 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 judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of securities and derivatives business receivables

Allowance for expected credit losses of securities and derivatives business receivables are intended to adjust the values of loans and receivables for probable credit losses. The management needs to make 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 allowance for expected credit losses and adjustments to the allowance for expected credit losses may therefore be required in the future.

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.

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.

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.

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.

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 the subsidiary significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

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.

7. Related party transactions

The relationships between the Company and its related parties that have significant business transactions during the years 2020 and 2019 are summarised below:

| Name of related parties | Relationship |
|---|---|
| Trinity Securities Company Limited | Subsidiary |
| Trinity Advisory 2001 Company Limited | Subsidiary |
| Trinity Intelligence Plus Company Limited | Subsidiary |
| Trinity One Company Limited | Subsidiary |
| Asset Backed Holdings Limited | Subsidiary (changed from associate to subsidiary in April 2020) |
| Tree Money Holding Company Limited | Joint Venture |
| 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 |
|--|-----------------------------------|------|-------------------------------|------|---|
| | 2020 | 2019 | 2020 | 2019 | |
| <u>Related party transactions</u> | | | | | |
| Brokerage fees from securities business | | | | | |
| - Directors of the Group | 1,651 | 292 | - | - | 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 | 81 | 68 | - | - | At the subsidiary's normal rate charged to other clients, in accordance with Association of Thai Securities Companies' notification |

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer Pricing Policy |
|------------------------------|-----------------------------------|-------|-------------------------------|--------|---|
| | 2020 | 2019 | 2020 | 2019 | |
| Private fund management fees | | | | | |
| - Directors of the Group | 724 | 691 | - | - | Contract price |
| Management service income | | | | | |
| - Subsidiary | - | - | 14,400 | 14,400 | Agreed upon basis |
| - Associate | 352 | 361 | - | - | Agreed upon basis |
| Rental service income | | | | | |
| - Associate | 60 | 240 | - | - | Agreed upon basis |
| Advisory income | | | | | |
| - Joint venture | - | 1,000 | - | - | Agreed upon basis |
| Dividend income | | | | | |
| - Subsidiary | - | - | 67,000 | 96,000 | Normal rate declared to ordinary investors |
| - Associate | 500 | 500 | 500 | 500 | Normal rate declared to ordinary investors |
| - Joint venture | 3,440 | - | 3,440 | - | Normal rate declared to ordinary investors |
| Other service income | | | | | |
| - Subsidiary | - | - | 1,440 | 879 | Agreed upon basis |
| Interest income | | | | | |
| - Subsidiaries | - | - | 216 | 136 | Interbank rate (2019: Interbank rate) |
| - Joint venture | 7,593 | 3,222 | 7,593 | 3,222 | MOR Plus 3.63 per annum (2019: MOR Plus 4.00 per annum) |
| Interest expenses | | | | | |
| - Subsidiaries | - | - | 4,084 | 4,357 | Interbank rate (2019: Interbank rate) |
| Management service expenses | | | | | |
| - Subsidiary | - | - | 28,328 | 1,568 | Agreed upon basis |
| Brokerage fee expenses | | | | | |
| - Subsidiary | - | - | 32,998 | 39,825 | 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 2020 and 2019 between the Group and those related parties are as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------------------|--------|-------------------------------|---------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Outstanding balances of the transactions</u> | | | | |
| Securities and derivatives business receivables | | | | |
| Directors of the Group | 42,913 | 9,175 | - | - |
| Other receivables - subsidiaries (Note 14) | | | | |
| Trinity Securities Company Limited | - | - | 181,218 | 163,041 |
| Trinity Intelligence Plus Company Limited | - | - | - | 4 |
| Trinity Advisory 2001 Company Limited | - | - | - | 4 |
| Trinity One Company Limited | - | - | 22 | 17 |
| Tree Money Holding Company Limited | 671 | 1,402 | 671 | 702 |
| Short-term loans to subsidiary | | | | |
| Trinity Intelligence Plus Company Limited | - | - | 2,000 | - |
| Short-term loans to joint venture | | | | |
| Tree Money Holding Company Limited | 80,000 | 60,000 | 80,000 | 60,000 |
| Securities and derivatives business payables | | | | |
| Directors of the Group | 9,085 | 6,123 | - | - |
| Other payables - subsidiaries (Note 23) | | | | |
| Trinity Securities Company Limited | - | - | 27,600 | 600 |
| Trinity One Company Limited | - | - | 9 | 5 |
| Short-term loans from subsidiaries | | | | |
| Trinity Securities Company Limited | - | - | 274,000 | 294,000 |
| Trinity Advisory 2001 Company Limited | - | - | 8,900 | 13,000 |
| Trinity One Company Limited | - | - | 245 | 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 1 January 2020 | Increase during the year | Decrease during the year | Balance as at 31 December 2020 |
| Short-term loans to subsidiaries | | | | |
| Trinity Securities Company Limited | - | 749,000 | (749,000) | - |
| Trinity Intelligence Plus Company Limited | - | 4,4000 | (2,400) | 2,000 |
| | - | 753,400 | (751,400) | 2,000 |

Short-term loans to joint venture are due within 1 year and carry interest at MOR plus 3.63 % per annum. (2019: interest at MOR plus 4 % per annum) The loans are secured by the entering into business collateral agreement for the right to claim from existing and future loan receivables of subsidiaries of the joint venture. Movements in the balances of the loans during the year were as follows:

(Unit: Thousand Baht)

| | Consolidated / Separate financial statements | | | |
|--|--|--------------------------------|--------------------------------|--------------------------------------|
| | Balance as at 1 January 2020 | Increase during the year | Decrease during the year | Balance as at 31 December 2020 |
| Short-term loans to joint venture | | | | |
| Tree Money Holding Company Limited | 60,000 | 60,000 | (40,000) | 80,000 |

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 1 January 2020 | Increase during the year | Decrease during the year | Balance as at 31 December 2020 |
| Short-term loans from subsidiaries | | | | |
| Trinity Securities Company Limited | 294,000 | 4,323,000 | (4,343,000) | 274,000 |
| Trinity Advisory 2001 Company Limited | 13,000 | 5,700 | (9,800) | 8,900 |
| Trinity One Company Limited | 245 | - | - | 245 |
| | 307,245 | 4,382,700 | (4,352,800) | 283,145 |

Directors and management's benefits

During the years ended 31 December 2020 and 2019, 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 |
| | 2020 | 2019 | 2020 | 2019 |
| Short-term benefits | 89,456 | 53,362 | 12,320 | 10,788 |
| Post-employment benefits | 7,452 | 7,294 | - | - |
| Share-based payment (Note 29) | 331 | 1,017 | 144 | 441 |
| Total | 97,239 | 61,673 | 12,464 | 11,229 |

The Company provided the other employee benefits to its directors and management. In the year 2020, the Company purchased liability insurance amounting to Baht 50 million for directors and management of the Group (2019: Baht 50 million).

8. Cash and cash equivalents

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Cash on hand | 207 | 1,651 | 40 | 1,482 |
| Deposits at financial institutions | 190,165 | 219,393 | 16,554 | 1,708 |
| Total cash and cash equivalents | 190,372 | 221,044 | 16,594 | 3,190 |
| Less: Deposits for customers' account of subsidiary | (122,419) | (158,824) | - | - |
| Net cash and cash equivalents | <u>67,953</u> | <u>62,220</u> | <u>16,594</u> | <u>3,190</u> |

9. Investments

9.1 Fair value of obligated investments in equity securities

| | (Unit: Thousand Baht) | |
|--|-----------------------|---------------|
| | Consolidated | |
| | financial statements | |
| | 2020 | 2019 |
| Securities borrowed but has not yet to be transferred⁽¹⁾ | | |
| Equity securities | 3,120 | 76,014 |
| Total obligated investments | <u>3,120</u> | <u>76,014</u> |

⁽¹⁾ Fair value of securities borrowed but has not yet to be transferred was measured at fair value using Level 1 input.

9.2 Cost and fair value

| | (Unit: Thousand Baht) | |
|--|-----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| | 2020 | 2020 |
| Current investments | | |
| Investments measured at FVTPL | | |
| Equity securities - Trading securities | | |
| Unit trusts | 2,942 | 2,942 |
| Listed securities | 525,008 | 230,460 |
| Non-listed securities | 1,000 | 100,000 |
| Total equity securities | <u>627,950</u> | <u>333,402</u> |
| Debt securities measured at FVTPL | | |
| Unit trusts | 3,340 | - |
| Foreign debt securities | 11,315 | 11,315 |
| Total debt securities | <u>14,655</u> | <u>11,315</u> |
| Total investments measured at FVPL | <u>642,605</u> | <u>344,717</u> |

| | (Unit: Thousand Baht) | |
|---|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| | 2020 | 2020 |
| Investments measured at amortised cost | | |
| Bills of exchange | 9,012 | - |
| Debentures | 38,143 | 38,143 |
| Total investments measured at amortised cost | 47,155 | 38,143 |
| Total current investments | 689,760 | 382,860 |
| Long-term investments | | |
| Investments measured at FVOCI | | |
| Listed securities | 185,611 | 47,200 |
| Non-listed securities | 9,700 | 9,032 |
| Total long-term investments | 195,311 | 56,232 |

Equity instruments designated at FVOCI include listed and non-listed securities investments which the Company considers as long-term investments.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------------------|------------|-------------------------------|------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | | 2019 | |
| | Cost/ Amortised cost | Fair value | Cost/ Amortised cost | Fair value |
| Current investments | | | | |
| <u>Trading securities</u> | | | | |
| Equity securities | | | | |
| Listed securities | 310,644 | 290,122 | 120,604 | 120,224 |
| Less: Changes in fair value of securities | (20,054) | - | (380) | - |
| Less: Allowance for impairment loss | (468) | - | - | - |
| Listed securities | 290,122 | 290,122 | 120,224 | 120,224 |
| Unit trusts | 9,686 | 9,604 | 9,686 | 9,604 |
| Less: Changes in fair value of securities | (82) | - | (82) | - |
| Unit trusts | 9,604 | 9,604 | 9,604 | 9,604 |
| Equity securities | 299,726 | 299,726 | 129,828 | 129,828 |
| Debt securities | | | | |
| Corporate and government debt securities | 56,750 | 56,569 | - | - |
| Less: Changes in fair value of securities | (181) | - | - | - |
| Debt securities | 56,569 | 56,569 | - | - |
| Total trading securities | 356,295 | 356,295 | 129,828 | 129,828 |
| <u>Available-for-sale securities</u> | | | | |
| Debt securities | | | | |
| Bills of exchange | 336,901 | 334,407 | - | - |
| Less: Discount | (2,494) | - | - | - |
| Debt securities | 334,407 | 334,407 | - | - |
| Total available-for-sale securities | 334,407 | 334,407 | - | - |
| <u>Held-to-maturity investments</u> | | | | |
| Fixed deposit notes with maturity over 3 months but less than 1 year | 300,000 | 300,000 | - | - |
| BOT bonds with maturity over 3 months but less than year | 167,418 | 167,418 | - | - |
| Less: Investments for customers' accounts | (467,418) | (467,418) | - | - |
| Held-to-maturity investments | - | - | - | - |
| Total current investments | 690,702 | 670,702 | 129,828 | 129,828 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------|-------------------------------|------------|
| | 2019 | | 2019 | |
| | Cost/ Amortised cost | Fair value | Cost/ Amortised cost | Fair value |
| Long-term investments | | | | |
| <i>Available-for-sale securities</i> | | | | |
| Equity securities | | | | |
| Listed securities | 237,942 | 177,196 | 88,467 | 57,000 |
| Less: Changes in fair value of securities | (60,746) | - | (31,467) | - |
| Listed securities | 177,196 | 177,196 | 57,000 | 57,000 |
| Unit trusts | 5,000 | 4,224 | - | - |
| Less: Changes in fair value of securities | (776) | - | - | - |
| Unit trusts | 4,224 | 4,224 | 57,000 | 57,000 |
| Total available-for-sale securities | 181,420 | 181,420 | 57,000 | 57,000 |
| <i>Non-marketable securities</i> | | | | |
| Equity securities | 188,294 | | 187,626 | |
| Less: Allowance for impairment loss | (79,826) | | (79,826) | |
| Total non-marketable securities | 108,468 | | 107,800 | |
| Total long-term investments | 289,888 | | 164,800 | |
| Total investments | 980,590 | | 294,628 | |

9.3 As at 31 December 2020 and 2019, investments in debt securities (exclude investments measured at FVTPL) classified by the remaining period to maturities of contracts.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|-------------|--------------|--------|
| | 2020 | | | |
| | Period to maturity | | | |
| | Within 1 year | 1 - 5 years | Over 5 years | Total |
| Investments measured at amortised cost | | | | |
| Bills of exchange | 9,012 | - | - | 9,012 |
| Debenture | 38,143 | - | - | 38,143 |
| Total | 47,155 | - | - | 47,155 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|-------------|--------------|---------|
| | 2019 | | | |
| | Period to maturity | | | |
| | Within 1 year | 1 - 5 years | Over 5 years | Total |
| Trading securities | | | | |
| Government debt securities | - | - | 55,965 | 55,965 |
| Corporate debt securities | 604 | - | - | 604 |
| Available-for-sale debt securities | | | | |
| Bills of exchange | 334,407 | - | - | 334,407 |
| Total | 335,011 | - | 55,965 | 390,976 |

9.4 Unrealised loss on revaluation of investments measured at FVOCI recognised in owners' equity

(Unit: Thousand Baht)

For the year ended
31 December 2020

| | Consolidated financial statements | Separate financial statements |
|---|---|-------------------------------------|
| The adjustments due to the adoption of financial reporting standards related to financial instruments (Note 4) | (47,455) | (47,455) |
| Changes during the year (net of income tax) | | |
| - from revaluation | (25,784) | (7,841) |
| Share of other comprehensive income from investment subsidiaries | - | (17,943) |
| Transferred of loss on disposal of equity investments designated at fair value through other comprehensive income | 10,934 | 10,934 |
| Balance - end of the year | <u>(62,305)</u> | <u>(62,305)</u> |

Unrealised loss on revaluation of investment recognised in owners' equity.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|--|--------------------------------------|----------------------------------|
| | 2019 | 2019 |
| Balance - beginning of the year | (24,334) | (24,334) |
| Changes during the year (net of income tax) | | |
| - from revaluation | (24,883) | (10,000) |
| Share of other comprehensive income from investment subsidiaries | - | (14,883) |
| Balance - end of the year | <u>(49,217)</u> | <u>(49,217)</u> |

10. Receivables from Clearing House and broker - dealers

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------|
| | Consolidated | |
| | financial statements | |
| | 2020 | 2019 |
| Receivables from Clearing House | 268,501 | 86,798 |
| Less: Receivables from Clearing House for customers' accounts of the subsidiary | (48,096) | (29,371) |
| Receivables from Clearing House and broker - dealers | <u>220,405</u> | <u>57,427</u> |

11. Securities and derivatives business receivables

| | (Unit: Thousand Baht) | |
|---|-----------------------|------------------|
| | Consolidated | |
| | financial statements | |
| | 2020 | 2019 |
| Securities business receivables | | |
| Cash customers' accounts | 174,231 | 53,224 |
| Credit balance accounts | 2,204,076 | 1,617,588 |
| Collateral receivables | 3,912 | 89,475 |
| Other receivables | 79,169 | 81,898 |
| Total securities business receivables | <u>2,461,388</u> | <u>1,842,185</u> |
| Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts) | <u>(61,995)</u> | <u>(62,085)</u> |
| Net securities business receivables | <u>2,399,393</u> | <u>1,780,100</u> |
| Derivatives business receivables | | |
| Derivatives business receivables | 2,286 | 2,129 |
| Other receivables | 3,013 | 3,120 |
| Total derivatives business receivables | <u>5,299</u> | <u>5,249</u> |
| Net derivatives business receivables | <u>5,299</u> | <u>5,249</u> |
| Net securities and derivatives business receivables | <u>2,404,692</u> | <u>1,785,349</u> |

11.1 The classification of securities and derivative business receivables

As at 31 December 2020 and 2019, Trinity Securities Company Limited, the Company's subsidiary has classified securities and derivative business receivables in accordance with TFRS 9/the Notification of the Office of the Securities and Exchange Commission. The classified is as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|---|--|--|---|
| | 2020 | | |
| | Securities and derivatives business receivables and interest receivables | Receivables amount to be considered setting up of allowance for expected credit losses | Allowance for expected credit losses amount |
| <u>Securities business receivables</u> | | | |
| Performing debts | 2,107,772 | 2,107,772 | 1 |
| Under-performing debts | 291,647 | 291,647 | 25 |
| Non-performing debts | 61,969 | 61,969 | 61,969 |
| Total | 2,461,388 | 2,461,388 | 61,995 |
| <u>Derivatives business receivables</u> | | | |
| Performing debts | 2,286 | 29,583 | - |
| Under-performing debts | 3,013 | 18,588 | - |
| Total | 5,299 | 48,171 | - |
| Total securities and derivatives business receivables | 2,466,687 | 2,509,559 | 61,995 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|-------------------|--|---------------------------------|---|
| | 2019 | | |
| | Securities and derivatives business receivables and interest receivables | Allowance for doubtful accounts | Net securities business receivables after allowance for doubtful accounts |
| Normal debts | 1,770,062 | - | 1,770,062 |
| Substandard debts | 15,287 | - | 15,287 |
| Doubtful debts | 62,085 | (62,085) | - |
| Total | 1,847,434 | (62,085) | 1,785,349 |

12. Allowance for expected credit losses/allowance for doubtful accounts

Details of allowance for expected credit losses/allowance for doubtful accounts as at 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|--|--|--------|
| | 2020 | 2019 |
| | Securities and derivative business receivables | 61,995 |

12.1 Allowance for expected credit losses

Movements of allowance for expected credit losses during the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|---|--------------------------------------|--------------------|---------------------|---------------------------------------|----------|--------|
| | 2020 | | | | | |
| | Allowance for expected credit losses | | | | | Total |
| Performing | Under- performing | Non- performing | General approach | Allowance for doubtful accounts | | |
| Beginning balance of the year | - | - | - | - | 62,085 | 62,085 |
| Cumulative changes due to adoption of new accounting standards (Note 4) | - | 99 | 62,085 | - | (62,085) | 99 |
| Change from allowance of expected credit loss | - | (73) | - | - | - | (73) |
| Write-off financial assets | - | - | (116) | - | - | (116) |
| Balance ending of the year | - | 26 | 61,969 | - | - | 61,995 |

12.2 Allowance for doubtful accounts

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|---------------------------|--------------------------------------|--------|
| | 2019 | |
| | Balance - beginning of the year | 62,085 |
| Balance - end of the year | 62,085 | |

13. Derivatives assets and liabilities

13.1 Derivatives assets and liabilities for trading

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | |
|----------------------------------|-----------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
| | 2020 | | | | 2019 | | | |
| | Assets | | Liabilities | | Assets | | Liabilities | |
| | Fair value | Notional amount | Fair value | Notional amount | Fair value | Notional amount | Fair value | Notional amount |
| <u>Equity securities</u> | | | | | | | | |
| Warrants | - | - | - | - | 210 | 10,496 | - | - |
| <u>Exchange rate</u> | | | | | | | | |
| Forward contracts ⁽¹⁾ | 10,161 | 191,366 | 8,219 | 154,823 | 6,772 | 126,427 | 4,833 | 90,149 |
| Total | 10,616 | 191,366 | 8,219 | 154,823 | 6,982 | 136,923 | 4,833 | 90,149 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | | |
|----------------------------------|-------------------------------|-----------------|-------------|-----------------|--------------|-----------------|-------------|-----------------|
| | 2020 | | | | 2019 | | | |
| | Assets | | Liabilities | | Assets | | Liabilities | |
| | Fair value | Notional amount | Fair value | Notional amount | Fair value | Notional amount | Fair value | Notional amount |
| Forward contracts ⁽¹⁾ | 1,943 | 36,543 | - | - | 1,939 | 36,179 | - | - |
| Total | 1,943 | 36,543 | - | - | 1,939 | 36,179 | - | - |

⁽¹⁾ Forward contracts on behalf of the subsidiary for the Company and clients' portfolio of the subsidiary in full amount.

13.2 Portion of derivative trading transactions separated by type of contract party

(Unit: Thousand Baht)

| Type of derivatives | Consolidated financial statements | | | |
|-------------------------------------|-----------------------------------|-------------|----------------------------|-------------|
| | 2020 | | 2019 | |
| | Portion of notional amount | | Portion of notional amount | |
| | Assets | Liabilities | Assets | Liabilities |
| Clearing House and broker - dealers | - | - | 8 | - |
| Financial institutions | 100 | 100 | 92 | - |
| Total | 100 | 100 | 100 | 100 |

(Unit: Thousand Baht)

| Type of derivatives | Separate financial statements | | | |
|------------------------|-------------------------------|-------------|----------------------------|-------------|
| | 2020 | | 2019 | |
| | Portion of notional amount | | Portion of notional amount | |
| | Assets | Liabilities | Assets | Liabilities |
| Financial institutions | 100 | - | 100 | - |
| Total | 100 | - | 100 | - |

14. Other receivables

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|--------|----------------------|---------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Accrued income | 31,828 | 26,229 | 7,362 | 6,072 |
| Other receivables - subsidiaries (Note 7) | - | - | 121,240 | 67,066 |
| Dividend receivables - subsidiaries (Note 7) | - | - | 60,000 | 96,000 |
| Other receivables - Joint venture (Note 7) | 671 | 1,402 | 671 | 702 |
| Total other receivables | 32,499 | 27,631 | 189,273 | 169,840 |

15. Loans to others

As at 31 December 2020, the Company has loans to unrelated companies and individuals which carry interest MOR to MOR plus 3.00% per annum (2019: MOR to MOR plus 2.50% per annum) and are secured by the pledges of listed and non-listed securities, with details as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------------|-------------------------|-----------|
| | Repayment within | | Consolidated / Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Short-term loans to others | December 2021 | December 2020 | 854,510 | 1,007,427 |
| Long-term loans to other | December 2021 | December 2021 | 147,000 | 157,000 |
| Less: Portion due within one year | | | (147,000) | (10,000) |
| Long-term loans to other - net of current portion | | | - | 147,000 |

16. Investments in subsidiaries

16.1 Details of investments in subsidiaries as presented in the separate financial statements

(Unit: Thousand Baht)

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | | Carrying amounts based on the equity method | |
|---|-----------------|-----------|-------------------------|------|------------------|------------------|---|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | | (%) | (%) | | | | |
| Trinity Securities Company Limited | 1,200,000 | 1,200,000 | 99.9 | 99.9 | 1,175,437 | 1,175,437 | 1,518,202 | 1,514,579 |
| Trinity Advisory 2001 Company Limited | 10,000 | 10,000 | 99.9 | 99.9 | 10,052 | 10,052 | 11,835 | 16,520 |
| Trinity Intelligence Plus Company Limited | 3,000 | 3,000 | 99.9 | 99.9 | 3,040 | 3,040 | 2,196 | 3,747 |
| Trinity One Company Limited | 250 | 250 | 99.9 | 99.9 | 250 | 250 | 228 | 229 |
| Asset Backed Holdings Limited | 10,000 | - | 99.9 | - | 6,132 | - | 4,377 | - |
| Total | | | | | <u>1,195,465</u> | <u>1,188,779</u> | <u>1,536,838</u> | <u>1,535,075</u> |

During the year 2020, 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 1 million. (2019: Baht 2 million)

In April 2020, the Company purchased the investment of 50% of ordinary shares of Asset Backed Holdings Limited, which was the associate additional Baht 2.6 million. As a result, the Company's shareholding in that company increased from 49.9% to 99.9%, with the status of that company changed from "associate" to "subsidiary". The consolidated financial statements for the year ended 31 December 2020 include the statements of financial position of this company as at 31 December 2020, and the statements of comprehensive income for the period as from the investment date to 31 December 2020.

Fair values of assets acquired and liabilities assumed of Asset Backed Holdings Limited and its subsidiary as at the investment date, are as follows:

(Unit: Thousand Baht)

| | Fair Value |
|---------------------------|--------------|
| Assets | |
| Cash and cash equivalents | 6,903 |
| Other receivables | 268 |
| Equipment | 17 |
| Other assets | 125 |
| Total assets | <u>7,313</u> |
| Liabilities | |
| Accrued expenses | 53 |
| Dividend payables | 1,000 |
| Other liabilities | 530 |
| Total liabilities | <u>1,583</u> |

| | |
|-----------------|--------------|
| Net asset value | <u>5,730</u> |
|-----------------|--------------|

The Group recognised the loss on revaluation of previously held investment, related to reclassification of investments in associate to investment in subsidiary and gain on bargain purchase as “Other income” on the consolidated statement of comprehensive income and as “Share of profit from investments in subsidiaries” on the separate statement of comprehensive income for the year ended 31 December 2020, in accordance with related financial reporting standards.

Details of the acquisition are as follows:

| | |
|---|-----------------------|
| | (Unit: Thousand Baht) |
| Fair value of previously held investments | 2,597 |
| Book value of previously held investments in equity method as at acquisition date | <u>(2,966)</u> |
| Loss from reclassification of investments recognised in the statement of comprehensive income | <u>(369)</u> |
| Consideration paid for additional investments | (2,600) |
| Fair value of previously held investments | (2,597) |
| Fair value of net assets under investment acquired | <u>5,730</u> |
| Gain on bargain purchase recognised in the statement of comprehensive income | <u>533</u> |

Net effect from this transaction can be presented as follows:

| | |
|---|-----------------------|
| | (Unit: Thousand Baht) |
| Loss from reclassification of investments recognised in the statement of comprehensive income | (369) |
| Gain on bargain purchase recognised in the statement of comprehensive income | <u>533</u> |
| Net gain from acquisition recognised in the statement of comprehensive income | <u>164</u> |

16.2 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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Trinity Securities Company Limited | 81,020 | 96,589 | (17,943) | (21,904) | 60,000 | 96,000 |
| Trinity Advisory 2001 Company Limited | 309 | 755 | - | (178) | 5,000 | - |
| Trinity Intelligence Plus Company Limited | (1,555) | 4,712 | - | - | - | - |
| Trinity One Company Limited | (1) | (6) | - | - | - | - |
| Asset Backed Holdings Limited | 811 | - | - | - | 2,000 | - |
| Total | 80,584 | 102,050 | (17,943) | (22,082) | 67,000 | 96,000 |

17. Investment in associate

17.1 Details of 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 | |
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Asset Backed Holdings Limited | Investments in securitisation | Thailand | (%) | (%) | - | 3,532 | - | 3,279 |

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 | |
|---|---|----------------------------|------|
| | | 2020 | 2019 |
| Conduit Management Services Limited | Management service for special purpose vehicles | 100 | 100 |

In April 2020, status of Asset Backed Holding Limited was changed to subsidiary, as described in Note 16 to the consolidated financial statements.

17.2 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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Asset Backed Holdings Limited | 187 | 501 | - | - | 500 | 500 |

17.3 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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Asset Backed Holdings Limited | - | 0.1 | - | 6.3 | - | - | - | 1.3 | - | 1.0 |

18. Investments in joint venture

18.1 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 | |
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Tree Money Holding Company Limited | Investing in companies that providing pico finance services | 30.07 | 30.07 | 21,500 | 21,500 | 27,276 | 26,866 |
| | | (%) | (%) | | | | (Restated) |

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 at investment date, the joint venture had 12 subsidiaries that are principally engaged in the provision of pico finance services in 4 provinces (31 December 2020: 18 subsidiaries in 6 provinces), and one subsidiary that is principally engaged in the provision of related services. Providers of pico finance require permission from and under the supervision of the Ministry of Finance and providers 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.

During the current year, the Company completed the assessments of the fair value of Tree Money Holding Company Limited's assets acquired and liabilities assumed at the investing date. The carrying values and fair values of assets acquired and liabilities assumed were summarised below.

| | (Unit: Thousand Baht) | |
|---|--|---|
| | Fair values at the acquisition date | Carrying values at the acquisition date |
| Cash and cash equivalents | 26,822 | 26,822 |
| Loan receivables | 69,417 | 73,166 |
| Interest receivables | 573 | 573 |
| Deferred tax assets | 2,139 | 2,139 |
| Other current assets | 450 | 450 |
| Equipment | 21,214 | 21,214 |
| Deposit | 41 | 41 |
| Loans | (20,000) | (20,000) |
| Loans from director | (15,159) | (15,159) |
| Accrued expenses | (676) | (676) |
| Interest payable | (1,088) | (1,088) |
| Income tax payable | (2,612) | (2,612) |
| Liabilities under hire purchase agreements | (1,246) | (1,246) |
| Net assets of Tree Money Holding Company Limited | <u>79,875</u> | <u>83,624</u> |
| Shareholding percentage (%) | <u>30.07</u> | |
| Net assets in shareholding percentage of the company | 24,019 | |
| Less: Excess of purchase price over book value of joint venture | <u>(2,519)</u> | |
| Cash paid for purchase of investment in joint venture | <u>21,500</u> | |

The Company restated the consolidated and separate financial statements for the year ended 31 December 2019 to reflect the fair value of joint venture's assets acquired and liabilities assumed as at the investment date. The effect of the change in the fair value is presented herein as "Cumulative effect of change in the fair values of assets acquired and liabilities assumed from investment in joint venture" in the consolidated and separate statements of changes in shareholders' equity.

The amounts of adjustments affecting the consolidated and separate statements of financial position as at 31 December 2019 are summarised below.

| | (Unit: Thousand Baht) |
|----------------------------------|-----------------------|
| | <u>Increase</u> |
| Investment in joint venture | 2,519 |
| Unappropriated retained earnings | 2,519 |

The amounts of adjustments affect the consolidated and separate statements of comprehensive income for the year ended 31 December 2019 are summarised below.

| | (Unit: Thousand Baht) |
|--|-----------------------|
| | <u>Increase</u> |
| Share of profit from investment in joint venture | 2,519 |
| Profit for the year | 2,519 |
| Profit attributable to equity holders of the Company | 2,519 |
| Basic earnings per share (Baht) | 0.012 |

18.2 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:

| Joint venture | (Unit: Thousand Baht) | | | | | |
|--------------------|--|------------|-------------------------------------|------|-------------------|------|
| | Consolidated / Separate financial statements | | | | | |
| | Share of profit or loss | | Share of other comprehensive income | | Dividend received | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | (Restated) | | | | |
| Tree Money Holding | 4,870 | 5,366 | - | - | 3,440 | - |
| Company Limited | 4,870 | 5,366 | - | - | 3,440 | - |

18.3 Summarised financial information about material joint ventures

Summarised information about financial position

| | (Unit: Million Baht) | |
|--|---------------------------------------|-------------|
| | Tree Money Holding Company Limited | |
| | <u>2020</u> | <u>2019</u> |
| Cash and cash equivalent | 10 | 10 |
| Loans and interest receivables - net | 145 | 103 |
| Other current assets | 6 | 6 |
| Other non-current assets | 40 | 37 |
| Short-term loans | (80) | (60) |
| Other current liabilities | (20) | (5) |
| Other non-current liabilities | (9) | (4) |
| Non-controlling interests | (1) | (1) |
| Net assets | 91 | 86 |
| Shareholding percentage (%) | 30.07 | 30.07 |
| Share of net assets | 27 | 26 |
| Carrying amounts of joint ventures based on equity method | 27 | 26 |

Summarised information about comprehensive income

| | (Unit: Million Baht) | |
|---------------------------------|---------------------------------------|-------------|
| | For the year ended 31 December | |
| | Tree Money Holding Company Limited | |
| | <u>2020</u> | <u>2019</u> |
| Interest income | 43 | 32 |
| Service income | 29 | 20 |
| Administrative expenses | (37) | (22) |
| Interest expense | (8) | (4) |
| Allowance for doubtful accounts | (8) | (20) |
| Income tax expense | (2) | (2) |
| Profit | 17 | 4 |
| Other comprehensive income | - | - |
| Total comprehensive income | 17 | - |

19. Premises improvement and equipment

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|---------------------|-------------------|----------|
| | Furniture and fixtures | Office equipment | Motor vehicles | Total |
| Cost | | | | |
| 1 January 2019 | 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 |
| Adjustment to right-of-use assets due to TFRS 16 adoption as at 1 January 2020 | - | - | (5,270) | (5,270) |
| Additions | 17 | 2,709 | 4,793 | 7,519 |
| Disposals | - | (209) | (4,183) | (4,392) |
| Write-off | (174) | (5) | - | (179) |
| 31 December 2020 | 45,159 | 106,852 | 21,155 | 173,166 |
| Accumulated depreciation | | | | |
| 1 January 2019 | 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 |
| Adjustment to right-of-use assets due to TFRS 16 adoption as at 1 January 2020 | - | - | (1,072) | (1,072) |
| Depreciation for the year | 206 | 7,081 | 2,376 | 9,663 |
| Depreciation on disposals | - | (197) | (4,183) | (4,380) |
| Depreciation on write-off | (129) | (4) | - | (133) |
| 31 December 2020 | 45,127 | 93,515 | 11,333 | 149,975 |
| Net book value | | | | |
| 31 December 2019 | 266 | 17,722 | 11,603 | 29,591 |
| 31 December 2020 | 32 | 13,337 | 9,822 | 23,191 |
| Depreciation for the years | | | | |
| 2019 | | | | 11,322 |
| 2020 | | | | 9,663 |

(Unit: Thousand Baht)

| | Separate financial statements | | |
|-----------------------------------|-------------------------------|-------------------|---------|
| | Furniture and fixtures | Motor vehicles | Total |
| Cost | | | |
| 1 January 2019 | 3 | 5,879 | 5,882 |
| Disposals | - | (4,630) | (4,630) |
| 31 December 2019 | 3 | 1,249 | 1,252 |
| 31 December 2020 | 3 | 1,249 | 1,252 |
| Accumulated depreciation | | | |
| 1 January 2019 | 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 |
| Depreciation for the year | - | 250 | 250 |
| 31 December 2020 | 3 | 951 | 954 |
| Net book value | | | |
| 31 December 2019 | - | 548 | 548 |
| 31 December 2020 | - | 298 | 298 |
| Depreciation for the years | | | |
| 2019 | | | 1,158 |
| 2020 | | | 250 |

As at 31 December 2020 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 134 million (2019: Baht 128 million).

20. Intangible assets

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | |
|---|-------------------------|----------------------|--------|---|---------|
| | Deferred license fee | Computer software | Others | Computer software under installation | Total |
| Cost | | | | | |
| 1 January 2019 | 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 |
| Additions | - | 1,803 | 90 | 843 | 2,736 |
| Transfer in (out) | - | 19 | - | (19) | - |
| 31 December 2020 | 500 | 37,215 | 3,353 | 2,896 | 43,964 |
| Amortisation | | | | | |
| 1 January 2019 | 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 |
| Amortisation for the year | 100 | 989 | 590 | - | 1,679 |
| 31 December 2020 | 306 | 30,822 | 1,994 | - | 33,122 |
| Net book value | | | | | |
| 31 December 2019 | 294 | 5,560 | 1,859 | 2,072 | 9,785 |
| 31 December 2020 | 194 | 6,393 | 1,359 | 2,896 | 10,842 |
| Amortisation expense for the years | | | | | |
| 2019 | | | | | 1,518 |
| 2020 | | | | | 1,679 |

As at 31 December 2020, 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 (2019: Baht 26 million).

21. 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 | |
|--|----------------------------|-----------------------|--------------------------------------|-----------|----------------------------------|---------|
| | 2020 (% per annum) | 2019 (% per annum) | 2020 | 2019 | 2020 | 2019 |
| Short-term borrowings from financial institutions | | | | | | |
| Promissory notes | Inter bank rate | Inter bank rate | 1,425,000 | 1,005,000 | - | - |
| Other short-term borrowings | | | | | | |
| Bills of exchange | Inter bank rate | Inter bank rate | 440,626 | 539,818 | 380,680 | 499,866 |
| Short-term unsecured debentures | | | | | | |
| Debentures | 2.60 - 2.75 | 2.80 - 3.10 | 132,700 | 401,800 | 132,700 | 401,800 |

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.

22. Securities and derivatives business payables

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|--|--------------------------------------|---------|
| | 2020 | 2019 |
| Securities business payables | | |
| Cash customers' accounts | 255,586 | 121,320 |
| Securities borrowing and lending payables | - | 12,209 |
| Total securities business payables | 255,586 | 133,529 |
| Derivatives business payables | | |
| Derivatives business payables | 8,056 | 1,214 |
| Total derivatives business payables | 8,056 | 1,214 |
| Total securities and derivatives business payables | 263,642 | 134,743 |

23. Other payables

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Accrued expenses | 138,071 | 106,146 | 17,518 | 13,054 |
| Accrued expenses - subsidiary (Note 7) | - | - | 9 | 5 |
| Other payables - subsidiary (Note 7) | - | - | 27,600 | 600 |
| Total other payables | <u>138,071</u> | <u>106,146</u> | <u>45,127</u> | <u>13,659</u> |

24. Leases

The subsidiaries have lease contracts of property used in their operation. Leases generally have lease terms between 3 - 4 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

| | Consolidated financial statement | | |
|-----------------------------------|----------------------------------|----------------|---------------|
| | Buildings and building | | |
| | improvement | Motor vehicles | Total |
| As at 1 January 2020 (Note 4) | 106,017 | 4,198 | 110,215 |
| Additions | 2,837 | - | 2,837 |
| Effect of changes from agreements | 3,275 | - | 3,275 |
| Lease discounts | (41) | - | (41) |
| Depreciation for the year | (27,353) | (1,054) | (28,407) |
| As at 31 December 2020 | <u>84,375</u> | <u>3,144</u> | <u>87,879</u> |

b) Lease liabilities

(Unit: Thousand Baht)

| | Consolidated financial statement | |
|--|----------------------------------|--------------|
| | 2020 | 2019 |
| | Lease payments | 84,586 |
| Less: Deferred interest expenses | (2,828) | (434) |
| Total | 81,758 | 4,397 |
| Less: Portion due within one year | (28,845) | (983) |
| Lease liabilities - net of current portion | <u>52,913</u> | <u>3,414</u> |

A maturity analysis of lease payments is disclosed in Note 42.2 to the consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

| | For the year ended 31 December 2020 |
|--|-------------------------------------|
| | Consolidated financial statement |
| Depreciation expense of right-of-use assets | 28,407 |
| Interest expense on lease liabilities | 1,626 |
| Expense relating to short-term leases and low-value assets | 744 |

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 28 million, including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of 6 million. The future cash outflows relating to leases that have not yet commenced of Baht 0.8 million.

25. Unsecured debenture

On 31 December 2020, the Company issued unsubordinated and unsecured with debentureholders' representative debentures.

(Unit: Thousand Baht)

| Issue date | Number of debenture (units) | Interest rate per annum | Term | Maturity date | Consolidated /separate financial statements | |
|---|-----------------------------------|----------------------------|-------------------------|------------------|--|-----------|
| | | | | | 2020 | 2019 |
| 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 | 138,000 |
| 22 October 2019 | 45,400 | 3.65 | 2 years | 22 October 2021 | 45,400 | 45,400 |
| 4 December 2019 | 83,000 | 3.80 | 1 year 11 month 28 days | 2 December 2021 | 83,000 | 83,000 |
| 12 March 2020 | 123,100 | 3.50 | 1 year 5 months 28 days | 9 September 2021 | 123,100 | - |
| 16 July 2020 | 200,000 | 3.50 | 1 year 5 months 29 days | 14 January 2022 | 200,000 | - |
| 9 September 2020 | 108,500 | 3.50 | 1 year 6 months | 9 March 2022 | 108,500 | - |
| 17 December 2020 | 156,800 | 3.55 | 1 year 7 months 2 days | 19 July 2022 | 156,800 | - |
| Total | | | | | 854,800 | 466,900 |
| Less: Current portion | | | | | (389,500) | (200,500) |
| Long-term unsecured debenture, net of current portion | | | | | 465,300 | 266,400 |

26. Provision for dismantling cost

(Unit: Thousand Baht)

| | |
|-------------------------------|--------------|
| As at 1 January 2020 (Note 4) | 9,009 |
| Increase for the year | 219 |
| As at 31 December 2020 | <u>9,218</u> |

The Group recognised a provision for dismantling costs. The Company is committed to dismantling the site as a result of the construction of the building improvements

27. 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 | | Separate | |
|---|----------------------|---------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Provision for long-term employee benefits | | | | |
| at the beginning of year | 51,580 | 35,304 | 1,663 | 1,034 |
| Included in statement of financial position: | | | | |
| Acquisition of subsidiary | 412 | - | - | - |
| Included in profit or loss: | | | | |
| Current service cost | 3,464 | 3,717 | 334 | 325 |
| Interest cost | 1,048 | 1,109 | 47 | 36 |
| Past service cost | - | 2,359 | - | 175 |
| Included in other comprehensive income | | | | |
| Actuarial loss (gain) arising from | | | | |
| Demographic assumptions change | - | 6,527 | - | 173 |
| Financial assumptions change | - | (126) | - | (10) |
| Experience adjustments | - | 2,690 | - | (71) |
| Benefits paid in the year | (367) | - | - | - |
| Provision for long-term employee benefits at the end of year | <u>56,137</u> | <u>51,580</u> | <u>2,044</u> | <u>1,663</u> |

As at 31 December 2020, the Group expects to pay Baht 3 million of long-term employee benefit during the next year (2019: Baht 3 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 10 years (the Company only: 10 years) (2019: 10 years (the Company only: 10 years)).

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|-----------------------------------|--------------|-------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Discount rate | 2.29 - 2.81 | 2.29 - 2.81 | 2.81 | 2.81 |
| Salary increase rate | 4.00 | 4.00 | 4.00 | 4.00 |
| Turnover rate | 7.64 - 22.92 | 7.64 - 22.92 | 7.64 - 22.92 | 7.64 - 22.92 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

| | Consolidated financial statements | | | |
|----------------------|-----------------------------------|-----------------|-----------|-----------------|
| | 2020 | | | |
| | | Effect to | | Effect to |
| | | provision for | | provision for |
| | Increase | benefits | Decrease | benefits |
| | (Percent) | (Thousand Baht) | (Percent) | (Thousand Baht) |
| Discount rate | 0.5 | (1,387) | 0.5 | 1,470 |
| Salary increase rate | 1.0 | 4,291 | 1.0 | (3,842) |
| Staff turnover rate | 20.0 | (6,386) | 20.0 | 7,752 |

| | Consolidated financial statements | | | |
|----------------------|-----------------------------------|-----------------|-----------|-----------------|
| | 2019 | | | |
| | | Effect to | | Effect to |
| | | provision for | | provision for |
| | 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 |

| | Separate financial statements | | | |
|----------------------|-------------------------------|-----------------|-----------|-----------------|
| | 2020 | | | |
| | | Effect to | | Effect to |
| | | provision for | | provision for |
| | employee | | employee | |
| | Increase | benefits | Decrease | benefits |
| | (Percent) | (Thousand Baht) | (Percent) | (Thousand Baht) |
| Discount rate | 0.5 | (91) | 0.5 | 96 |
| Salary increase rate | 1.0 | 256 | 1.0 | (227) |
| Staff turnover rate | 20.0 | (378) | 20.0 | 467 |

| | Separate financial statements | | | |
|----------------------|-------------------------------|-----------------|-----------|-----------------|
| | 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 | (82) | 0.5 | 88 |
| Salary increase rate | 1.0 | 211 | 1.0 | (186) |
| Staff turnover rate | 20.0 | (310) | 20.0 | 385 |

28. 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 29.1 to the consolidated 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 29.2 to the consolidated 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 2019 | 326,243,191 | 1,631,216 |
| As at 31 December 2019 | 326,243,191 | 1,631,216 |
| As at 31 December 2020 | 326,243,191 | 1,631,216 |
| <u>Issued and fully paid-up share capital</u> | | |
| As at 1 January 2019 | 198,198,234 | 990,991 |
| Increase from exercise of warrants | 990,732 | 4,954 |
| As at 31 December 2019 | 199,188,966 | 995,945 |
| As at 31 December 2020 | 199,188,966 | 995,945 |

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.

The Company do not exercise share capital during the year 2020.

29. Warrants

29.1 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 2019 | 97,283,151 |
| Exercise during year | (6,700) |
| Number of warrants as at 31 December 2019 | 97,276,451 |
| Number of warrants as at 31 December 2020 | 97,276,451 |

29.2 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 2020 and 2019, the Company had allotted 25,971,867 units of ESOP warrants to directors, executives and employees of the Group, and 4,028,133 ESOP warrants remained unallocated.

During the year 2020, the Group recorded expenses amounting to Baht 0.8 million (the Company only: Baht 0.2 million) (2019: Baht 2.5 million (the Company only: Baht 0.6 million)) as personnel expenses.

Movements in the number of ESOP warrants

| | (Unit: Units) |
|---|---|
| | Consolidated / Separate financial statements |
| Number of warrants as at 1 January 2019 | 25,971,867 |
| Number of warrants as at 31 December 2019 | 25,971,867 |
| Number of warrants as at 31 December 2020 | 25,971,867 |

30. 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 2020, the Company had set aside the statutory reserve of Baht 5.8 million from profit for the year (2019: Baht 6.4 million).

31. Securities business income

(Unit: Thousand Baht)

| | Consolidated | |
|---|----------------------|----------------|
| | financial statements | |
| | 2020 | 2019 |
| Brokerage fees from securities business | 236,084 | 151,044 |
| Fees and service income | 94,552 | 206,980 |
| Interest on margin loans | 82,846 | 98,081 |
| Other interest income | 12,453 | 22,715 |
| Total | 425,935 | 478,820 |

32. Interest income

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|-------------------------------------|----------------------|---------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Interest income on bank deposits | 46 | - | - | - |
| Interest income on loans | 92,999 | 60,513 | 92,698 | 60,179 |
| Interest income on debt instruments | | | | |
| measured at amortised cost | 759 | 11 | 969 | 136 |
| Others | 1,693 | 4,486 | - | - |
| Total | 95,497 | 65,010 | 93,667 | 60,315 |

33. Gain (loss) and return on financial instruments

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2020 | 2019 | 2020 | 2019 |
| Gain (loss) on securities | 141,881 | (11,915) | 50,595 | (15,660) |
| Gain on reclassification investments | - | 8,582 | - | - |
| Gain (loss) on derivatives | (27,799) | 42,258 | 467 | (745) |
| Dividend income | 31,423 | 19,722 | 19,320 | 3,596 |
| Total | 145,505 | 58,647 | 70,382 | (12,809) |

34. Finance cost

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2020 | 2019 | 2020 | 2019 |
| Interest expense on borrowings | 53,174 | 55,002 | 44,025 | 30,953 |
| Interest expense on lease liabilities | 1,626 | - | - | - |
| Interest expense on securities business payables | 5,309 | 7,027 | - | - |
| Total | 60,109 | 62,029 | 44,025 | 30,953 |

35. Income tax

Income tax expenses (revenue) for the years ended 31 December 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2020 | 2019 | 2020 | 2019 |
| Current income tax: | | | | |
| Current income tax charge | 15,010 | 26,285 | 1,157 | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 10,086 | (3,825) | 7,797 | (2,570) |
| Income tax expenses (revenue) reported in the statements of comprehensive income | 25,096 | 22,460 | 8,954 | (2,570) |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Deferred tax on loss from change in value of available-for-sale investments | - | 6,221 | - | 2,500 |
| Deferred tax on actuarial loss | - | 1,818 | - | 18 |
| Deferred tax on loss from change in value of financial assets measured at FVOCI | 3,713 | - | 1,960 | - |

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

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Accounting profit before tax | 199,917 | 116,679 | 160,940 | 91,648 |
| Applicable tax rate | 15% and 20% | 20% | 20% | 20% |
| Accounting profit before tax multiplied by applicable tax rate | 36,750 | 23,336 | 32,188 | 18,330 |
| Unused tax losses which may not be utilised (used) | (7,269) | (736) | (7,519) | - |
| Effects of: | | | | |
| Tax exempted revenue | (1,980) | (1,108) | (15,762) | (21,519) |
| Non-deductible expenses | 218 | 1,591 | 47 | 619 |
| Additional expense deductions allowed | (298) | (563) | - | - |
| Others | (2,325) | (60) | - | - |
| Total | (4,385) | (140) | (15,715) | (20,900) |
| Income tax expenses (revenue) reported in the statements of comprehensive income | 25,096 | 22,460 | 8,954 | (2,570) |

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

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Deferred tax assets | | | | |
| Allowance for expected credit losses | | | | |
| (2019: Allowance of doubtful accounts) | 10,222 | 10,242 | - | - |
| Allowance for impairment of investments | 16,059 | 16,059 | 15,965 | 15,965 |
| Unrealised fair value loss on investments | 16,519 | 17,353 | 11,406 | 7,353 |
| Leases | 44 | - | - | - |
| Provision for dismantling cost | 522 | - | - | - |
| Provision for long-term employee benefits | 11,134 | 10,316 | 409 | 332 |
| Unused tax loss | 364 | 7,519 | - | 7,519 |
| Unrealised loss from revaluation of derivatives | 8,628 | - | 331 | - |
| Total | 63,492 | 61,489 | 28,111 | 31,169 |
| Deferred tax liabilities | | | | |
| Unrealised gain from revaluation of derivatives | - | 1,552 | - | - |
| Unrealised fair value gain on investments | 11,871 | 1,717 | 3,992 | 967 |
| Total | 11,871 | 3,269 | 3,992 | 967 |
| Deferred tax assets - net | 51,621 | 58,220 | 24,119 | 30,202 |

As at 31 December 2020, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 0.02 million (2019: Baht 0.02 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 2025.

36. 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 | |
| 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| | (Restated) | | | | (Restated) |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | | | | |
| 130,447 | 96,737 | 199,189 | 199,189 | 0.65 | 0.49 |

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 2020 and 2019.

37. 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, and total assets information regarding the Group's operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

| 2020 | | | | | |
|---|-------------------------------------|--|---------------------------|------------------------------|------------|
| | Securities and derivatives business | Financial advisory business and investment banking | Total reportable segments | Adjustments and eliminations | Total |
| Revenue from external customers | 467 | 58 | 525 | - | 525 |
| Inter-segment revenue (expenses) | 93 | (22) | 71 | (70) | 1 |
| Interest revenue | 101 | 94 | 195 | (4) | 191 |
| Interest expenses | (64) | - | (64) | 4 | (60) |
| Segment profit | 496 | 171 | 667 | (70) | 597 |
| Unallocated revenues and expenses: | | | | | |
| Operating revenues and expenses | | | | | |
| Personnel expenses | | | | | (360) |
| Depreciation and amortisation | | | | | (40) |
| Other expenses | | | | | (47) |
| Share of profit from investments in associate and joint venture | | | | | 5 |
| Income tax expenses | | | | | (25) |
| Profit for the year | | | | | 130 |

(Unit: Million Baht)

| 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) |
| Segment profit | 372 | 200 | 572 | (28) | 544 |
| Unallocated revenues and expenses: | | | | | |
| Operating revenues and expenses | | | | | |
| Personnel expenses | | | | | (324) |
| Depreciation and amortisation | | | | | (13) |
| Other expenses | | | | | (94) |
| Share of profit from investments in associate and joint venture | | | | | 6 |
| Income tax expenses | | | | | (22) |
| Profit for the year | | | | | 97 |

The following table presents segment assets of the Group's operating segments as at 31 December 2020 and 2019:

(Unit: Million Baht)

| Segment assets | Securities | Financial | Total | Unallocated | Total |
|---------------------|----------------|--------------|----------|-------------|-------|
| | and derivative | advisory | | | |
| | business | business and | segments | assets | |
| | | investment | | | |
| | | banking | | | |
| At 31 December 2020 | 3,537 | 11 | 3,548 | 1,495 | 5,043 |
| At 31 December 2019 | 2,842 | 12 | 2,854 | 1,547 | 4,401 |

Geographic information

The Group operates 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 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues. (2019: the Company has revenue from a major customer in amount of Baht 145 million, arising from sale by the financial advisory business segment.)

38. 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 TMB Asset management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions from the Group for the year 2020 amounting to approximately of Baht 20 million (the Company only: Baht 1 million) (2019: Baht 19 million (the Company only: Baht 1 million)) were recognised as expenses.

39. Dividend paid

| Dividend | Approved by | Approved dividend per share | Total additional dividend paid |
|-------------------------|--|--------------------------------|-----------------------------------|
| | | (Baht) | (Thousand Baht) |
| Final dividend for 2018 | Annual General Meeting of the shareholders on 26 April 2019 | 0.20 | 39,836 |
| Total for 2019 | | | 39,836 |
| Final dividend for 2019 | Annual General Meeting of the shareholders on 20 April 2020 | 0.44 | 87,643 |
| Total for 2020 | | | 87,643 |

40. Commitments and contingent liabilities

40.1 As at 31 December 2020, the subsidiaries have future minimum payments required under short-term lease agreements and lease agreements of low-value assets relating to rental space. Apart from the portion recorded as lease liabilities in the statement of financial position as follows:

(Unit: Million Baht)

Payable:

| | |
|-----------------------------|-----|
| In up to 1 year | 0.3 |
| In over 1 and up to 3 years | 0.1 |

40.2 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.

40.3 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.

40.4 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.

40.5 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.

40.6 As at 31 December 2020 and 2019, the Company's subsidiary has commitments in respect of futures contracts and options traded through the Thailand Futures Exchange as detailed in Note 42.4 to the consolidated financial statements.

41. Fair value hierarchy

As at 31 December 2020 and 2019, 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 | | | |
|---|-----------------------------------|---------|---------|-------|
| | 2020 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Derivatives assets | | | | |
| Forward contracts ⁽¹⁾ | - | 10 | - | 10 |
| Investments measured at FVTPL | | | | |
| Equity securities | 525 | - | 100 | 625 |
| Unit trusts | 3 | - | - | 3 |
| Debt securities | - | 15 | - | 15 |
| Investments measured at amortised cost | | | | |
| Debt securities | - | 47 | - | 47 |
| Investments measured at FVOCI | | | | |
| Equity securities | 185 | - | 10 | 195 |
| Financial liability measured at fair value | | | | |
| Derivatives liabilities | | | | |
| Forward contracts ⁽¹⁾ | - | 8 | - | 8 |

⁽¹⁾ Forward contracts on behalf of the subsidiary for the Company and clients' portfolio in full amount

(Unit: Million Baht)

| | Consolidated financial statements | | | |
|---|-----------------------------------|---------|---------|-------|
| | 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Derivatives assets | | | | |
| Forward contracts ⁽¹⁾ | - | 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 |
| Financial liability measured at fair value | | | | |
| Derivatives liabilities | | | | |
| Forward contracts ⁽¹⁾ | - | 5 | - | 5 |

⁽¹⁾ Forward contracts on behalf of the subsidiary for the Company and clients' portfolio in full amount

(Unit: Million Baht)

| | Separate financial statements | | | |
|--|-------------------------------|---------|---------|-------|
| | 2020 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Derivatives assets | | | | |
| Forward contracts ⁽¹⁾ | - | 2 | - | 2 |
| Investments measured at FVTPL | | | | |
| Equity securities | 231 | - | 100 | 331 |
| Unit trusts | 3 | - | - | 3 |
| Debt securities | - | 11 | - | 11 |
| Investments measured at amortised cost | | | | |
| Debt securities | - | 38 | - | 38 |
| Investments measured at FVOCI | | | | |
| Equity securities | 47 | - | 9 | 56 |

(Unit: Million Baht)

| | Separate financial statements | | | |
|--|-------------------------------|---------|---------|-------|
| | 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | |
| Derivatives assets | | | | |
| Forward contracts ⁽¹⁾ | - | 2 | - | - |
| Investments in trading securities | | | | |
| Equity securities | 82 | 37 | - | 119 |
| Unit trusts | - | 10 | - | 10 |
| Investments in available-for-sale securities | | | | |
| Equity securities | 57 | - | - | 57 |

⁽¹⁾ Forward contracts on behalf of the subsidiary

Valuation techniques and inputs to Level 2 valuation

For debts securities, their fair values are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

Valuation techniques and inputs to Level 3 valuation

For fair value of non-marketable-equity instruments in the domestic market, their fair values are generally derived from quoted market prices.

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

42. Financial instruments

42.1 Derivatives

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| Derivative assets | | | | |
| Derivative assets not designated as hedging instruments | | | | |
| Warrants | - | 210 | - | - |
| Forward contracts | 10,161 | 6,772 | 1,943 | 1,939 |
| Total derivative assets | <u>10,161</u> | <u>6,982</u> | <u>1,943</u> | <u>1,939</u> |
| Derivative liability | | | | |
| Derivatives liability not designated as hedging instruments | | | | |
| Forward contracts | 8,219 | 4,883 | - | - |
| Total derivative liabilities | <u>8,219</u> | <u>4,883</u> | <u>-</u> | <u>-</u> |

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 12 months.

42.2 Financial risk management objectives and policies

The Group's financial instruments 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 lease liabilities. 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. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

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. The investment in debt instruments is determined on the basis of the firm financial status of issuing institutions and their instruments being rated at acceptable rating by the reputable credit rating agencies. 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 effect from its credit provision.

Market risk

There are three types of market risk comprising currency risk, interest rate risk, and price fluctuation risk are in connection with investment in securities and derivatives.

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 2020 and 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 | |
| | 2020 | 2019 | 2020 | 2019 |
| | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US Dollar | 1.8 | 1.3 | 31.069 | 30.731 |

Forward contracts outstanding as at 31 December 2020 and 2019 are summarised below.

| Consolidated financial statements | | | | | |
|-----------------------------------|---------------|-------------|------------------------------------|-------------|---------------------------|
| 2020 | | | | | |
| 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 | 5,993 | - | 31.900 | - | 1 June 2021 |
| US Dollar | - | 197 | - | 30.050 | 5 January 2021 |

Consolidated financial statements

| 2019 | | | | | |
|--------------------|-----------------------------|---------------------------|---|-------------|---------------------------|
| Foreign currencies | Bought amount (Thousand) | Sold amount (Thousand) | Contractual exchange rate | | Contractual maturity date |
| | | | Bought amount (Baht per 1 foreign currency unit) | Sold amount | |
| US Dollar | 4,000 | - | 31.582 | - | 4 May 2020 |
| US Dollar | - | 3 | - | 30.170 | 3 January 2020 |

As at 31 December 2020 and 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.

As at 31 December 2020 and 2019, the Company entered into forward contracts on behalf of the subsidiary to reduce the foreign currency risk in respect of its investments in foreign currencies.

Separate financial statement

| 2020 | | | | | |
|--------------------|-----------------------------|---------------------------|---|-------------|---------------------------|
| Foreign currencies | Bought amount (Thousand) | Sold amount (Thousand) | Contractual exchange rate | | Contractual maturity date |
| | | | Bought amount (Baht per 1 foreign currency unit) | Sold amount | |
| US Dollar | 1,146 | - | 31.900 | - | 1 June 2021 |

Separate financial statement

| 2019 | | | | | |
|--------------------|-----------------------------|---------------------------|---|-------------|---------------------------|
| Foreign currencies | Bought amount (Thousand) | Sold amount (Thousand) | Contractual exchange rate | | Contractual maturity date |
| | | | Bought amount (Baht per 1 foreign currency unit) | Sold amount | |
| US Dollar | 1,146 | - | 31.582 | - | 4 May 2020 |

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their investments in debt securities, securities business receivables - credit balance accounts, loan to, borrowings, unsecured debentures, and lease liabilities. 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 at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| Consolidated financial statement | | | | | | | | | | |
|--|------------------------|-----------------------------|---------------|-------------|---------------|------------|-------------|------------------------------|-----------------------------|--|
| 2020 | | | | | | | | | | |
| 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 | |
| Financial instruments - assets | | | | | | | | | | |
| Cash and cash equivalents | 45 | - | - | - | - | 23 | 68 | Saving deposit interest rate | - | |
| Receivables from Clearing House and broker - dealers | - | - | - | - | - | 220 | 220 | - | - | |
| Securities and derivatives business receivables | 2,204 | - | - | - | - | 201 | 2,405 | 5.50 - 15.00 | - | |
| Other receivables | - | - | - | - | - | 32 | 32 | - | - | |
| Derivatives assets | - | - | - | - | - | 10 | 10 | - | - | |
| Investments | | | | | | | | | | |
| - Equity securities | - | - | - | - | - | 823 | 823 | - | - | |
| - Debt securities | - | - | 9 | - | - | 53 | 62 | - | 2.10 - 2.65 | |
| Short-term loans to joint venture | - | - | 80 | - | - | - | 80 | - | MOR to MOR Plus 4.0 | |
| Short-term loans to others | - | - | 855 | - | - | - | 855 | - | MOR to MOR Plus 2.5 | |
| Long-term loans to other | - | - | 147 | - | - | - | 147 | - | MOR to MOR Plus 1.25 | |
| Accrued fees and services income | - | - | - | - | - | 48 | 48 | - | - | |
| Financial instruments - liabilities | | | | | | | | | | |
| Short-term borrowings from financial institutions | - | 725 | 700 | - | - | - | 1,425 | - | Interbank rate | |
| Securities and derivatives business payables | - | - | - | - | - | 264 | 264 | - | - | |
| Derivatives liabilities | - | - | - | - | - | 8 | 8 | - | - | |
| Other payables | - | - | - | - | - | 138 | 138 | - | - | |
| Unsecured debentures | - | - | 522 | 465 | - | - | 987 | - | 2.50 - 3.80 | |
| Other short-term borrowings | - | - | 441 | - | - | - | 441 | - | Interbank rate | |
| Lease liabilities | - | - | 29 | 53 | - | - | 82 | - | 2.31 - 4.00 | |

(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 | |
| Financial instruments - assets | | | | | | | | | | |
| 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 | |
| Financial instruments - liabilities | | | | | | | | | | |
| 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 | |
| Lease liabilities | - | - | 1 | 3 | - | - | 4 | - | 4.00 - 5.66 | |

(Unit: Million Baht)

| Separate financial statement | | | | | | | | | | |
|---|------------------------|-----------------------------|---------------|-------------|---------------|------------|-------------|-------|-----------------------------|--|
| 2020 | | | | | | | | | | |
| 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 | |
| Financial instruments - assets | | | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | 17 | 17 | - | - | |
| Investments | | | | | | | | | | |
| - Equity securities | - | - | - | - | - | 390 | 390 | - | - | |
| - Debt securities | - | - | - | - | - | 49 | 49 | - | - | |
| Other receivables | - | - | - | - | - | 189 | 189 | - | - | |
| Short-term loans to joint venture | - | - | 80 | - | - | - | 80 | - | MOR to MOR Plus 4.00 | |
| Short-term loans to others | - | - | 855 | - | - | - | 855 | - | MOR to MOR Plus 2.50 | |
| Long-term loans to other | - | - | 147 | - | - | - | 147 | - | MOR to MOR Plus 1.25 | |

(Unit: Million Baht)

| Separate financial statement | | | | | | | | | |
|---|-----------------------------|---------------|-------------|--------------|---|-------------|-------|-----------------------------|----------------|
| 2020 | | | | | | | | | |
| 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 | | | | | |
| Financial instruments - liabilities | | | | | | | | | |
| Other payables | - | - | - | - | - | 45 | 45 | - | - |
| Unsecured debentures | - | - | 522 | 465 | - | - | 987 | - | 2.50 - 3.80 |
| Other short-term borrowings | - | - | 381 | - | - | - | 381 | - | Interbank rate |
| Short-term loans from subsidiaries | - | 283 | - | - | - | - | 283 | - | Interbank rate |

(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 | | | | | |
| Financial instruments - assets | | | | | | | | | |
| 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 |
| Financial instruments - liabilities | | | | | | | | | |
| 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 |

Price fluctuation risk

The Group's price fluctuation risk is 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.

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 is 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 2020 and 2019 follows:

(Unit: Million Baht)

| | Consolidated financial statement | | | | | |
|--|---|------------------|-------------|-----------------|----------------|-------|
| | 2020 | | | | | |
| | Outstanding balances of net financial instruments | | | | | |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | No maturity | Total |
| Financial instruments - assets | | | | | | |
| Cash and cash equivalents | 68 | - | - | - | - | 68 |
| Investments | | | | | | |
| - Equity securities | - | - | - | - | 823 | 823 |
| - Debt securities | - | 49 | - | - | 13 | 62 |
| Receivables from Clearing House and broker - dealers | - | 202 | - | - | 18 | 220 |
| Securities and derivatives business receivables | - | 198 | 2 | 1 | 2,204 | 2,405 |
| Other receivables | - | 32 | - | - | - | 32 |
| Short-term loans to joint venture | - | 80 | - | - | - | 80 |
| Short-term loans to others | - | 855 | - | - | - | 855 |
| Long-term loans to other | - | 147 | - | - | - | 147 |
| Financial instruments - liabilities | | | | | | |
| Short-term borrowings from financial institutions | 725 | 700 | - | - | - | 1,425 |
| Securities and derivatives business payables | - | 264 | - | - | - | 264 |
| Other payables | - | 137 | - | - | - | 137 |
| Other short-term borrowings | - | 441 | - | - | - | 441 |
| Unsecured debentures | - | 522 | 465 | - | - | 987 |
| Lease liabilities | - | 29 | 53 | - | - | 82 |

(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 |
| Financial instruments - assets | | | | | | |
| 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 |
| Financial instruments - liabilities | | | | | | |
| 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 |
| Lease liabilities | - | 1 | 3 | - | - | 4 |

(Unit: Million Baht)

| Separate financial statement | | | | | | |
|---|---------|------------------|-------------|-----------------|----------------|-------|
| 2020 | | | | | | |
| Outstanding balances of net financial instruments | | | | | | |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | No maturity | Total |
| Financial instruments - assets | | | | | | |
| Cash and cash equivalents | - | - | - | - | 16 | 16 |
| Investments | | | | | | |
| - Equity securities | - | - | - | - | 390 | 390 |
| - Debt securities | - | 49 | - | - | - | 49 |
| Other receivables | - | 189 | - | - | - | 189 |
| Short-term loans to joint venture | - | 80 | - | - | - | 80 |
| Short-term loans to others | - | 855 | - | - | - | 855 |
| Long-term loans to other | - | 147 | - | - | - | 147 |
| Financial instruments - liabilities | | | | | | |
| Other payables | - | 45 | - | - | - | 45 |
| Unsecured debentures | - | 522 | 465 | - | - | 987 |
| Other short-term borrowing | - | 381 | - | - | - | 381 |
| Short-term loans from subsidiaries | 283 | - | - | - | - | 283 |

(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 |
| <u>Financial instruments - assets</u> | | | | | | |
| 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 |
| <u>Financial instruments - liabilities</u> | | | | | | |
| Other payables | - | 14 | - | - | - | 14 |
| Unsecured debentures | - | 603 | 266 | - | - | 869 |
| Other short-term borrowing | - | 500 | - | - | - | 500 |
| Short-term loans from subsidiaries | 307 | - | - | - | - | 307 |

42.3 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.
- 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.
- For investment in marketable equity securities, warrants and derivatives, their fair values, are generally derived from quoted market prices. Investments in non-marketable equity, their fair value is generally based on generally accepted pricing models.
- 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 debentures, 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 lease liabilities 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.

42.4 Commitments in respect of derivatives trading

As at 31 December 2020 and 2019, 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) | | | | |
|---------------------|----------------|---------------------------------------|--------|--------|---------|-------|
| | | 2020 | | | | |
| | | Remaining period before maturity date | | | | |
| | | 1 - 3 | 3 - 6 | 6 - 9 | 10 - 12 | Total |
| | | months | months | months | months | |
| Futures and Options | | | | | | |
| | Short position | 72 | - | 208 | - | 280 |
| | | (Unit: Million Baht) | | | | |
| | | 2019 | | | | |
| | | Remaining period before maturity date | | | | |
| | | 1 - 3 | 3 - 6 | 6 - 9 | 10 - 12 | Total |
| | | months | months | months | months | |
| Futures and Options | | | | | | |
| | Long position | 14 | - | - | - | 14 |
| | Short position | 151 | 5 | - | - | 156 |

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

43. 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.

44. Event after the reporting period

On 25 February 2021, the Company's Board of Directors passed resolutions as follows:

- To propose the Annual General Meeting of shareholders of the Company to be held on 23 April 2021 to consider the payment of dividend of Baht 0.50 per share in respect of the operating result of 2020, total of Baht 99.6 million. The dividend payment is schedule for 11 May 2021. The dividend will be paid and accounted for after approval from the Company's Annual General Meeting.
- To approve the close down of Trinity Advisory 2001 Company Limited, a subsidiary of the Company, to reduce the management burden.

45. Reclassifications

In addition to the reclassification of the financial reporting standards as discussed in Note 4 to the consolidated financial statements, certain amounts in the statement of financial position as at 31 December 2019 and the statement of comprehensive income for the year then ended, have been reclassified to conform to the current year's classifications as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|---|-----------------------------------|-----------------|
| | As at 31 December 2019 | |
| | As reclassified | As reclassified |
| Statement of financial position | | |
| <u>Assets</u> | | |
| Available-for-sale investments | - | 181,420 |
| Other long-term investments | - | 108,468 |
| Long-term investments | 289,888 | - |
| <u>Liabilities</u> | | |
| Liabilities under finance lease agreements - due within | | |
| one year | - | 983 |
| Current portion of lease liabilities | 983 | - |
| Liabilities under finance lease agreements - net of | | |
| current portion | - | 3,414 |
| Lease liabilities, net of current portion | 3,414 | - |

(Unit: Thousand Baht)

| | Separate financial statements | |
|--|-------------------------------|-----------------|
| | As at 31 December 2019 | |
| | As reclassified | As reclassified |
| Statement of financial position | | |
| <u>Assets</u> | | |
| Available-for-sale investments | - | 57,000 |
| Other long-term investments | - | 107,800 |
| Long-term investments | 164,800 | - |

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|--|-------------------------------------|-----------------|
| | For the year ended 31 December 2019 | |
| | As reclassified | As reclassified |
| Statement of comprehensive income | | |
| Securities business income | 478,820 | 494,946 |
| Loss on securities trading | - | (3,333) |
| Gain on derivatives trading | - | 42,258 |
| Interest and dividend income | - | 68,606 |
| Interest income | 65,010 | - |
| Gain and return on financial instruments | 58,647 | - |

(Unit: Thousand Baht)

| | Separate financial statements | |
|--|-------------------------------------|-----------------|
| | For the year ended 31 December 2019 | |
| | As reclassified | As reclassified |
| Statement of comprehensive income | | |
| Interest and dividend income | - | 63,911 |
| Interest income | 60,315 | - |
| Loss and return on financial instruments | (12,809) | - |
| Loss on securities trading | - | (15,660) |
| Loss on derivatives trading | - | (745) |

The reclassifications had no effect to previously reported profit or shareholders' equity.

46. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.