

Business Nature

Consolidated revenue breakdown of Trinity Watthana Plc. and its subsidiaries
in 2018 – 2020

Revenue	Generated By	Share-Holding (%)	2018		2019		2020	
			MB	%	MB	%	MB	%
Advisory fees	Trinity Advisory 2001 Co.,Ltd. Trinity Securities Co.,Ltd. and Trinity Intelligence Plus Co.,Ltd.	99.99	17.61	2.83	43.87	6.47	17.13	2.39
Income from securities business	Trinity Securities Co.,Ltd.	99.99	442.04	70.99	478.82	70.67	425.93	59.37
Income from Derivatives business	Trinity Securities Co.,Ltd.	99.99	19.73	3.17	18.82	2.78	20.74	2.89
Gain (Loss) from Proprietary Trading, Equity/ Futures	Trinity Securities Co.,Ltd. And Trinity Watthana Plc.	99.99	93.02	14.94	58.65	8.66	145.50	20.28
Interest and dividend	Trinity Watthana Plc and Trinity Securities Co.,Ltd.	99.99	37.71	6.06	65.01	9.59	95.50	13.31
Other income	Trinity Securities Co.,Ltd. Trinity Advisory 2001 Co.,Ltd. Asset Back Holding Co.,Ltd. And Tree Money Holding Co., Ltd.	99.99	12.56	2.02	12.42	1.83	12.64	1.76
Total			622.67	100.00	677.59	100.00	717.44	100.00

Revenue breakdown of Trinity Securities Co., Ltd. in 2018 – 2020

Revenue	2018		2019		2020	
	MB	%	MB	%	MB	%
Brokerage fees	313.41	54.12	09.69	34.15	289.82	50.71
Fees and services	73.35	12.67	237.57	38.69	132.70	23.22
Interest and dividend	25.32	4.37	33.48	5.45	42.88	7.50
Interest on margin loans	123.02	21.25	98.08	15.97	82.85	14.49
Other Interest Income	37.66	6.50	31.75	5.17	18.38	3.22
Other Income	6.33	1.09	3.53	0.57	4.94	0.86
Total	579.09	100.00	614.10	100.00	571.57	100.00

Business Nature

1) Trinity Watthana Public Company Limited

Trinity Watthana Public Company Limited (“Company”) is a holding company making direct investment in its 4 subsidiaries, namely Trinity Securities Co., Ltd. Trinity Advisory 2001 Co., Ltd. Trinity Intelligence Plus Co.,Ltd. and Trinity One Co.,Ltd. In performing this business, the Company’s Board of Directors is responsible for formulating business operation policies of the subsidiaries, and these policies will be implemented by the subsidiaries’ boards of directors.

In addition to making direct investment in its subsidiaries, the Company invests in its affiliate, i.e. Asset Backed Holdings Co., Ltd. by holding 49.95% of the total shares therein. Asset Backed Holdings Co., Ltd. is principally incorporated to invest in the entities which are established as special purpose vehicles for securitization of assets. The Company also has investment in trading and available-for-sale securities.

From 2014, the Company has lending business that has listed securities pledged as collaterals, which has longer terms period than the margin loan for purchasing of securities of Trinity Securities Company limited. The Company has set policies to accept customers, the approval of the customers, and policies to control and follow strictly, which operates by Trinity Securities Company Limited. As of December 31, 2020, the Company had other loans amounting to Baht 1,081 million.

On July 1, 2019, the company entered into a shareholder agreement of Tree Money Holding Company Limited with an individual in order to invest in the company for 215,000 newly issued ordinary shares, with a par value of 100 baht per share, totaling investment of 21.5 million baht. The shareholding proportion of the company is 30.07 percent of the issued and paid-up shares of the company after the capital increase. The company considers that under the conditions in the shareholder agreement, Tree Money Holding Company Limited is an enterprise in which the company and the individual jointly controlled, providing retail loans for provincial businesses.

On April 25, 2020, the Company increased its stake in Asset Back Holdings Co., Ltd. from 49.95 percent to 99.99 percent of the issued and paid-up shares of that company.

Company’s Investment Policy

It is the Company’s policy to make short-term investments in listed securities with high liquidity and medium-term investments in listed securities with good foundations and operating results as indicated by analytical research. As for long-term investments, the Company will invest in non-listed companies which have high growth potential or any other businesses which can support the businesses of the Company’s affiliates or subsidiaries. The Company’s long-term investments are made to spread risk relating to income source, to mitigate the

impacts from the fluctuation within SET and to allow the Company to enjoy profit share throughout the holding period of such companies or businesses. In addition, Trinity Securities Co., Ltd., the Company's subsidiary, has a policy to make short-term investments in listed securities and derivatives which are listed for trading, including debt instruments for trading and available for sale which are other investment alternatives for financial management.

As of December 31, 2020, the Company has temporary investments in the amount of 344.72 million baht measured at fair value through profit and loss, amortized cost method amounting to 38.14 million baht, and long-term investments measured by fair value method through other comprehensive income of 56.23 million baht.

Investment Monitoring Policy

Investment in Listed Securities and Derivatives for Trading and Available for Sale

In general, the Company's Board of Directors is in charge of approving an investment limit and risk management policy governing the securities or derivatives investment made by the Company and its subsidiaries while the Company's Proprietary Committee / Long-term Investment Committee is responsible for (i) formulating policy for selection of group of securities for investment, (ii) setting measures to manage risks attached to each type of securities/instruments or proprietary accounts, e.g. investment limit allotment, stop loss limit, returns on investment report and (iii) prescribing actions to be taken when loss from investment incurs. In addition, the Proprietary Committee / Long-term Investment Committee is in charge of evaluating and following up the performance of each securities or derivatives investment made by the Company or its subsidiary for further report to the Company's Board of Directors. In this regard, the Risk and Information Management Department will help monitor and ensure that each investment is in line with the governing policy as well as take corrective actions in case where any investment is not in line with the governing policy.

Stop Loss Limit

Stop loss limit for each proprietary account is different from one another, depending on risk attached to each investment type and invested securities. Some examples of stop loss limit were set out below.

- Unrealized loss limit per security e.g. up to 15% of cost of each security
- Unrealized loss limit per portfolio e.g. up to 15% of total investment in a Portfolio.
- Investment limit for any particular securities e.g. up to Baht 15 million

Investment in Debt Securities/Instruments

In general, the Company's Board of Directors is in charge of approving an investment limit and risk management policy governing the debt securities

investment made by the Company and its subsidiaries while the Company's Proprietary Committee is responsible for (i) formulating policy for selection of debt securities for investment, (ii) approving an investment in debt securities within its approval scope and (iii) setting measures or rules for risk management e.g. stop loss limit and procedures for reporting the returns on investment, including (iv) prescribing actions to be taken when loss from investment incurs. In addition, the Proprietary Committee is in charge of evaluating and following up the performance of each debt securities investment made by the Company or its subsidiary for further report to the Company's Board of Directors.

Other Investments

An investment in any company which does not fall within the scopes of investments stated above must be approved by the committee(s) in charge of investment. Also, such investment must be proposed to the Board of Directors of Trinity Watthana Plc. for consideration and approval. Additionally, the responsible person(s) for such investment must be designated so that they can follow up and report the performance of such investment to the committee(s).

Investment in Affiliated Company

Tree Money Holding Company Limited's main objective is to invest in companies that operate retail loans at the provincial level under the supervision (Pico Finance) and other related businesses. At present, the joint venture has a subsidiary that has obtained a license to operate Pico Finance business and has started its operations in 12 companies. There are 6 new subsidiary companies that are in the process of applying for a license and one subsidiary company that provides related services. Conducting retail lending business at the provincial level under supervision must obtain a business license and be under the supervision of the Ministry of Finance and must comply with the rules and conditions for doing business in accordance with the announcement of the Ministry of Finance and the relevant Office of the Fiscal Policy Office.

Policy Concerning Provision of Allowance for Impairment of Investment

Trinity Watthana Public Company Limited presents both temporary and long-term investments at fair value. Changes in the fair value of temporary investments are recorded as gains or losses in the financial statements. Changes in the value of long-term investments are recorded as separate items in shareholders' equity.

2) Trinity Securities Company Limited

Trinity Securities Company Limited engages in various types of securities business which can be classified as follows:

1. Securities Brokerage Business

Trinity Securities Co., Ltd. has been the 22nd member of the Stock Exchange of Thailand (SET) and has provided securities brokerage service since March 2002. The company's turnovers in both SET and MAI during the period from 2018, 2019 and 2020 were shown below.

Turnovers	2018	2019	2020
SET and MAI (MB)	14,130,078	12,978,854	16,671,479
Trinity Securities Co., Ltd.'s turnovers (MB)	411,935	302,093	307,268
Trinity Securities Co. Ltd.'s market share (%)	1.66	1.35	1.05

Source: Stock Exchange of Thailand

Trinity Securities Co., Ltd. provides securities brokerage service to a wide variety of clients ranging from individual, corporate to institutional clients. As at the end of 2020, the number of clients for this service was 19,212. The company has established and implemented various supervisory policies primarily concerning (i) client acceptance consideration, (ii) approval and adjustment of credit line for clients' securities trading and (iii) control and monitor of clients' securities and derivative trading. Details of these policies are set out below.

Client Acceptance and Credit Line Approval Policy

Trinity Securities Co., Ltd. has a policy to accept quality clients with good financial records. The company's criteria for accepting and approving credit lines for securities trading to its clients are as follows:

Individual client	Criteria for individual client acceptance include the client's employment stability, income adequacy and ability to settle the approved credit line. Documents in support of consideration include copy of identification card or passport, copy of household registration, copy of passbook or bank statement or any other documents evidencing the individual's financial conditions.
Corporate /institutional client	Criteria for corporate/institutional client acceptance include the client's financial position, shareholders, management, business wealth and operating results. Documents in support of consideration include copies of identification cards or passports of authorized signatories, copy of corporate/institution affidavit, past financial statements or bank statements.

After investment consultants verify the supporting documents and the client's identity, assessing the client's money-laundering risk, the company's investment consultants will propose his/her opinions and the suggested credit line to his/her supervisor and an operation officer in charge of credit line

consideration. The operation officer will then examine the completeness of the documents required for trading account opening and the client's information to assess the client's money-laundering risk, the company's investment consultants will propose his/her opinions and the suggested credit line to his/her supervisor and an operation officer in charge of credit line consideration. The operation officer will then examine the completeness of the documents required for trading account opening and the client's information to assess the client's money-laundering risk again before providing his/her opinions for the suggested credit line. After that, the operation officer's opinions will be forwarded to his/her line manager for consideration and approval. (See details in the Credit Committee section).

Apart from the above procedures for accepting and approving credit line to the client, the company assesses the credit line of each client and keeps updating the clients' information at least once a year. Also, the client's information is reviewed on a regular basis to assess the client's money-laundering risk whereby the review's intensity will be commensurate with the client's risk level. During the year, if any client requests for an increase in his/her/its credit line, the officer in charge will consider the request in light of the clients' record of payments, trading volume and other relevant information. Then, the officer's opinions for the increase will be proposed to the personnel with approval authority in the same process as earlier described.

Policy for Controlling and Monitoring Clients' Securities and Derivatives Trading

To ensure that the rules of the Stock Exchange of Thailand, Thailand Futures Exchange Plc., and the Office of Securities and Exchange Commission are correctly and properly complied with, the company has implemented various measures to strictly control and monitor the securities and derivatives trading of its clients. These measures include a strict control of securities/derivatives trading system users; supervisory rules applicable to licensed officers, investment consultants and other related persons; rules for approval of proper credit lines to clients; stipulation of approval authority for online securities/derivatives trading; a review of clients' transactions to prevent money laundering, a provision of system and channel for clients to lodge complaints in case where the company's officer fails to perform their work properly; and a provision of solutions and corrections in case where mistake/error is found in the clients' transactions.

In addition, the company has put in place various internal rules and regulations to monitor the securities/derivatives trading and payments made by its clients so as to prevent itself from being exposed to undesirable risks. Examples of these rules and regulations are a prohibition of additional trading when late payment occurs, a demand for additional fund when the stop loss limit is reached and the existing fund is insufficient, including a reduction of credit line and a closing of trading account when the client fails to make payment.

Besides, the Compliance and Internal Audit Department will audit the trading transactions made by the company's clients and the work performed by the company's officers to ensure that the company's audit plan is strictly adhered to. The audit results will be directly reported to the company's chief executive officer, presidents, board of directors and the audit committee in accordance with the prescribed rules.

2. Provision of Margin Loans with Credit Balance Account

Trinity Securities Co.,Ltd. has prescribed and ensured that its policies and procedures for approval of margin loan are stringent and consistent with the existing investment situations including the rules and regulations relating to margin loans provision. These policies and procedures can be summarized as follows :

Margin Loan Provision Policy

The company has a policy that a margin loan provided to each client shall not exceed 25% of the company's capital fund and the total margin loans provided to all clients shall not exceed 5 times the company's capital fund.

The company's criteria for accepting clients for this transaction of margin loan provision include an analysis of client's financial position (credit scoring) and his/her understanding of risk and procedures involving in a margin loan request. In this regard, the company appoints the Credit Committee to consider securities selection for margin loan. Selection criteria of securities for margin loan include trading liquidity, price volatility and fundamental factors of selected securities. Additionally, the Credit Committee is responsible for prescribing margin rate of the securities as per the securities' risk in order to request for collateral from the client to protect the company against any risk from the margin loan provision. In case where the total value of margin loans provided to all clients is densely clustered within any particular securities, the company will prohibit an additional loan to such securities.

Policy for Client Acceptance and Margin Loan Approval

After a client expresses his/her intention to request for a margin loan with credit balance account, an investment consultant must prepare the client's information as required by the company's regulations. The investment consultant must also clarify the following issues to the client: an investment which can be made through margin loan with credit balance account, his/her investment record, and his/her margin loan request record, as well as ensure that the client fully understands and is ready to comply with all rules, regulations and requirements concerning margin loan request. Then, the investment consultant must have the client sign the clarification form for opening a credit balance account. This form together with other supporting documents will then be submitted for approval, following the procedures for opening a credit balance

account. In this regard, the company will consider all limits that the company has provided to the client under all accounts opened with the company.

Policy for Controlling and Monitoring of Collateral Placement and Debt Payment by Client

The company's policy for controlling and monitoring of collateral placement and debt payment by its clients were set out below.

1. Collateral placement, additional required collateral and debt payment enforcement

The company accepts only cash and listed securities as collateral for margin loan. Additionally, the company requires the investment consultant and operation officer to review an adequacy of the client's collateral on a daily basis by using the latest trading price of the securities. In case where debt payment enforcement is necessary and if the investment consultant does not perform a forced sale of the collateral according to the company's requirement, the company authorizes the operation department to perform a forced sale of such collateral.

2. Custody of client's collateral and assets

The company prepares a list of its clients' collaterals and assets in segregation of its account and treats the clients' collaterals and assets in accordance with the notification of the Securities and Exchange Commission.

Asset Classification Policy and Expected Credit Loss Allowance Policy

Trinity Securities Company Limited adheres to financial reporting standards. The management uses judgment in estimating the expected loss arising from the credit risk that may arise from each debtor by considering the risk of payment and the value of the collateral.

Revenue recognition suspension policy

The Company has a policy to recognize income on an accrual basis using the real interest method. For credit impaired financial assets, the net book value of the loan will be taken (net of the expected credit loss allowance) and multiply it by the effective interest rate.

3) Securities trading and futures contracts

The Company invests in debt instruments, including short-term debt instruments with a maturity of up to 3 months and long-term debt instruments such as bonds, debentures, as well as investing in listed securities and in futures contracts. The new investments are reclassified in accordance with the company's investment management business model. This affects the method of valuation of investments in accordance with financial reporting standards.

For the year 2020, the company has a return on investment in equity instruments, futures contracts and debt instruments totaled 53.02 million baht, including trading gains and losses, investment income and dividend, and unrealized losses from investments shown in shareholders' equity.

As of 31 December 2020, the Company has investments measured by the fair value method through profit and loss amounting to 297.89 million baht, amortized cost method amounting to baht 9.01 million, and fair value method through other comprehensive income amounting to 139.08 million baht.

The Company's investment policy

The company's investment in and trade of securities and derivatives can be classified by type of instruments as follows:

1. To invest in deposit, bills issued by financial institutions, treasury bills, government bonds or state enterprise bonds which can be redeemed within 3 years from the date of investment.
2. To invest in fixed income issued by private sectors or investment units.
3. To invest in government bonds, state enterprise bonds or instruments of debt guaranteed by the government which can be redeemed within 3 years from the date of investment.
4. To invest in listed securities / derivatives.
5. To invest in non-listed securities.
6. To invest in other securities in addition to the aforesaid securities.

The company has a policy to invest in and trade the securities and derivatives having high liquidity. Before making any investment or trading, the company will conduct a study to select securities with good foundations and operating results and/or the securities that can provide good yields based on the market condition. Generally, the company's decision for investment and trading of securities/derivatives depends on the market condition.

Long-term investments, which are considered as available-for-sale investments, are operated and monitored by the Long-term Investment Committee. The long-term investment committee will consider making the investment or selling the investment from the information presented by the investment division. It will consider investment universe using the investment criteria and guidelines that take into account of the appropriate rate of return and risk in each investment. The investment can be invested in ordinary shares or convertible securities as well as derivatives to protect the risk for long-term investments that have already been invested. The committee can invest both in and outside the stock market, including investment both at home and abroad, and set investment period for 1-5 years. The investment will be invested in companies that operate interesting businesses with a high growth rate of revenue and profit potentials and have executives and management structures in accordance with the business management principles and good corporate

governance principles. The investment will also be choosing to invest with the lower value comparing its fundamental factors (undervalued).

Investment Supervision Policy

The Board of Directors of Trinity Watthana Plc. is in charge of approving investment limit of the Company and other companies in the Group including rules and procedures for management of risks arising from investment. In addition, the Board has appointed the Proprietary Committee to supervise and ensure that all long term investments made by the Company and its subsidiaries are in line with the approved rules and procedures and that the investment risks are properly managed. Apart from that, the Proprietary Committee is responsible for approving the investments made under the Company's proprietary account (See Proprietary Committee for more information) (Please see details in section 2, 9.2 the long term investment committee) and establishing Risk and Information Management Department to monitor, report and provide corrections when any investment is made in violation of the approved rules and procedures. For long-term investment, after investing in the business, the investment division or the person assigned will monitor, review the status of the investments to be in accordance with the specified investment framework, and report periodically on progress or significant changes to the long-term investment committee.

Policy Concerning Provision of Allowance for impairment of Investment

Trinity Securities Co., Ltd. has a policy to record its investments and set allowance for impairment of its investments in accordance with the rules prescribed by the Office of Securities and Exchange Commission and the rules of Trinity Watthana Plc.

4) Investment Advisory Service

Trinity Securities Co., Ltd. generally offers investment advisory service in parallel with its securities brokerage service by providing advice on securities that are suitable for investment to the clients. Presently, the company does not charge for this service despite the fact that the company's investment advisory service has been approved since 5 November 2003. With this approval, the company can fully provide investment advice through various channels as an investment advisor.

5) Securities Underwriting Service

Trinity Securities Co., Ltd. offers a securities underwriting service to various companies wishing to offer their securities in type of both debt and equity instruments. This service is provided by the company's staff who have been trained and approved to be financial advisors by the Office of Securities and Exchange Commission. These staff also possesses qualifications necessary for supervising a securities underwriting service. Prior to accepting to be an underwriter of any securities, the company will thoroughly consider and analyze

details of the securities, its offering price and market conditions as well as conduct a survey on needs of clients and investors. After that, a securities underwriting proposal will be proposed to those in line of command for approval e.g. department head, president and/or the Underwriting Committee.

6) Securities Borrowing and Lending Service

In January, 2005, Trinity Securities Co., Ltd. was granted a license to engage in a securities borrowing and lending business whereby the business scope was limited to the borrowing and lending of securities for an over-allotment of any securities underwriting.

On 28 November 2008, the company was approved by the Office of the Securities and Exchange Commission to engage in the securities borrowing and lending business to the full extent under which the company is allowed to be an agent of a borrower and lender or to be a contractual party in the securities borrowing and lending contract made with its clients.

The company started engaging in the securities borrowing and lending business to the full extent in January 2009. Generally, before engaging in the borrowing and lending activities, the company will analyze counterparty's risk to ensure that the borrowing counterparty can meet contractual obligations and deliver securities to the company as required. Furthermore, the company must ensure that it will be able to meet collateral requirements to the lender at all times in accordance with the regulations of the Office of Securities and Exchange Commission as well as ensure timely delivery of securities to the lender as scheduled.

As at the end of 2020, there were 216 clients opening securities borrowing and lending accounts with the company.

7) Financial Advisory Service

At present, Trinity Securities Company Limited has been approved to operate as a financial advisor within the scope of the Securities and Exchange Commission for a period of 5 years, ending on August 7, 2022 and listed as Class A Advisors with the Ministry of Finance's Advisory Information Center to provide services as a financial advisor to various departments both public and private sectors. Currently, the company has 14 experienced and knowledgeable personnel in investment banking, 6 of who are operational supervisors.

8) Private Fund Asset Management Service

Trinity Securities Co., Ltd. obtained a license to provide private fund asset management service in August 2005 and commenced this service in November 2005. To provide this service, the company has arranged for a sound working system and clearly segregates the duties and responsibilities of the fund manager and the operation team. That is, the operation team will be responsible for taking care and contacting custodian, including verifying the transactions, preparing

report and reconciling the asset balance with the custodian. To manage and monitor the investment, the company's board of directors assigned the Investment Committee to set up a reliable investment framework and to assess overall investment performance in order to provide proper advice on investment. (See details in Investment Committee) (Please see details in section investment committee)

As of December 30, 2020, the Company has 103 accounts of private fund management customers, same as in 2019, with total assets increasing from 3,826 million baht at the end of 2019 to 3,950 million baht at the end of 2020. Assets have only increased 3% from 2019. Although, in terms of asset, value is almost no difference from the previous year due to the huge volatility in the stock market from the COVID-19 situation, revenue has increased significantly from 62 million baht in 2019 to 89.5 million baht in 2020, or up to 44% due to the ability to generate good yields. Therefore, they receive a higher operating performance fee.

As for private funds investing in foreign securities, as of December 30, 2020, the Company has 49 foreign investment private fund clients, increasing from 28 accounts in 2019. Total assets increased from \$ 4.51 million at the end of 2019 to \$ 8.61 million at the end of 2020, or up 90.91%.

9) Investment Unit Selling Agent Business

Trinity Securities Co., Ltd. acts as a selling agent of investment units for 11 asset management companies, namely Kasikorn Asset Management Co., Ltd., Krungsri Asset Management Co., Ltd., Krung Thai Asset Management Co., Ltd., TISCO Asset Management Co., Ltd., One Asset Management Co., Ltd. and UOB Asset Management Co., Ltd. CIMB-Principal Asset Management, TMB Asset Management Co., Ltd. ,Asia Plus Fund management co.,Ltd., SCB Asset Management Co.,Ltd. and Talis Asset Management Co.,Ltd.

This business is regarded as a supplementary service provided to the clients. As a selling agent, the company can diversify its services, better assist its clients in managing their investments and spread risks more effectively. Additionally, this business serves as another channel for the clients to make investments in any assets more conveniently. Although at present, this business is considered a supplementary service, it has gained a lot of interest from the clients, resulting in that the service fee derived from this business is increasing every year and becoming a unit that can stably generate revenue.

10) Being a bondholder representative

Trinity Securities Company Limited received approval to conduct business as bondholders' representatives from Securities and Exchange Commission on April 29, 2019, beginning bond services of being bondholders' representatives in June 2019. In the year 2020, the company is the representative of the debenture holders to 3 debenture issuers.

11) Being an agent for derivatives trading

Trinity Securities Company Limited received a Derivatives Brokerage License on July 31, 2008 and commenced its business on December 1, 2008.

The company has market share and derivatives purchase values in 2018, 2019, and 2020 as follows:

Trinity Securities Co., Ltd.'s Trading Volumes in TFEX

Trading Volume (contracts)	2018	2019	2020
TFEX	104,422,200	104,521,995	120,193,573
Trinity Securities Co., Ltd.	1,508,728	1,299,525	900,441
Company's market share (%)	0.72	0.62	0.37

Source: Thailand Futures Exchange Plc.

Breakdown of TFEX Turnover Classified by Types of Products

Trading Volume (contracts)	2018		2019		2020	
	No. of contracts	%	No. of contracts	%	No. of contracts	%
Futures	103,059,680	98.70	102,844,672	98.40	118,494,948	98.40
- RSS3	34,482	0.03	54,565	0.05	17,597	0.05
- Oil	-	0.00	-	0.00	-	0.00
- Gold	4,356,424	4.17	7,568,699	7.24	10,821,720	7.24
- USD	685,847	0.66	673,060	0.64	2,803,128	0.64
- Single Stock	55,332,444	52.99	52,098,173	49.84	47,386,674	49.84
- SET50 Index	42,544,040	40.74	42,450,175	40.61	57,465,829	40.61
Options	1,362,520	1.30	1,677,323	1.60	1,698,625	1.60
- SET50 Index	1,362,520	1.30	1,677,323	1.60	1,698,625	1.60
Total (contracts)	104,422,200	100.00	104,521,995	100.00	120,193,573	100.00

In 2020, the Company's market share dropped from 0.62% in 2019 to 0.37%. In this year, the Company ranked 31rd in the total trading volume of TFEX due to a more intense competition in commission fee. The overall trading volume of the futures market has increased from 2019, the rate is 15%.

The company's derivatives brokerage business is mainly targeted at individual clients. In operating this business, the company has established and implemented policies concerning (i) client acceptance consideration, (ii) approval and adjustment of credit line for derivatives trading and (iii) control and monitor of clients' derivative trading. These policies are similar to those prescribed for securities brokerage business. However, due to the fact that the derivatives brokerage business has higher risk than that of securities brokerage business, the company provides an additional questionnaire for the investment consultant to use in collecting information from the clients and assessing their understanding of derivatives.

12) Provision of Support Service to Companies in the Group

Trinity Securities Co., Ltd. provides several support services, i.e. Financial and Accounting, Auditing, Computer, Human Resources, including other administrative services as well as internal audit and compliance to all companies in the Group. In providing these support services, Trinity Securities Co., Ltd. entered into the following agreements with the companies in the Group

Agreements between Trinity Securities Co.,Ltd. and Trinity Advisory 2001 Co.,Ltd.

Contractual Parties:	Trinity Securities Co., Ltd. as Service Provider Trinity Advisory 2001 Co., Ltd. as Customer
Service Agreement	Service scope: <ul style="list-style-type: none"> - To provide financial and accounting services - To provide internal audit and compliance services - To provide human resources and administrative services - To provide computer service <p>The term of this agreement is 1 year and the term shall be automatically renewed for another year if there is no termination of the agreement. The total service fee in 2020 was Baht 600,000.</p>
Lease Agreement	The annual rental fee was agreed at Baht 288,000.

Agreements between Trinity Securities Co., Ltd. and Trinity Watthana Plc.

Contractual Parties:	Trinity Securities Co., Ltd. as Service Provider Trinity Watthana Plc. as Customer
Service Agreement	Service scope: <ul style="list-style-type: none"> - To provide financial and accounting services - To provide public relations and administrative services - To provide computer service - To provide internal audit and compliance services - To Provide investment management / lending services to clients <p>The term of this agreement is 1 year and the term shall be automatically renewed for another year if there is no termination of the agreement. The total service fee in 2020 was Baht 600,000. and consider billing from time to time according to the workload provided for investment management and lending to clients</p>

Agreements between Trinity Securities Co., Ltd. and Trinity Intelligence Plus Co.,Ltd

Contractual Parties:	Trinity Securities Co., Ltd. as Service Provider Trinity Intelligence Plus Co.,Ltd. as Customer
Service Agreement	Service scope: <ul style="list-style-type: none"> - To provide financial and accounting services - To provide human resources and administrative services - To provide computer service <p>The term of this agreement is 1 year if there is no termination of the agreement.</p> <p>The total service fee in 2020 was Baht 330,000.</p>

Agreement between Trinity Securities Co., Ltd. and Conduit Management Services Co., Ltd.

Parties:	Trinity Securities Co., Ltd. as Service Provider Conduit Management Services Co., Ltd. as Service recipient
Service Agreement:	Scope of service <ul style="list-style-type: none"> - Provide services related to finance and accounting - Provide services related to human resources and administrative works - Provide services about computer work <p>The term of the contract is 1 year and is valid for a further 1 year at a time if the contract is not terminated.</p> <p>Service fee for the year 2020 in the amount of baht 432,000.</p>
Lease Agreement	The annual rental fee was agreed at Baht 240,000

Market Conditions and Competition in the Securities Business

For Thai stock market in 2020, the SET Index dropped 8.3 percent, while the SET50 Index dropped 14.8 percent. And the SETTRI Index rose 8.6 percent.

1. At the beginning of the year, the US and China signed a successful first-phase trade deal along with the removal of China from the list of countries with currency distortions, which is a positive factor for global stock markets.

2. However, after the spread of COVID-19 is widespread and spread throughout the world. The asset prices have dropped significantly.

3. Governments and policymakers around the world are launching emergency stimulus measures both in terms of monetary policy and fiscal policy.

4. Injecting liquidity with various policies. As a result, some of the excess money flows into the capital market, especially risky assets, both stocks and commodities.

5. The global economy has recovered rapidly after the situation and concerns about COVID-19 eased, especially the manufacturing sector. As a result, the PMI Index was higher than the Pre-Covid level.

6. An important individual factor in Thailand is the political situation in the Country where uncertainty occurs throughout the year both inside and outside the council

7. Global stock markets rose in the last 2 months of the year, in particular, the cyclical group received positive news about the vaccine against COVID-19.

The industry with the best adaptation in 2020 is electronics, agricultural business and packaging categories, while the industry with the lowest return was the commercial banking, travel and media and publications categories.

SET Index and average market turnover per day – yearly



Source: Stock Exchange of Thailand

When considering the trading value of securities (including SET and MAI Index) classified by investor type, it was found that in 2020, retail investors play a greater role. The retail investor's share trading ratio is 43.7 percent from 33.7 percent in 2019, while other types of investors have a decreased share of trading. Foreign investors accounted for 35.9 percent, decreased from 41.4 percent in 2019. Securities trading accounts decreased to 10.5 percent from 13.5 percent in 2019. And domestic institutional investors decreased to 9.9 percent from 11.4 percent in 2019, as shown in the diagram below.

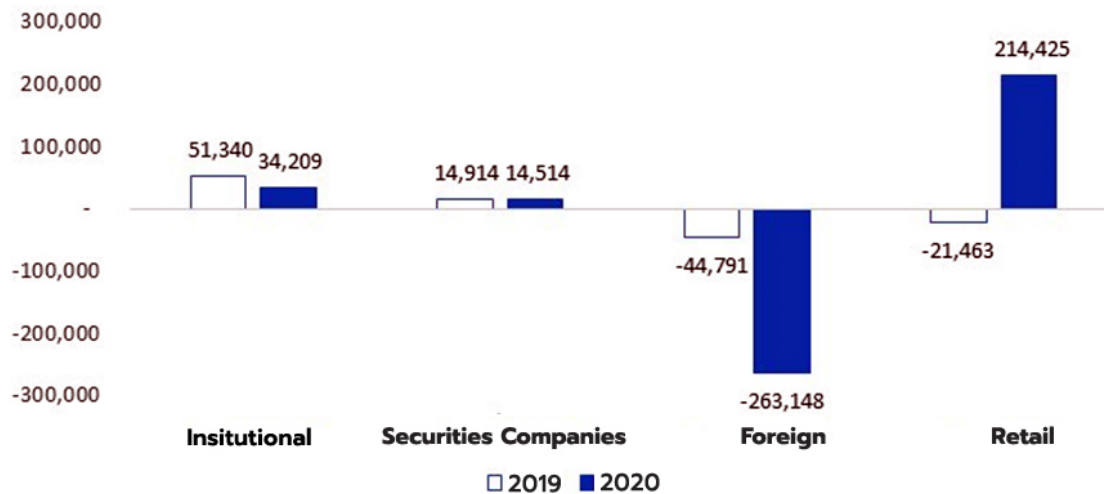
Trading proportion by each type of investors



Source: Stock Exchange of Thailand

Overall, for the year 2020, retail investors had a net buy of 214,425 million baht. Institutional investors had a net buy of 34,209 million baht. Securities company account had a net buy of 14,514 million baht, while foreign investors had a total net sell position of 263,148 million baht.

Trading value by each type of investors (Million Baht)



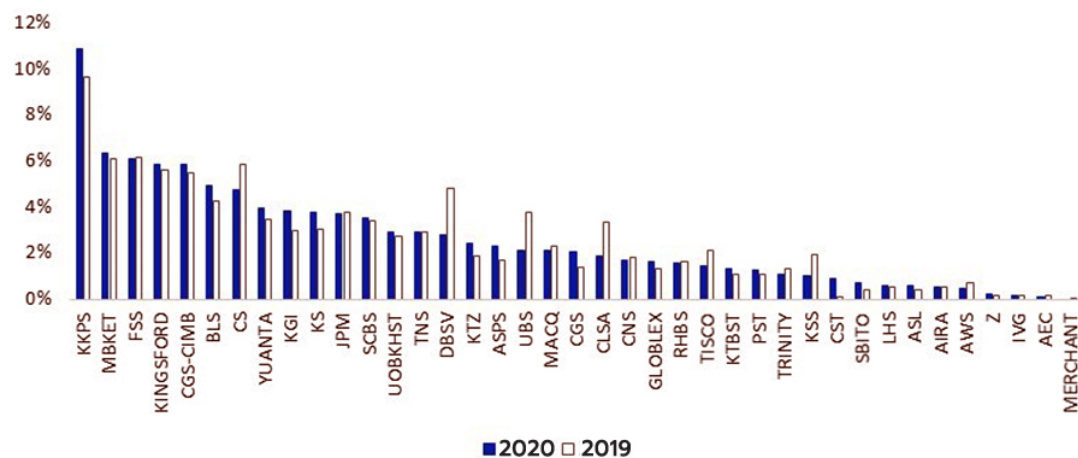
Source: Stock Exchange of Thailand

Summary of the Stock Exchange of Thailand

	2018	2019	2020
SET Index (points)	1,563.88	1,579.84	1,449.35
Market Capitalization (MB)	16,219,068	16,962,612	16,342,662
Total Turnover (MB)	14,130,078	12,978,854	16,671,479
Daily Average Turnover (MB)	57,674	53,192	68,606
Dividend Yield (%)	3.22	3.14	3.32
Price to Earnings Ratio (time)	14.75	19.40	28.84
Number of Listed Companies	704	725	743
Number of Newly-Listed Companies (IPO)*	19	30	27
Market Capitalization of New Listings (IPO) (MB)	127,050	362,860	555,299

* both in the Stock Exchange of Thailand and the Market for Alternative Investment (MAI)

Source: The Stock Exchange of Thailand

Market Share of Securities Companies in SET

Source: The Stock Exchange of Thailand

In 2020, there were 38 brokerage-licensed member firms. Overall, most companies gained market share. Companies with outstanding market share were KKPS, KGI and CST, while companies with significantly reduced market share were DBSV, UBS, CLSA and CS.

For Trinity Securities Company Limited, whose target customers are Individuals and general juristic persons in 2019 had their market share decreased from 1.35 percent in 2020 to 1.05 percent, with such customer groups having a slight increase in turnover from 2019 and domestic institutional clients traded higher for 36.63 percent. The company's customers traded 94.60% in cash and on

a 5.40% credit balance account. In recent years, no reliance on any single customer exceeds 10% of total income.

Breakdown of Turnover Classified by Client

Unit : MB

Type of Client	2018		2019		2020	
	Turnover	%	Turnover	%	Turnover	%
Local Retail	369,119.43	89.61	275,826.38	91.31	276,723.17	88.58
Local Institution	42,268.54	10.26	25,798.68	8.54	35,249.95	11.29
Foreign	547.03	0.13	467.94	0.15	418.40	0.13
Total	411,935.00	100.00	302,093.00	100.00	312,391.53	100.00

Breakdown of Turnover Classified by Account

Unit : MB

Type of Account	2018		2019		2020	
	Turnover	%	Turnover	%	Turnover	%
Cash Account	395,275.14	95.96	292,748.62	96.91	295,524.00	94.60
Credit Balance Account	16,659.86	4.04	9,344.38	3.09	16,867.53	5.40
Total	339,800.00	100.00	302,093.00	100.00	312,391.53	100.00

Key achievements in underwriting and underwriting in 2019 and 2020 can be summarized as follows:

In 2019, Trinity Securities Company Limited became the lead underwriter of IPO for Absolute Clean Energy Public Company Limited and Bangkok Commercial Asset Management Public Company Limited, and has joined as a joint underwriter of 5 IPOs, namely Kumwell Corporation Public Company Limited, Infraset Public Company Limited, R&B Food Supply Public Company Limited, The Practical Solution Public Company Limited, and Starflex Public Company Limited

In addition, the company is the underwriter of short-term and long-term debentures offered to institutional and / or high net worth investors for 2 companies, namely Power Solution Technology Public Company Limited and S11 Group Company Public Company Limited.

In 2020, Trinity Securities Company Limited became the lead underwriter for IPO to Leo Global Logistics Public Company Limited and joined as a joint underwriter of 6 IPOs, namely JRW. Utilities Public Company Limited, Dee House Pattana Public Company Limited, Peerapat Technology Public Company Limited, Right Tunneling Public Company Limited, Siam Ratchathani Public Company Limited, and Index Inter National Group Public Company Limited

In addition, the company has joined as the underwriter of debentures offered to general investors (PO) and institutional investors and / or high net worth investors (PP (II & HNW)) in total of 4 companies, namely National Power

Supply Public Company Limited, Thai Foods Group Public Company Limited, Sermuang Power Corporation Public Company Limited, and Wind Energy Holding Company Limited

In the private fund management business, the SEC issued 51 licenses to manage private funds. This business is interested by entrepreneurs again, offering to the public with a wide variety of investment potential. Investors have more investment knowledge. Moreover, entrepreneurs have developed and presented investment channels through the application which is easy and convenient to be able to invest abroad. The demand for this service is growing. However, most of the customer base is concentrated in a few big banks, so most entrepreneurs entering the business have their own customer base. Currently, there are 21 securities company operating this business.

As of December 30, 2020, the Company has 103 accounts of private fund management customers, same as in 2019, with total assets increasing from 3,826 million baht at the end of 2019 to 3,950 million baht at the end of 2020. Assets have only increased 3 percent from 2019. Although, in terms of asset value, there is almost no difference from the previous year due to the huge volatility in the stock market from the COVID-19 situation, revenue has increased significantly from 62 million baht in 2019 to 89.5 million baht in 2020, or up to 44 percent due to the ability to generate good yields. Therefore, they receive a higher operating performance fee.

As for private funds investing in foreign securities, as of December 30, 2020, the Company has 49 foreign investment private fund clients, increasing from 28 accounts in 2019. Total assets increased from \$ 4.51 million at the end of 2019 to \$ 8.61 million at the end of 2020, or up 90.91%. Return on investment in 2020 reached 37.25 percent.

Securities Business Outlook in 2021

Based on the following key factors, the 2021 SET Index framework is assessed at a level of 1500-1700.

1) It is expected that policymakers around the world, both in terms of monetary and fiscal policy, will continue to be eased among the risks of the ongoing COVID-19 virus outbreak.

2) From a relaxed monetary and fiscal policy, it will cause liquidity in the world financial system continuously high. It is a factor to support the emerging stock market in the dimension of fund flow.

3) However, the US dollar's short position is quite crowded trade. So if any risk factor suddenly occurs in the market, it may cause the US dollar appreciation quickly.

4) A key factor to monitor is the development of the COVID-19 vaccine after it was initially administered to at-risk individuals in many countries, in particular, the effectiveness of drugs against new viral mutations.

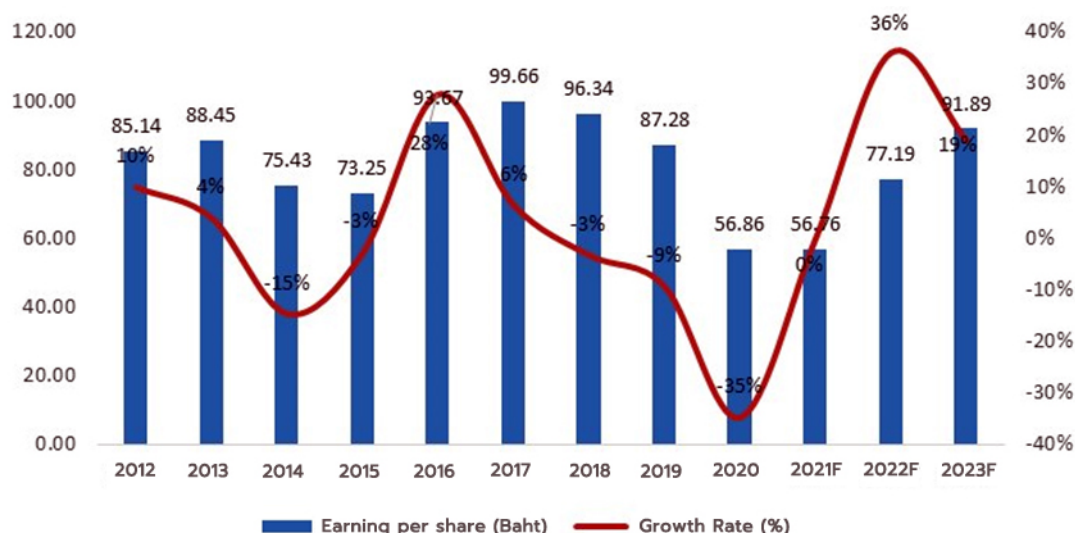
5) Acting as President of the United States Mr. Joe's official Biden may initially face various barriers to legislation, as Republicans still hold a majority in the Senate.

6) Expect growth stocks to outperform in the first half of the year. The global economy is still low growth and there is a downside risk. But when entering the second half, cyclical stocks are expected to reverse outperform on more pronounced signs of economic recovery.

7) The Thai economy is still at risk from the tourism sector, tending to be delayed to foreign tourists.

8) Thai baht continues to stabilize. Further appreciation is a risk factor that may have a significant impact on the export sector.

9) Monitor the development of the political situation in the country. This is expected to continue to be a factor in the investment climate. But as long as no violence has occurred, the impact is expected to be limited.



Source : Bloomberg Consensus

Competitive outlook

Although the turnover of the market in 2020 grew approximately 28 percent, the competition in the securities business still tends to be more intense, respectively by the average commission rate of the group (excluding the trading of securities company accounts) continued to decline after the commission liberalization. In 2018 it was 0.10 percent, while 2019 was 0.09 percent, and the nine-month period of 2020 was 0.09 percent. Each securities company has to be prepared to maintain its existing customer base and add new customers with a focus on service quality both in providing investment advice and quality securities analysis services, as well as expanding new financial products or services that customers are likely to be interested in investing more broadly to

increase investment opportunities and diversity and increasing the return on investment for customers.

In addition, to reduce the risk of relying on brokerage income, each securities company needs to accelerate or increase their income in other areas, such as interest income from loans to buy securities, profit from investment income, investment banking business income, and income from private fund management business, etc.

In terms of the private fund management business for the year 2021, it is a technological transformation, which will have a direct impact on the business sector. The most influencing factor around the world is the spread of the coronavirus. It continues until the world's population is thoroughly vaccinated. Thailand would be inevitable with the recession. But it is expected that Thailand is expected to have passed the lowest point. The national banks of every country in the world have tried to sustain the economy and subsidize their people by borrowing money to bring money to distribute to the people while the manufacturing sector is still at a standstill, resulting in a bubble environment and the excess liquidity in the world

From the excess liquidity in the system, money naturally has to seek compensation. While the interest on deposits is less than 1 percent, there is massive speculation in all types of securities such as precious metals, Bitcoin, and there is a huge speculative force in securities. These things have happened all over the world. It is not only Thailand. For the year 2021, securities prices are expected to move in accordance with the direction of the foreign fund flow to find a return in the Emerging Market, especially in Asian countries, which are the source of the world's highest GDP growth.

Investment management becomes more difficult under conditions of basic arbitrage. The Stock Exchange of Thailand will fluctuate according to the Fund Flow that has no direction in certain direction. Therefore, in order to invest for a good return, it is to catch the right timing with Fund Flow. The correct selection of securities in this situation may be only a secondary factor. However, the company still adheres to the principle of private fund investment risk management. The company will focus on safety. The client's funds will not be damaged from the loss of the principal and at the same time generating good returns.

Competition Strategy in securities business

The Company has policy to compete in securities business by determining competition strategy to increase revenues, planning to retain customers by offering a full range of services to clients and expand the customer, focusing on developing research reports to provide information on investment with good quality and timely manners, providing a system for clients to assess accurate, complete and timely information in the Company's website (www.trinitythai.com)

such as deposit and withdrawal of collateral, clearing amount, transaction confirmation. In addition, development of marketing personnel with expertise and good quality in presenting investment alternatives in asset classes.

In the year 2021, the company aims to increase customers through Trinity Smart Wealth services, which help customers to invest under the investment framework that they agree with in order to respond to customers who do not have time to closely monitor the market, There is a plan to distribute mutual funds in a portfolio that includes asset allocation, such as investing in gold funds or diversification in foreign funds to help investment have higher returns and has better sound distribution It also continues to focus on providing fast service by developing a system to make transactions conveniently through the Trinity Member channel, offering private funds investing in foreign securities as well as being an investment advice agent in funds established in Vietnam.

In addition, the Company continues to manage funds with good returns regularly. Investments are managed conservatively, not to seek maximum profit but essentially emphasized the safety and the ability to profit consistently, regardless of the investment conditions to be able to deliver a positive return for investors.

For the year 2021, it is expected to generate a return of approximately 15 percent. With foreign investment through private funds, the popularity has risen dramatically. In the past year, the company plans to expand additional foreign investments through private funds to generate return on investment and diversify risks to customers in addition to investing in Thailand alone.

The company has been in this business for the 16th year and has continued to grow in fund size. It is expected that this year's assets under management will meet the target of five billion baht.

Competition in Financial Advisory and Underwriting and Underwriting Business

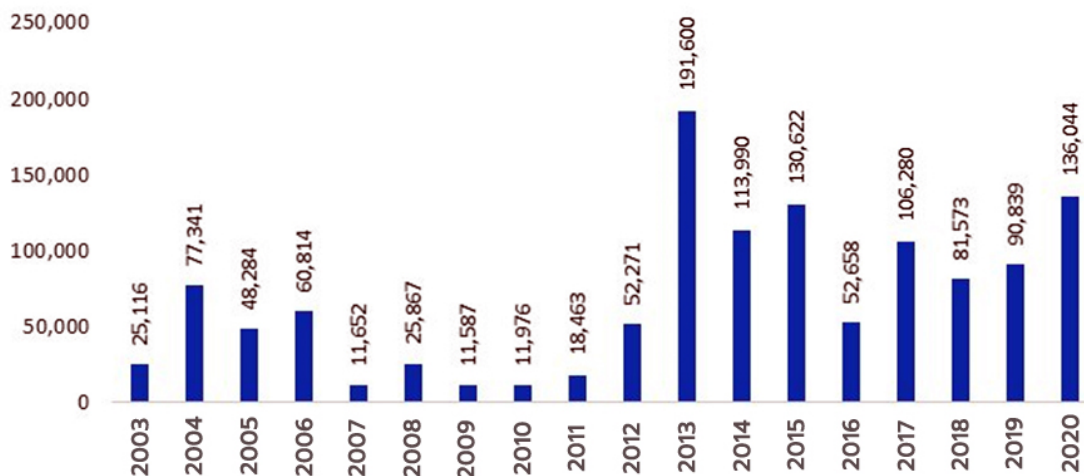
In 2020, a listed company has raised capital by IPO, classified as capital increase ordinary shares, real estate investment trust and infrastructure funds totaling 28 companies (divided into 16 SET-listed companies (14 common shares, 1 real estate investment trust unit and 1 infrastructure mutual fund trusts) and 12 MAI listed new ordinary shares, which is lower than in 2019 with 32 listed companies raising capital in the first market (divided into 15 SET-listed companies and 17 MAI's).

However, the initial market capitalization value was found in 2020 that IPO, real estate investment trust and infrastructure funds were offered for the first time in the amount of 555,599.12 million baht by raising funds through the Stock Exchange (SET) of 540,114.82 million baht and through the MAI market of 15,184.30 million baht. Central Retail Corporation Public Company Limited (CRC), SCG Packaging Public Company Limited (SCGP) and Sri Trang Gloves (Thailand) Public Company Limited (STGT) were the top three companies with the highest

fundraising value in 2020, equal to 55,902.00 million baht, 39,464.25 million baht and 14,904.92 million baht, respectively.

For trends of 2021, it is expected that raising capital by offering ordinary shares, real estate investment trust and infrastructure fund remains promising. At present, there are 16 companies applying for IPO and 9 companies that have been approved for sale.

Fund raising value of newly listed companies (million Baht)



Financial advisory achievements

In 2019, the Investment Banking Department of Trinity Securities Co., Ltd. has acted as a financial advisor to list 2 companies on the Stock Exchange, namely Absolute Clean Energy Public Company Limited and Bangkok Commercial Asset Management Public Company Limited and is in the process of bringing 6 companies listed on the SET and MAI. In addition, it is a financial advisor in merging 4 companies, 1 independent financial advisor, and being the financial advisor in other matters for 3 companies.

Trinity Securities Company Limited received the Best Deal of the Year award for fundraising as a financial advisor and underwriter for listing the company on the stock exchange for Bangkok Commercial Asset Management Public Company Limited at the 2020 SET Awards organized by the Stock Exchange of Thailand.

In 2020, the Investment Banking Department of Trinity Securities Co., Ltd. has served as a financial advisor for listing 1 company on the stock exchange, namely Leo Global Logistics Public Company Limited. In addition, it is also a financial advisor in preparing the disclosure form and annual report of 1 listed company, in issuing and selling debentures for 7 companies and other financial advisory services for 6 companies.

Competition Trend

For the trend of competition in the financial advisory business, at present there are over 75 financial advisory business operators approved by the SEC and a number of independent contractors, resulting in high competition. Therefore, the Company focuses on service quality, experience and expertise of the team, relationship network, and initiatives to present new financial instruments.

Competitive strategy

Trinity Advisory 2001 Company Limited and Investment Banking Department of Trinity Securities Company Limited has a policy to focus on customer in a comprehensive manner by creating a relationship with customers in a corporate client manner, monitoring and providing advisory services continuously in all aspects, providing funding advisory services for both debt and equity instruments Issuing securities from securitization and merger and acquisition. The Company has a policy to study and research new products / services to become new financial instruments, such as derivatives, in the approach to reducing the risk of cost management of the company. The Company believes that with a quality team, experience and expertise in the business, the Company can compete and provide good services to customers.

Market Conditions and Competition in the Derivatives Broker Business

Since the opening of trading in April 2006, trading conditions in the TFEX market have continued to grow. In 2020, the total trading volume was 120,193,573 contracts or an average of 494,624 contracts per day, higher from the year 2019 that had a total trading volume of 104,521,995 contracts or an average of 428,369 contracts per day for the past three years. Trading volume has an average annual growth rate (CAGR) of approximately 4.8 percent. In 2020, Index Futures are the most popular with a trading volume of 47.81 percent of the total number of contracts, followed by Single Stock Futures, which has a trading volume of 39.43 percent of the total number of contracts. The world economy shrinking from the epidemic and the volatility of major currencies resulted in currency futures trading volume increased by 2,130,068, representing an increase of 316.48 percent. Gold Online Futures trading volume increased by 4,133,454 contracts or a 104 percent increase. These two products received the most popularity compared to the others.

The main group of TFEX investors is still retail investors in the country. In 2020, the share of the domestic retail investor volume is 48.38 percent. For local institutional investors and foreign investors, the trading was 25.61 percent and 23.01 percent, respectively.

In 2020, there are 40 companies that are members of Futures Exchange (Thailand) Co., Ltd. acting as an agent for derivatives trading, with the company having market share with the trading volume ranked 31st, accounting for 0.37 percent of total trading volume.

Summary of Derivatives Transaction

	2018	2019	2020
Trading volume (contracts)	104,422,200	104,521,995	120,193,573
Pending (contracts)	2,440,223	3,330,230	2,194,994
No. of transactions (transactions)	12,722,636	14,737,353	23,147,433
Daily average trading volume (contracts)	426,213	428,369	494,624
Daily average no. of transactions (transactions)	51,929	60,399	95,257

Source: Thailand Futures Exchange Plc.

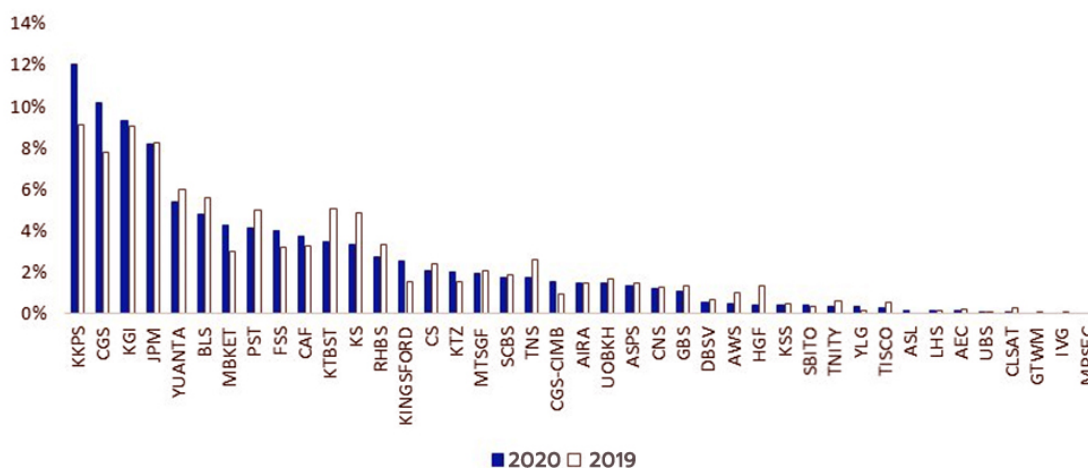
Breakdown of TFEX Trading Volume Classified by Investor

Unit : Contract

Type of Investor	2018		2019		2020	
	Number of Contract	%	Number of Contract	%	Number of Contract	%
Local retail	52,922,890	50.68	51,164,976	48.95	58,148,645	48.38
Local institutions	37,767,292	36.17	34,744,840	33.24	34,386,029	25.61
Foreign	13,732,018	13.15	18,612,179	17.81	27,658,900	23.01
Total	104,422,200	100.00	104,521,995	100.00	120,193,573	100.00

Source: Thailand Futures Exchange Plc.

Derivatives Trading Volume and Market Share of TFEX's Members in 2019 and 2020



Source: Thailand Futures Exchange Plc.

Trend of derivatives brokerage business year 2020

In 2020, the volume of trading in the TFEX market is expected to grow continuously. After the last 3 years, the average growth rate was 4.8% per year. The single stock futures and SET50 Index Futures and Precious Metal Futures are still expected to be popular when compared with other products under the volatile global market conditions.

The Thailand Futures Exchange Public Company Limited (TFEX) plans in 2021 that TFEX will continue to focus on increasing liquidity in SET50 Options, Silver Online Futures, and Japanese Rubber Futures. They were launched in 2020. It supports the development of tools that will make trading easier, such as Option Wizards and Margin Calculation programs for SET50 Options traders or Algorithmic Trading Platform. It will focus on increasing educational activities for investors according to target groups as well as working with the industry to promote learning through various projects.

Competitive Strategy

The company has a policy to penetrate the derivatives brokerage business by determining the competitive strategy in providing efficient trading systems, developing tools, including providing accurate, complete, fast, and prompt information services for customers of the Company to receive information for investment decisions and increase personnel efficiency in order to provide services and facilitate the Company's customers. The company will provide training for staff and customers in order to have knowledge and understanding of investing in new types of instruments.

Capital Arrangement

Source of Capital

As of 31 December 2020, Trinity Watthana Plc.'s capitals which were derived from the shareholders' equity and borrowings account for 31.67% and 56.57% of its liabilities and shareholders' equity, respectively. In this regard, the borrowings from other financial institutions were served as the Company's working capital and additional capital. In 2020, the Company issued and offered short-term bills of exchange and short-term debentures, including 1.5-2 years term debentures to institutional investors and its major investors in order to raise fund for the Company's and its subsidiaries' business operation. In so doing, the Company strictly followed its policy that any fund raising must be in accordance with the activities and spending purpose.

Funding or Loan Available from Related Persons of Management or Shareholders.

Trinity Watthana Plc. provides business loans to companies within its Group only whereby interest on these loans is calculated based on the market rate. The Company does not lend or borrow any amounts to and from its management or shareholders.

Net Capital Rule (NCR)

Trinity Watthana Plc. has a policy which requires Trinity Securities Co., Ltd. to always maintain a net liquid capital in accordance with the policy of the Office of Securities and Exchange Commission.

In 2018, 2019 and 2020 Trinity Securities Co., Ltd.'s net capital ratios were 35-93 percent, 18-107 percent and 20-126 percent, respectively.

As of 31 December 2020, Trinity Securities Co., Ltd.'s net capital ratio was 57.10 percent. This net capital ratio was consistent with the Office of Securities and Exchange Commission's rule that a net capital ratio must not be less than 7 percent of a company's general liabilities and net liquid capital must not be less than Baht 25 million.