

Trinity Watthana Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2016

## **Independent Auditor's Report**

To the Shareholders of Trinity Watthana Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Trinity Watthana Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Trinity Watthana Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trinity Watthana Public Company Limited and its subsidiaries and of Trinity Watthana Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

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

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

The Group's income mainly consisted of brokerage fees and interest on margin loans, amounting to Baht 316 million and Baht 150 million for the year 2016, respectively, as discussed in Note 26 to the financial statements, representing 40 percent and 19 percent of the Group's total revenue. The subsidiary charges brokerage fees at percentages of trading volume, which are freely negotiated, and based on a sliding scale fee structure, whereas interest on credit balance loans is charged at fixed rates that are adjusted periodically based on market conditions and the competitive environment. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees and interest on margin loans relies primarily on data processed by information systems, I addressed the measurement and occurrence of brokerage fees and interest on margin loans as a key audit matter.

The audit procedures I performed were to assess and test, on a sampling basis, the subsidiary's internal controls relevant to recognition of brokerage fees and interest on margin loans, including computer-based controls relevant to the calculation of brokerage fees and interest on margin loans. I also tested, on a sampling basis, the brokerage rates, interest rates, calculation and account recording. In addition, I performed analytical procedures on brokerage fees and interest on credit balance loans and examined, on a sampling basis, material manual adjustments made via journal vouchers.

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

As discussed in Note 4.9 to the financial statements, the subsidiary's allowance for doubtful accounts for securities business receivables is determined through consideration of specific reviews, collection risk and the value of the collateral. For securities trading and credit balance transactions, the subsidiary has policies regarding the collateral to be placed, with the value of collateral required dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts for securities business receivables is significant because of the number of the customers and the significance of the amount of the receivables to the Group's consolidated financial statements, with securities business receivables amounting to Baht 3,246 million as at 31 December 2016, representing 71 percent of the Group's total assets. Therefore, I addressed the adequacy of allowance for doubtful accounts for such receivables as a key audit matter.

I have performed audit procedures on the allowance for doubtful accounts as follows:

- I assessed, and tested on a sampling basis, the subsidiary's internal controls relevant to the calculation of allowance for doubtful debts and the recording of allowance for doubtful accounts. I also assessed the methods applied by the subsidiary to the determination and calculation of the allowance, and compared the subsidiary's policy with regulatory requirements. Moreover, I tested certain controls over the computer-based controls relevant to the status of accounts receivable, calculation of the collateral value and the revaluation adjustments made to the fair values of collateral.
- I examined the allowance for doubtful accounts as at the period-end date by testing the completeness of the data used in the calculation of allowance for doubtful accounts, testing on a sampling basis the status of outstanding debts, the valuation of collateral items, collections of debt after the period-end date, the correctness of debt classification and the calculation of the allowance.

### ***Goodwill***

As discussed in Notes 4.12 to the financial statements, goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. I have focused my audit on the consideration of impairment of goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in using the financial model to calculate the realisable values and in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

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

### **Other Information**

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

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

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

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Sumana Punpongsanon.

Sumana Punpongsanon  
Certified Public Accountant (Thailand) No. 5872

EY Office Limited  
Bangkok: 22 February 2017

Trinity Watthana Public Company Limited and its subsidiaries

Statement of financial position

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	54,813,904	61,843,423	1,435,315	1,594,892
Current investments	8	346,448,378	359,867,475	7,216,001	6,170,000
Receivables from Clearing House	9	230,987,007	167,975,753	-	-
Securities and derivatives business receivables	10	3,186,477,377	2,336,607,522	-	-
Other receivables	12	18,337,070	21,394,039	153,808,278	94,756,944
Short-term loans to subsidiary	6	-	-	426,000,000	707,000,000
Short-term loans to others	13	437,350,000	452,317,589	437,350,000	452,317,589
Derivatives assets		-	1,218,340	-	-
Other current assets		9,065,089	7,285,079	1,228,635	1,172,939
<b>Total current assets</b>		<b>4,283,478,825</b>	<b>3,408,509,220</b>	<b>1,027,038,229</b>	<b>1,263,012,364</b>
<b>Non-current assets</b>					
Investments in subsidiaries	14	-	-	1,179,802,664	1,179,802,664
Investment in associate	15	3,445,111	3,551,651	3,532,427	3,532,427
Other long-term investments	8	136,014,025	145,410,439	131,360,000	140,850,286
Premises improvement and equipment	16	25,530,334	27,377,890	4,309,270	1
Goodwill		50,865,066	50,865,066	-	-
Intangible assets	17	10,664,961	7,909,912	-	-
Deferred tax assets	25	30,196,366	35,675,601	14,653,154	18,880,385
Other non-current assets		52,547,126	48,878,878	-	-
<b>Total non-current assets</b>		<b>309,262,989</b>	<b>319,669,437</b>	<b>1,333,657,515</b>	<b>1,343,065,763</b>
<b>Total assets</b>		<b>4,592,741,814</b>	<b>3,728,178,657</b>	<b>2,360,695,744</b>	<b>2,606,078,127</b>

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



Trinity Watthana Public Company Limited and its subsidiaries

Statement of financial position (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	18	1,070,000,000	600,000,000	-	-
Payables to Clearing House		279,194,868	53,840	-	-
Securities and derivatives business payables	19	532,558,359	180,996,224	-	-
Other short-term borrowings	18	840,905,627	1,232,134,644	790,998,416	1,181,195,318
Other payables	20	106,492,464	95,232,533	38,680,731	24,181,890
Short-term loans from subsidiary	6	-	-	7,000,000	7,000,000
Derivatives liabilities		-	980,900	-	-
Income tax payable		17,583,402	15,614,646	-	-
Other current liabilities		8,671,312	8,545,930	980,966	1,540,295
<b>Total current liabilities</b>		<b>2,855,406,032</b>	<b>2,133,558,717</b>	<b>837,660,113</b>	<b>1,213,917,503</b>
<b>Non-current liabilities</b>					
Unsecured debenture	21	100,000,000	-	100,000,000	-
Provision for long-term employee benefits	22	23,554,681	20,916,571	568,709	404,817
Other non-current liabilities		13,697,542	7,169,461	10,386,619	3,707,697
<b>Total non-current liabilities</b>		<b>137,252,223</b>	<b>28,086,032</b>	<b>110,955,328</b>	<b>4,112,514</b>
<b>Total liabilities</b>		<b>2,992,658,255</b>	<b>2,161,644,749</b>	<b>948,615,441</b>	<b>1,218,030,017</b>
<b>Shareholders' equity</b>					
Share capital	23				
Registered					
197,496,000 ordinary shares of Baht 5 each		987,480,000	987,480,000	987,480,000	987,480,000
Issued and fully paid-up					
197,495,461 ordinary shares of Baht 5 each		987,477,305	987,477,305	987,477,305	987,477,305
Share premium	23	288,886,306	288,886,306	288,886,306	288,886,306
Retained earnings					
Appropriated - statutory reserve	24	63,819,918	56,313,833	63,819,918	56,313,833
Unappropriated		318,254,287	284,693,590	129,934,251	105,815,914
Other components of shareholders' equity	8.4	(58,354,257)	(50,837,126)	(58,037,477)	(50,445,248)
<b>Total shareholders' equity</b>		<b>1,600,083,559</b>	<b>1,566,533,908</b>	<b>1,412,080,303</b>	<b>1,388,048,110</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,592,741,814</b>	<b>3,728,178,657</b>	<b>2,360,695,744</b>	<b>2,606,078,127</b>
		-	-	-	-

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

Directors

**Trinity Watthana Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
**For the year ended 31 December 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Advisory fees		22,092,500	22,322,557	-	-
Securities business income	26	553,690,645	554,385,568	-	-
Derivatives business income		18,503,733	17,309,076	-	-
Gain on securities trading	8.5	139,186,518	6,648,699	64,265,637	34,411,513
Gain on derivatives trading		-	81,384,604	5,565,380	1,000,940
Interest and dividend income		44,611,719	44,370,559	170,034,841	165,084,815
Other income		12,903,017	12,942,726	11,563,938	11,512,939
<b>Total revenues</b>		<b>790,988,132</b>	<b>739,363,789</b>	<b>251,429,796</b>	<b>212,010,207</b>
<b>Expenses</b>					
Operating and administrative expenses					
Personnel expenses		357,526,575	326,594,595	61,897,931	44,191,864
Premises and equipment expenses		62,054,474	63,773,202	359,388	-
Fee and service expenses		75,413,688	69,141,053	4,094,390	2,344,694
Other expenses		35,942,399	34,610,089	2,846,219	2,447,133
Total operating and administrative expenses		530,937,136	494,118,939	69,197,928	48,983,691
Loss on derivatives trading		525,163	-	-	-
Bad debt and doubtful accounts		250,000	81,166	-	-
<b>Total expenses</b>		<b>531,712,299</b>	<b>494,200,105</b>	<b>69,197,928</b>	<b>48,983,691</b>
<b>Profit before share of profit from investment in associate,</b>					
<b>finance cost and income tax expenses</b>					
		259,275,833	245,163,684	182,231,868	163,026,516
Share of profit from investment in associate	15	643,460	740,293	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>259,919,293</b>	<b>245,903,977</b>	<b>182,231,868</b>	<b>163,026,516</b>
Finance cost		(61,297,710)	(64,343,957)	(25,984,880)	(22,179,102)
<b>Profit before income tax expenses</b>		<b>198,621,583</b>	<b>181,560,020</b>	<b>156,246,988</b>	<b>140,847,414</b>
Income tax expenses	25	(39,057,524)	(35,455,400)	(6,125,289)	(2,884,083)
<b>Profit for the year</b>		<b>159,564,059</b>	<b>146,104,620</b>	<b>150,121,699</b>	<b>137,963,331</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Loss on re-measuring available-for-sale securities		(9,396,414)	(32,863,789)	(9,490,286)	(32,643,428)
Income tax effect	25	1,879,283	6,572,758	1,898,057	6,528,686
Other comprehensive income to be reclassified to profit					
or loss in subsequent periods - net of income tax	8.4	(7,517,131)	(26,291,031)	(7,592,229)	(26,114,742)
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gains	22	-	4,208,315	-	230,562
Income tax effect	25	-	(841,663)	-	(46,112)
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods - net of income tax		-	3,366,652	-	184,450
<b>Other comprehensive income for the year</b>		<b>(7,517,131)</b>	<b>(22,924,379)</b>	<b>(7,592,229)</b>	<b>(25,930,292)</b>
<b>Total comprehensive income for the year</b>		<b>152,046,928</b>	<b>123,180,241</b>	<b>142,529,470</b>	<b>112,033,039</b>
<b>Earnings per share</b>					
27					
Basic earnings per share					
Profit for the year		0.81	0.74	0.76	0.70

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

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

**Cash flow statement**

**For the year ended 31 December 2016**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit before tax	198,621,583	181,560,020	156,246,988	140,847,414
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	14,515,328	16,611,573	320,852	-
Bad debt and doubtful accounts	250,000	81,166	-	-
Long-term employee benefits expenses	4,964,710	4,993,900	163,892	218,626
Share of profit from investment in associate	(643,460)	(740,292)	-	-
Unrealised (gain) loss on revaluation of investments in trading securities	315,718	2,351,669	(9,357)	(20,518)
Unrealised gain on revaluation of derivatives	-	39,280	-	-
Gain on disposals and write-off of equipment and intangible assets	(1,239,315)	(200,733)	-	-
Interest and dividend income	(80,931,798)	(84,375,544)	(170,034,841)	(165,084,815)
Interest expenses	61,297,710	64,343,957	25,984,880	22,179,102
Profit (loss) from operating activities before changes in operating assets and liabilities	197,150,476	184,664,996	12,672,414	(1,860,191)
Operating assets (increase) decrease				
Current investments	13,355,256	(113,572,043)	(1,036,644)	(3,778,897)
Receivables from Clearing House	(63,011,254)	68,941,511	-	-
Securities and derivatives business receivables	(849,869,855)	427,317,635	-	-
Other receivables	5,460,214	25,734,629	(49,788,855)	8,476,506
Derivatives assets	1,218,340	(1,284,740)	-	-
Other current assets	(1,736,065)	4,283,116	(72,281)	1,839,196
Other non-current assets	(3,668,248)	(4,349,134)	-	-
Operating liabilities increase (decrease)				
Payables to Clearing House	279,141,028	(375,476,621)	-	-
Securities and derivatives business payables	351,562,135	(126,289,729)	-	-
Other payables	11,027,192	(35,040,467)	14,498,840	12,748,363
Derivatives liabilities	(980,900)	1,002,420	-	-
Other current liabilities	125,382	(3,814,198)	(559,329)	(703,598)
Paid for long-term employee benefits	(2,326,600)	-	-	-
Other non-current liabilities	6,528,081	(3,656,541)	6,678,922	(1,446,806)
Cash flows from operating activities	(56,024,818)	48,460,834	(17,606,933)	15,274,573
Cash received from interest and dividend	72,799,223	78,173,600	44,882,362	35,561,965
Cash paid for interest expenses	(61,032,856)	(64,333,656)	(25,984,880)	(22,179,102)
Cash received (paid) for corporate income tax	(29,774,195)	(50,590,141)	16,585	(81,405)
<b>Net cash flows from (used in) operating activities</b>	<b>(74,032,646)</b>	<b>11,710,637</b>	<b>1,307,134</b>	<b>28,576,031</b>

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

Trinity Watthana Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Cash received from dividend income from subsidiaries	-	-	110,400,000	168,000,000
Cash received from dividend income from associate	750,000	750,000	750,000	750,000
Cash received from dividend income from long-term investments	5,227,453	5,677,000	4,740,000	5,677,000
Decrease (increase) in short-term loans to subsidiary	-	-	281,000,000	(585,000,000)
Decrease (increase) in short-term loans to others	14,967,589	(152,317,589)	14,967,589	(152,317,589)
Cash paid for purchases of equipment	(10,518,186)	(9,388,918)	(4,630,121)	-
Cash received from disposal of equipment	1,240,490	493,458	-	-
Cash paid for purchases of intangible assets	(4,905,810)	(1,574,027)	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>6,761,536</b>	<b>(156,360,076)</b>	<b>407,227,468</b>	<b>(562,890,589)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term borrowings from financial institutions	470,000,000	(54,000,000)	-	-
Increase (decrease) in other short-term borrowings	(391,261,132)	245,041,415	(390,196,902)	599,966,637
Decrease in short-term loans from subsidiaries	-	-	-	(4,000,000)
Cash received from debentures	100,000,000	-	100,000,000	-
Dividend paid	(118,497,277)	(61,665,222)	(118,497,277)	(61,665,222)
<b>Net cash flows from (used in) financing activities</b>	<b>60,241,591</b>	<b>129,376,193</b>	<b>(408,694,179)</b>	<b>534,301,415</b>
<b>Decrease in cash and cash equivalents</b>	<b>(7,029,519)</b>	<b>(15,273,246)</b>	<b>(159,577)</b>	<b>(13,143)</b>
Cash and cash equivalents at the beginning of year	61,843,423	77,116,669	1,594,892	1,608,035
<b>Cash and cash equivalents at the end of year (Note 7)</b>	<b>54,813,904</b>	<b>61,843,423</b>	<b>1,435,315</b>	<b>1,594,892</b>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash items				
Dividend receivable - subsidiary	-	-	69,600,000	60,000,000
Loss on re-measuring available-for-sale securities - net of income tax	(7,517,131)	(26,291,031)	(7,592,229)	(26,114,742)
Actuarial gains - net of income tax	-	3,366,652	-	184,450

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

Trinity Watthana Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements					
	Issued and fully paid-up		Retained earnings		Other components of shareholders' equity	
					Other comprehensive income	
	share capital	Share premium	Appropriated		Loss on re-measuring available-for-sale investments	Total
- statutory reserve			Unappropriated			
<b>Balance as at 1 January 2015</b>	877,760,000	288,008,568	49,415,666	314,380,750	(24,546,095)	1,505,018,889
Profit for the year	-	-	-	146,104,620	-	146,104,620
Other comprehensive income for the year	-	-	-	3,366,652	(26,291,031)	(22,924,379)
Total comprehensive income for the year	-	-	-	149,471,272	(26,291,031)	123,180,241
Dividend paid (Note 30)	-	-	-	(61,665,222)	-	(61,665,222)
Stock dividend (Note 30)	109,717,305	877,738	-	(110,595,043)	-	-
Appropriation of retained earnings (Note 24)	-	-	6,898,167	(6,898,167)	-	-
<b>Balance as at 31 December 2015</b>	<u>987,477,305</u>	<u>288,886,306</u>	<u>56,313,833</u>	<u>284,693,590</u>	<u>(50,837,126)</u>	<u>1,566,533,908</u>
<b>Balance as at 1 January 2016</b>	987,477,305	288,886,306	56,313,833	284,693,590	(50,837,126)	1,566,533,908
Profit for the year	-	-	-	159,564,059	-	159,564,059
Other comprehensive income for the year	-	-	-	-	(7,517,131)	(7,517,131)
Total comprehensive income for the year	-	-	-	159,564,059	(7,517,131)	152,046,928
Dividend paid (Note 30)	-	-	-	(118,497,277)	-	(118,497,277)
Appropriation of retained earnings (Note 24)	-	-	7,506,085	(7,506,085)	-	-
<b>Balance as at 31 December 2016</b>	<u>987,477,305</u>	<u>288,886,306</u>	<u>63,819,918</u>	<u>318,254,287</u>	<u>(58,354,257)</u>	<u>1,600,083,559</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

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

Trinity Watthana Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid-up share capital		Retained earnings		Other components of shareholders' equity	Total
	Share premium	Appropriated		investments	Other comprehensive income	
		- statutory reserve	Unappropriated		Loss on re-measuring available-for-sale	
<b>Balance as at 1 January 2015</b>	877,760,000	288,008,568	49,415,666	146,826,565	(24,330,506)	1,337,680,293
Profit for the year	-	-	-	137,963,331	-	137,963,331
Other comprehensive income for the year	-	-	-	184,450	(26,114,742)	(25,930,292)
Total comprehensive income for the year	-	-	-	138,147,781	(26,114,742)	112,033,039
Dividend paid (Note 30)	-	-	-	(61,665,222)	-	(61,665,222)
Stock dividend (Note 30)	109,717,305	877,738	-	(110,595,043)	-	-
Appropriation of retained earnings (Note 24)	-	-	6,898,167	(6,898,167)	-	-
<b>Balance as at 31 December 2015</b>	<u>987,477,305</u>	<u>288,886,306</u>	<u>56,313,833</u>	<u>105,815,914</u>	<u>(50,445,248)</u>	<u>1,388,048,110</u>
<b>Balance as at 1 January 2016</b>	987,477,305	288,886,306	56,313,833	105,815,914	(50,445,248)	1,388,048,110
Profit for the year	-	-	-	150,121,699	-	150,121,699
Other comprehensive income for the year	-	-	-	-	(7,592,229)	(7,592,229)
Total comprehensive income for the year	-	-	-	150,121,699	(7,592,229)	142,529,470
Dividend paid (Note 30)	-	-	-	(118,497,277)	-	(118,497,277)
Appropriation of retained earnings (Note 24)	-	-	7,506,085	(7,506,085)	-	-
<b>Balance as at 31 December 2016</b>	<u>987,477,305</u>	<u>288,886,306</u>	<u>63,819,918</u>	<u>129,934,251</u>	<u>(58,037,477)</u>	<u>1,412,080,303</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

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

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

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

**For the year ended 31 December 2016**

#### **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. The registered office of the Company is at 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 179, 25th-26th, 29th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

As at 31 December 2016, the subsidiary has 8 branches (2015: 6 branches).

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

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in conjunction with the Notifications of the Office of the Securities and Exchange Commission. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

## 2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 (%)	2015 (%)
Trinity Securities Company Limited	Securities business	Thailand	99.9	99.9
Trinity Advisory 2001 Company Limited	Financial advisory	Thailand	99.9	99.9

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

- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.



### **3. New financial reporting standards**

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### **(b) Financial reporting standards that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

#### **TAS 27 (revised 2016) Separate Financial Statements**

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in the separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

## **4. Significant accounting policies**

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

(a) Brokerage fees

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

(b) Fees and services income

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

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

(c) Interest on margin loans

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

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

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

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

(d) Gains (losses) on securities and derivatives

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

(e) Interest and dividend on investments

Interest income on investments is recognised as interest accrues based on the effective rate method. Dividends on investments are recognised when the right to receive the dividends is established.

(f) Expenses

Expenses are recognised on an accrual basis.

#### **4.2 Interest on borrowing**

Interest on borrowing is charged on an accrual basis.

#### **4.3 Cash and cash equivalents**

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

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

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

#### **4.5 Recognition and amortisation of customer deposits**

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

#### **4.6 Securities borrowing and lending**

The Company and its subsidiary record their obligations to return borrowed securities which they have been sold as short selling or lent as "Securities borrowing and lending 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" in the statement of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as "Collateral receivables" or "Collateral payables". Fees on securities borrowing and lending are recognised on an

accrual basis over the term of the lending.

#### **4.7 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item 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 associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost 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 as at the end of reporting period.

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

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

#### **4.8 Receivables from Clearing House**

Receivables from Clearing House comprise the net receivable from Thailand Clearing House in respect of settlements for securities and derivative trading business. These also include cash collateral pledged with Thailand Clearing House for derivatives trade.

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

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

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

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

- (a) Debt classified as bad debt is defined as follows:
  - (1) Debts which the subsidiary has made effort to follow up, but could not collect repayment. The subsidiary has written them off in accordance with tax law.
  - (2) Debts which the subsidiary has forgiven them.
- (b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:
  - (1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.
  - (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue by more than 3 months.
  - (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is clear evidence and a high degree of

certainty that full is recovered.

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

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

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

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

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

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

Depreciation is included in determining income.

No depreciation is provided on work under installation.

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

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

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

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

#### **4.12 Goodwill**

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

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

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

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

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

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

An impairment loss is recognised in profit or loss.

#### **4.14 Payables to Clearing House**

Payables to Clearing House comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net payable for derivatives trade made through the Thailand Futures



Exchange.

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

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

#### **4.16 Borrowings and debts issued**

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

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

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

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

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

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

#### **4.19 Foreign currency**

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

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

Exchange gains and losses are included in determining income.



## **4.20 Employee benefits**

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

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

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

#### *Defined contribution plans*

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

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries 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 post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

## **4.21 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **4.22 Income tax**

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

**Current tax**

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

**Deferred tax**

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

The Company and its subsidiaries 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 Company and its subsidiaries 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 Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.23 Financial 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**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealised gain or loss from the translation is included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

#### **4.24 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 Company and its subsidiaries 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 Company and its subsidiaries 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 observable 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 Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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

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

Significant accounting judgements and estimates are as follows:

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

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

### **Goodwill and intangible assets**

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

### **Impairment of investments**

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

future.

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

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

### **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.

### **Deferred tax assets**

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

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

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

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

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





## 6. Related party transactions

The relationships between the Company and its related parties that have significant business transactions during the years 2016 and 2015 are summarised below:

Name of related parties	Relationship with the Company
Trinity Securities Company Limited	Subsidiary
Trinity Advisory 2001 Company Limited	Subsidiary
Asset Backed Holdings Limited	Associate

During the years, the Company and its subsidiaries 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 companies. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2016	2015	2016	2015	
<b><u>Related party transactions</u></b>					
Brokerage fees from securities business					At normal rate charged to other clients, in accordance with Association of Thai Securities Companies' notification
- Directors of the Group	1,364	1,305	-	-	
Brokerage fees from derivatives business					At normal rate charged to other clients, in accordance with Association of Thai Securities Companies' notification
- Directors of the Group	167	90	-	-	
Management service income					Contract price
- Subsidiary	-	-	10,200	10,200	
- Associate	254	-	-	-	
Dividend income					
- Subsidiary	-	-	120,000	120,000	Baht 1 per share (2015: Baht 1 per share)
- Associate	-	-	750	750	Normal rate declared to ordinary investors
Private fund management fees					Rate stated in contract
- Directors of the Group	716	734	-	-	

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2016	2015	2016	2015	
Interest income					Market price and saving
- Subsidiary	-	-	5,720	1,600	deposit interest rate plus 0.60% per annum (2015: savings deposit interest rate plus 0.50% - 0.75% per annum)
Interest expenses					Savings deposit interest rate
- Subsidiary	-	-	59	306	plus 0.35% per annum (2015: savings deposit interest rate plus 0.25% - 1.00% per annum)
Management service expenses					Contract price
- Subsidiary	-	-	600	600	
Brokerage fee from securities business					At the subsidiary's normal
- Subsidiary	-	-	51,230	36,563	rate charged to other clients, in accordance with Association of Thai Securities Companies' notification

The balances of the accounts as at 31 December 2016 and 2015 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b><u>Outstanding balances of the transactions</u></b>					
Securities and derivatives business receivables					
Directors of the Group	Related persons	10,111	7,540	-	-
Other receivables - subsidiary					
Trinity Securities Company Limited	Subsidiary	-	-	81,450	31,661
Dividend receivable - subsidiary					
Trinity Securities Company Limited	Subsidiary	-	-	69,600	60,000
Short-term loans to subsidiary					
Trinity Securities Company Limited	Subsidiary	-	-	426,000	707,000
Short-term loans from subsidiary					
Trinity Advisory 2001 Company Limited	Subsidiary	-	-	7,000	7,000
Securities and derivatives business payables					
Directors of the Group	Related persons	8,008	6,022	-	-
Other payables - subsidiary					
Trinity Securities Company Limited	Subsidiary	-	-	25,197	11,687

As at 31 December 2016, short-term loans to subsidiary carry interest at savings deposit interest rate plus 0.6% per annum (2015: savings deposit interest rate plus 0.50 - 0.75 per annum) and to be 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 31 December 2016
	Balance as at 1 January 2016	During the year		
		Increase	Decrease	
<b>Short-term loans to subsidiary</b>				
Trinity Securities Company Limited	707,000	128,163,000	(128,444,000)	426,000

As at 31 December 2016, short -term loans from subsidiary carry interest at savings deposit interest rate plus 0.35% per annum (2015: savings deposit interest rate plus 0.25 - 1.00 per annum) and to be 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 31 December 2016
	Balance as at 1 January 2016	During the year		
		Increase	Decrease	
<b>Short-term loans from subsidiary</b>				
Trinity Advisory 2001 Company Limited	7,000	37,500	(37,500)	7,000

### Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit payable to their directors and management as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term benefits	78,657	81,779	10,650	10,960
Post-employment benefits	7,131	7,083	-	-
<b>Total</b>	<b>85,788</b>	<b>88,862</b>	<b>10,650</b>	<b>10,960</b>

The Company provided the other employee benefits to its directors and management. In the year 2016, the Company purchased liability insurance amounting to Baht 50 million for directors and management of the Company and its subsidiaries (2015: Baht 50 million).

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash on hand	170	165	-	-
Deposits at financial institutions	47,241	198,019	1,435	1,595
Promissory note with maturity less than 3 months	489,691	272,896	-	-
Total cash and cash equivalents	537,102	471,080	1,435	1,595
Less: Deposits for customers' account	(482,288)	(409,237)	-	-
Net cash and cash equivalents	54,814	61,843	1,435	1,595

## 8. Investments

### 8.1 Cost and fair value

(Unit: Thousand Baht)

	Consolidated financial statements			
	2016		2015	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Current investments</b>				
<u>Long-term deposits at financial institutions</u>				
Fixed deposit notes with maturity over 3 months but less than 1 year	220,000	220,000	400,100	400,100
Promissory notes with maturity over 3 months but less than 1 year	200,000	200,000	305,000	305,000
Less: Deposits for customers' accounts	(420,000)	(420,000)	(705,100)	(705,100)
Long-term deposits at financial institutions - net	-	-	-	-
<u>Trading securities</u>				
Equity securities				
Listed securities	172,041	165,594	108,017	100,613
Less: Changes in fair value of securities	(6,447)	-	(7,404)	-
Equity securities - net	165,594	165,594	100,613	100,613
Debt securities				
Corporate and government debt securities	79,197	78,914	50,438	51,428
Add: Changes in fair value of securities	(283)	-	990	-
Debt securities - net	78,914	78,914	51,428	51,428
Total trading securities - net	244,508	244,508	152,041	152,041
<u>Available-for-sale securities</u>				
Debt securities				
Bills of exchange	102,845	101,940	208,982	207,826
Less: Discount	(905)	-	(1,156)	-
Debt securities - net	101,940	101,940	207,826	207,826
Total available-for-sale securities - net	101,940	101,940	207,826	207,826
<b>Total current investments - net</b>	<b>346,448</b>	<b>346,448</b>	<b>359,867</b>	<b>359,867</b>

(Unit: Thousand Baht)

	Consolidated financial statements			
	2016		2015	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Long-term investments</b>				
<i>Available-for-sale securities</i>				
Equity securities				
Listed securities	188,170	123,560	188,170	133,050
Less: Changes in fair value of securities	(64,610)	-	(55,120)	-
Listed securities - net	123,560	123,560	133,050	133,050
Equity securities				
Unit trusts	5,050	4,654	5,050	4,560
Less: Changes in fair value of securities	(396)	-	(490)	-
Unit trusts - net	4,654	4,654	4,560	4,560
Total available-for-sale securities - net	128,214	128,214	137,610	137,610
<i>Non-marketable securities</i>				
Equity securities	7,800		7,800	
Total non-marketable securities	7,800		7,800	
<b>Total long-term investments - net</b>	<b>136,014</b>		<b>145,410</b>	
<b>Total investments - net</b>	<b>482,462</b>		<b>505,277</b>	

(Unit: Thousand Baht)

	Separate financial statements			
	2016		2015	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Current investments</b>				
<i>Trading securities</i>				
Equity securities				
Listed securities	7,338	7,216	6,301	6,170
Less: Changes in fair value of securities	(122)	-	(131)	-
Total trading securities - net	7,216	7,216	6,170	6,170
<b>Total current investments - net</b>	<b>7,216</b>	<b>7,216</b>	<b>6,170</b>	<b>6,170</b>
<b>Long-term investments</b>				
<i>Available-for-sale securities</i>				
Equity securities				
Listed securities	188,170	123,560	188,170	133,050
Less: Changes in fair value of securities	(64,610)	-	(55,120)	-
Equity securities - net	123,560	123,560	133,050	133,050
Total available-for-sale securities - net	123,560	123,560	133,050	133,050
<i>Non-marketable securities</i>				
Equity securities	7,800		7,800	
Total non-marketable securities	7,800		7,800	
<b>Total long-term investments - net</b>	<b>131,360</b>		<b>140,850</b>	
<b>Total investments - net</b>	<b>138,576</b>		<b>147,020</b>	

## 8.2 Fair value of obligated investments in equity securities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Securities borrowing and not yet due</b>				
Equity securities	27,816	17,949	-	-
Total obligated investments	27,816	17,949	-	-

8.3 As at 31 December 2016 and 2015, Trinity Securities Company Limited, the Company's subsidiary, classified its debt securities (book value) by remaining period to maturity as follows:

(Unit: Thousand Baht)

	Consolidated financial statement			
	2016			
	Period to maturity			
	Within 1 year	1-5 years	Over 5 years	Total
<b>Trading debt securities</b>				
Corporate debt securities	-	78,212	702	78,914
<b>Available-for-sale debt securities</b>				
Bills of exchange	102,845	-	-	102,845
Less: Discount	(905)	-	-	(905)
Net	101,940	-	-	101,940
<b>Total</b>	101,940	78,212	702	180,854

(Unit: Thousand Baht)

	Consolidated financial statement			
	2015			
	Period to maturity			
	Within 1 year	1-5 years	Over 5 years	Total
<b>Trading debt securities</b>				
Corporate debt securities	-	35,804	15,624	51,428
<b>Available-for-sale debt securities</b>				
Bills of exchange	208,982	-	-	208,982
Less: Discount	(1,156)	-	-	(1,156)
Net	207,826	-	-	207,826
<b>Total</b>	207,826	35,804	15,624	259,254

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Balance - beginning of the year	(50,837)	(24,546)	(50,445)	(24,331)
Changes during the year (net of income tax)				
- from revaluation	(7,517)	(26,291)	(7,592)	(26,114)
Balance - end of the year	(58,354)	(50,837)	(58,037)	(50,445)

#### 8.5 Gains (losses) on securities trading

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Unrealised gains (losses) on trading securities and derivatives	(393)	(2,391)	9	21
Gains (losses) on sales of trading securities	134,499	7,570	64,256	34,391
Gains (losses) on sales of available-for- sale securities	5,081	1,470	-	-
Total	139,187	6,649	64,265	34,412

#### 9. Receivables from Clearing House

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Receivables from Clearing House	250,311	191,952	-	-
Less: Receivables from Clearing House for customers' accounts	(19,324)	(23,976)	-	-
Net receivables from Clearing House	230,987	167,976	-	-



## 10. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Securities business receivables</b>				
Cash customers' accounts	802,508	76,979	-	-
Credit balance accounts	2,346,814	2,237,943	-	-
Collateral receivables	36,411	20,797	-	-
Other receivables	60,060	68,087	-	-
Total securities business receivables	3,245,793	2,403,806	-	-
Less: Allowance for doubtful accounts	(60,060)	(68,087)	-	-
Net securities business receivables	3,185,733	2,335,719	-	-
<b>Derivatives business receivables</b>				
Derivatives business receivables	745	889	-	-
Other receivables	55	55	-	-
Total derivatives business receivables	800	944	-	-
Less: Allowance for doubtful accounts	(55)	(55)	-	-
Net derivatives business receivables	745	889	-	-
Net securities and derivatives business receivables	3,186,478	2,336,608	-	-

10.1 As at 31 December 2016 Trinity Securities Company Limited, the Company's subsidiary, has customers' accounts of approximately Baht 60 million (2015: Baht 68 million) for which it has stopped recognising interest income.

10.2 Trinity Securities Company Limited, the Company's subsidiary, have classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables. As at 31 December 2016 and 2015, securities business receivables are classified as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2016			2015		
	Securities business receivables	Allowance for doubtful accounts set up by the subsidiary	Net securities business receivables after allowance for doubtful accounts	Securities business receivables	Allowance for doubtful accounts set up by the subsidiary	Net securities business receivables after allowance for doubtful accounts
Normal debts	3,186	-	3,186	2,336	-	2,336
Substandard debts	-	-	-	-	-	-
Doubtful debts	60	(60)	-	68	(68)	-
Total	3,246	(60)	3,186	2,404	(68)	2,336

### 11. Allowance for doubtful accounts - securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Balance - beginning of the year	68,142	69,061	-
Add: Allowance for doubtful accounts	-	81	-	-
Less: Bad debt recoverable	(5,000)	(1,000)	-	-
Bad debt written-off	(3,027)	-	-	-
Balance - end of the year	60,115	68,142	-	-

### 12. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Accrued fees and service income	18,337	21,394	2,758
Other receivables - subsidiary (Note 6)	-	-	81,450	31,661
Dividend receivables - subsidiary (Note 6)	-	-	69,600	60,000
Total other receivables	18,337	21,394	153,808	94,757

### 13. Short-term loans to others

As at 31 December 2016, the Company has loans to others amounting to Baht 437 million (2015: 452 million) carry interest at MOR plus 0.25% - 0.75% per annum (2015: 6.00% - 7.50% per annum) and to be due within June 2016 and secured by a pledge of the borrower's securities.

## 14. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage	
	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(%)	(%)
Trinity Securities Company Limited	1,200	1,200	99.9	99.9
Trinity Advisory 2001 Company Limited	10	10	99.9	99.9

(Unit: Thousand Baht)

  

Company's name	Cost		Allowance for impairment of investments		Carrying amounts based on the cost method - net		Dividend received	
	2016	2015	2016	2015	2016	2015	2016	2015
	Trinity Securities Company Limited	1,169,803	1,169,803	-	-	1,169,803	1,169,803	120,000
Trinity Advisory 2001 Company Limited	10,000	10,000	-	-	10,000	10,000	-	-
<b>Total</b>	<b>1,179,803</b>	<b>1,179,803</b>	<b>-</b>	<b>-</b>	<b>1,179,803</b>	<b>1,179,803</b>	<b>120,000</b>	<b>120,000</b>

## 15. Investment in associate

### 15.1 Details of investment in associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on the equity method	
			2016	2015	2016	2015	2016	2015
Asset Backed Holdings Limited	Investments in securitisation	Thailand	49.9	49.9	50	50	3,445	3,552

(Unit: Thousand Baht)

  

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on the cost method - net	
			2016	2015	2016	2015	2016	2015
Asset Backed Holdings Limited	Investments in securitisation	Thailand	49.9	49.9	3,532	3,532	3,532	3,532

In addition, 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	
		2016	2015
		(%)	(%)
Conduit Management Services Limited	Management service for	100	100

special purpose vehicles

## 15.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Share of profit from investment			
	in associate		Dividend received	
	2016	2015	2016	2015
Asset Backed Holdings Limited *	643	740	750	750

\* The Company's interest in the equity of Asset Backed Holdings Limited was calculated based on the financial statements with prepared by the affiliated company's management and has not yet been audited by its auditor.

## 15.3 Summarised financial information of associate

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets as at		Total liabilities as at		Total revenues for		Profit for the	
	as at		31 December		31 December		the years ended		years ended	
	31 December	31 December	2016	2015	2016	2015	31 December	31 December	2016	2015
Asset Backed Holdings Limited	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	0.1	0.1	5.4	4.8	-	-	1.6	1.7	1.3	1.5

## 16. Premises improvements and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Furniture and fixtures	Office equipment	Motor vehicles	Work under installation	Total
<b>Cost:</b>					
1 January 2015	45,207	100,817	23,668	-	169,692
Additions	518	3,239	-	5,632	9,389
Disposals	(70)	(564)	(1,040)	-	(1,674)
Write-off	(106)	(15,808)	-	-	(15,914)
31 December 2015	45,549	87,684	22,628	5,632	161,493
Additions	270	4,898	4,630	720	10,518
Disposals	-	(414)	(3,822)	-	(4,236)
Write-off	-	(8,022)	-	-	(8,022)
Transfer in (out)	213	6,053	-	(6,266)	-
31 December 2016	46,032	90,199	23,436	86	159,753

(Unit: Thousand Baht)

Consolidated financial statements					
	Furniture and fixtures	Office equipment	Motor vehicles	Work under installation	Total
<b>Accumulated depreciation:</b>					
1 January 2015	40,286	85,607	11,770	-	137,663
Depreciation for the year	1,898	7,556	4,293	-	13,747
Depreciation on disposals	(70)	(564)	(834)	-	(1,468)
Depreciation on write-off	(20)	(15,807)	-	-	(15,827)
31 December 2015	42,094	76,792	15,229	-	134,115
Depreciation for the year	1,683	7,694	2,988	-	12,365
Depreciation on disposals	-	(414)	(3,822)	-	(4,236)
Depreciation on write-off	-	(8,021)	-	-	(8,021)
31 December 2016	43,777	76,051	14,395	-	134,223
<b>Net book value:</b>					
31 December 2015	3,455	10,892	7,399	5,632	27,378
31 December 2016	2,255	14,148	9,041	86	25,530
<b>Depreciation for the years:</b>					
2015					13,747
2016					12,365

(Unit: Thousand Baht)

Separate financial statements			
	Furniture and fixtures	Motor vehicles	Total
<b>At cost</b>			
1 January 2015 and 31 December 2015	3	-	3
Acquisition	-	4,630	4,630
31 December 2015	3	4,630	4,633
<b>Accumulated depreciation</b>			
1 January 2015 and 31 December 2015	3	-	3
Depreciation charged for the year	-	321	321
31 December 2015	3	321	324
<b>Net book value</b>			
31 December 2015	-	-	-
31 December 2016	-	4,309	4,309
<b>Depreciation for the years</b>			
2015			-
2016			321

As at 31 December 2016 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 109 million (2015: Baht 95 million).

## 17. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements					
	Deferred license fee	Computer software	Others	Computer software under installation	Total
<b>Cost:</b>					
1 January 2015	4,206	33,572	2,906	-	40,684
Acquisitions	-	594	168	812	1,574
Disposal	-	-	(45)	-	(45)
31 December 2015	4,206	34,166	3,029	812	42,213
Acquisitions	250	1,384	247	3,025	4,906
Write-off	(250)	-	(705)	-	(955)
Transfer in (out)	-	812	-	(812)	-
31 December 2016	4,206	36,362	2,571	3,025	46,164
<b>Amortisation:</b>					
1 January 2015	2,512	28,250	722	-	31,484
Amortised charged for the year	421	1,803	640	-	2,864
Write-off	-	-	(45)	-	(45)
31 December 2015	2,933	30,053	1,317	-	34,303
Amortised charged for the year	471	1,129	551	-	2,151
Disposal	(250)	-	(705)	-	(955)
31 December 2016	3,154	31,182	1,163	-	35,499
<b>Net book value:</b>					
31 December 2015	1,273	4,113	1,712	812	7,910
31 December 2016	1,052	5,180	1,408	3,025	10,665
<b>Amortisation expense for the years</b>					
2015					2,864
2016					2,151

As at 31 December 2016, 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 25 million (2015: Baht 17 million).

#### 18. Short-term borrowings from financial institutions/Other short-term borrowings

(Unit: Thousand Baht)

Type	Interest rate per annum		Consolidated		Separate	
	2016	2015	financial statements		financial statements	
	(%)	(%)	2016	2015	2016	2015
<b>Short-term borrowings from financial institutions</b>						
Promissory notes	Interbank rate	Interbank rate	1,070,000	600,000	-	-
<b>Total short-term borrowings from financial institutions</b>			<b>1,070,000</b>	<b>600,000</b>	<b>-</b>	<b>-</b>
<b>Other short-term borrowings</b>						
Bills of exchange	Interbank rate plus 0.25 - 0.80	Interbank rate plus 0.50 - 1.75	840,906	1,232,135	790,998	1,181,195
<b>Total other short-term loans</b>			<b>840,906</b>	<b>1,232,135</b>	<b>790,998</b>	<b>1,181,195</b>

No collateral for these short-term borrowings from financial institutions and other short-term borrowings. The remaining period to maturity is within 1 year.

#### 19. Securities and derivatives business payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Securities business payables</b>				
Cash customers' accounts	524,981	174,859	-	-
Securities borrowing and lending payables	6,013	5,195	-	-
Total securities business payables	530,994	180,054	-	-
<b>Derivatives business payables</b>				
Derivatives business payables	1,564	942	-	-
Total derivatives business payables	1,564	942	-	-
Total securities and derivatives business payables	532,558	180,996	-	-

## 20. Other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accrued expenses	106,492	95,232	13,484	12,495
Other payables - subsidiary (Note 6)	-	-	25,197	11,687
<b>Total other payables</b>	<b>106,492</b>	<b>95,232</b>	<b>38,681</b>	<b>24,182</b>

## 21. Unsecured debenture

On 27 July 2016, the Company issued Baht 100 million of unsubordinated and unsecured without a debentureholders' representative debenture with interest at a fixed rate of 3.2% per annum with terms of 2 years and 3 days. It will mature on 30 July 2018.

(Unit: Thousand Baht)

Issue date	Number of debenture (shares)	Interest rate per annum	Term	Maturity date	Consolidated financial statements/ Separate financial statements	
					2016	2015
27 July 2016	100,000	Fixed at 3.2%	2 years and 3 days	30 July 2018	100,000	-
					100,000	-

## 22. 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	
	2016	2015	2016	2015
<b>Provision for long-term employee benefits</b>				
<b>at the beginning of year</b>	20,917	20,131	405	417
Included in profit or loss:				
Current service cost	4,080	4,101	145	192
Interest cost	885	893	19	27
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	3,032	-	-
Financial assumptions changes	-	(421)	-	(231)



Experience adjustments	-	(6,819)	-	-
Benefits paid during the year	(2,327)	-	-	-
<b>Provision for long-term employee benefits at the end of year</b>	<b>23,555</b>	<b>20,917</b>	<b>569</b>	<b>405</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Personnel expenses	4,965	4,994	164	219
Total expenses recognised in profit or loss	4,965	4,994	164	219

The Company and its subsidiaries do not expect to pay the long-term employee benefits during the next year (The Company only: Nil) (2015: Baht 3 million, The Company only: Nil).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 19 years (The Company only: 19 years) (2015: 19 years, The Company only: 19 years).

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Discount rate	3.54	3.54	3.54
Salary increase rate	5.00	5.00	5.00	5.00
Turnover rate	0.00-22.10	0.00-22.10	0.00-22.10	0.00-22.10

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2016					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation	(842)	890	2,020	(1,832)	(2,003)	2,261



(Unit: Thousand Baht)

		Consolidated financial statements					
		2015					
		Discount rate		Salary increase rate		Staff turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		0.5%	0.5%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation		(759)	803	1,613	(1,470)	(1,745)	1,979

(Unit: Thousand Baht)

		Separate financial statements					
		2016					
		Discount rate		Salary increase rate		Staff turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		0.5%	0.5%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation		(30)	32	71	(63)	(75)	87

(Unit: Thousand Baht)

		Separate financial statements					
		2015					
		Discount rate		Salary increase rate		Staff turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		0.5%	0.5%	1.0%	1.0%	10.0%	10.0%
Impact on the long-term employee benefit obligation		(23)	24	49	(44)	(56)	65

### 23. Share capital

During the year ended 31 December 2015, movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

	Number of ordinary shares (Thousand shares)	Paid-up share capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
<u>Registered share capital</u>			
At the beginning of the year	182,825		
Decrease during the year	(7,273)		
Increase during the year	21,944		
At the end of the year	<u>197,496</u>		

	Number of ordinary shares <hr/> (Thousand shares)	Paid-up share capital <hr/> (Thousand Baht)	Premium on ordinary shares <hr/> (Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	175,552	877,760	288,009
Increase in capital from payment of stock dividends	<hr/> 21,943	<hr/> 109,717	<hr/> 877
At the end of the year	<hr/> 197,495	<hr/> 987,477	<hr/> 288,886

On 28 April 2015, the Annual General Meeting of the Company's shareholders passed a resolution as follows:

- Decrease the registered capital from the previous registered capital of Baht 914.125 million to be the new registered capital of Baht 877.76 million (175,552,000 shares at par value of Baht 5 each) by cancelling the registered ordinary shares remaining after the expiration of all warrants of 7,273,000 shares with a par value of Baht 5 each. The Company already registered the decrease in its share capital with the Ministry of Commerce on 12 May 2015.
- Increase the registered capital from the previous registered capital of Baht 877.76 million to be the new registered capital of Baht 987.48 million by issuing an additional 21,944,000 ordinary shares at the par value of Baht 5 each to support the payment of a stock dividend. The Company already registered the increase in its registered share capital with the Ministry of Commerce on 14 May 2015, and registered the increase in its paid-up share capital on 18 May 2015.
- Paid dividend by the Company's ordinary shares in the ratio of 8 existing shares per 1 dividend share, not exceeding 21,944,000 shares, at the par value of Baht 5 each, or shall be converted as dividend payment at Baht 0.63 per share or in the total amount not exceeding Baht 110.60 million. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash at the amount of Baht 0.63 per share.

#### **24. 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 net income 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 2016, the Company had set aside the statutory reserve of Baht 8 million from profit for the year (2015: Baht 7 million).

## 25. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
<b>Current income tax:</b>				
Current income tax charge	31,700	33,978	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	7,358	1,477	6,125	2,884
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>39,058</b>	<b>35,455</b>	<b>6,125</b>	<b>2,884</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Deferred tax relating to loss on change in value of available-for-sale securities	(1,879)	(6,573)	(1,898)	(6,529)
Deferred tax relating to gain on actuarial	-	842	-	46
	<b>(1,879)</b>	<b>(5,731)</b>	<b>(1,898)</b>	<b>(6,483)</b>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accounting profit before tax	198,622	181,560	156,247	140,847
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	39,724	36,312	31,250	28,169
Effects of:				
Tax exempted revenue	(1,155)	(1,283)	(25,176)	(25,285)
Non-deductible expenses	1,139	661	51	-
Additional expense deductions allowed	(560)	(211)	-	-
Others	(90)	(24)	-	-
Total	(666)	(857)	(25,125)	(25,285)
Income tax expenses reported in the statements of comprehensive income	39,058	35,455	6,125	2,884

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	9,795	11,314	-	-
Unrealised loss from revaluation of trading investments	1,347	1,283	24	26
Loss on re-measuring available-for-sale investments	13,001	11,122	12,922	11,024
Loss on from revaluation of derivatives	-	24	-	-
Provision for long-term employee benefits	4,711	4,183	114	81
Unused tax loss	1,593	7,749	1,593	7,749
Total	30,447	35,675	14,653	18,880
<b>Deferred tax liabilities</b>				
Unrealised gain from revaluation of derivatives	(251)	-	-	-
Total	(251)	-	-	-

Deferred tax assets - net	30,196	35,675	14,653	18,880
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The unused tax loss amounting to Baht 8 million will expire by 2017.

## 26. Securities business income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Brokerage fees	316,208	339,859	-	-
Fees and service income	51,066	44,714	-	-
Interest and dividend	36,320	40,005	-	-
Interest on margin loans	150,096	129,808	-	-
Total	553,690	554,386	-	-

## 27. 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. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividends of 21.9 million shares on 28 April 2015, as discussed in Note 23 to the financial statements, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Profit for the year (Thousand Baht)	159,564	146,105	150,122	137,963
Weighted average number of ordinary shares (Thousand shares)	197,495	197,495	197,495	197,495
Earnings per share (Baht/share)	0.81	0.74	0.76	0.70

## 28. 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 2 reportable segments which are Securities and Derivatives Business, and Financial Advisory Business and investment banking.

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

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

The following tables present revenue, and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2016				
	Securities and derivatives business	Financial advisory business and investment banking	Total reportable segments	Adjustments and eliminations	Total
Revenue from external customers	530	41	571	-	571
Inter-segment revenue	4	136	140	(140)	-
Interest revenue	188	37	225	(6)	219
Interest expenses	(67)	-	(67)	6	(61)
Share of profit from investment in associate	-	1	1	-	1
<b>Segment profit</b>	<b>581</b>	<b>212</b>	<b>793</b>	<b>(140)</b>	<b>653</b>
<b>Unallocated expenses:</b>					
Operating expenses					
Personnel expenses					(357)
Premises and equipment expenses					(62)
Other expenses					(36)
Income tax expenses					(39)
<b>Profit for the year</b>					<b>159</b>

(Unit: Million Baht)

For the year ended 31 December 2015					
	Securities and derivatives business	Financial advisory business and investment banking	Total reportable segments	Adjustments and eliminations	Total
Revenue from external customers	514	24	538	-	538
Inter-segment revenue	3	136	139	(139)	-
Interest revenue	168	36	204	(2)	202
Interest expenses	(66)	-	(66)	2	(64)
Share of profit from investment in associate	-	1	1	-	1
<b>Segment profit</b>	<b>556</b>	<b>189</b>	<b>745</b>	<b>(139)</b>	<b>606</b>
<b>Unallocated expenses:</b>					
Operating expenses					
Personnel expenses					(327)
Premises and equipment expenses					(63)
Other expenses					(35)
Income tax expenses					(35)
<b>Profit for the year</b>					<b>146</b>

The following table presents segment assets of the Company's and its subsidiaries' operating segments as at 31 December 2016 and 2015:

(Unit: Million Baht)

	Securities and derivative business	Financial advisory business and investment banking	Total segments	Unallocated assets	Total
Segment assets					
At 31 December 2016	3,958	5	3,963	630	4,593
At 31 December 2015	3,072	5	3,077	651	3,728

### Geographic information

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

### Major customers

For the year 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

## 29. Provident fund

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

The contributions from the Company and its subsidiaries for the year 2016 amounting to approximately of Baht 15 million (The Company only: Baht 1 million) (2015: Baht 14 million, The Company only: Baht 1 million) were recognised as expenses.

## 30. Dividend paid

Dividends	Approved by	Approved dividend per share (Baht)	Interim dividend per share (Baht)	Additional dividend paid per share (Baht)	Total additional dividend paid (Thousand Baht)
Final dividend for 2014	Annual General Meeting of the shareholders on 28 April 2015	0.32	(0.25)	0.07	12,291
Stock dividend for 2014	Annual General Meeting of the shareholders on 28 April 2015	0.63	-	0.63	109,595
Interim dividend for 2015	Board of Directors' Meeting on 14 August 2015	0.25	-	0.25	49,374
Total					<u>172,260</u>
Final dividend for 2015	Annual General Meeting of the shareholders on 27 April 2016	0.60	(0.25)	0.35	69,123
Interim dividend for 2016	Board of Directors' meeting on 10 August 2016	0.25	-	0.25	49,374
Total					<u>118,497</u>

## 31. Commitments and contingent liabilities

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Payable:				
In up to 1 year	20.6	26.6	-	-
In over 1 and up to 5 years	0.8	20.6	-	-

- 31.2 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.
- 31.3 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.
- 31.4 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.
- 31.5 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.
- 31.6 As at 31 December 2016 and 2015, the Company's subsidiary has commitments in respect of futures contracts and options traded through the Thailand Futures Exchange as detailed in Note 33.3 to the financial statements.

## **32. Fair value hierarchy**

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in trading securities				
Equity securities	166	-	-	166
Debt securities	-	79	-	79
Investments in available-for-sale securities				
Equity securities	124	-	-	124
Unit trusts	5	-	-	5
Debt securities	-	102	-	102

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in trading securities				
Equity securities	101	-	-	101
Debt securities	-	51	-	51
Investments in available-for-sale securities				
Equity securities	133	-	-	133
Unit trusts	5	-	-	5
Debt securities	-	208	-	208
Derivatives				
Options	1	-	-	1
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Options	1	-	-	1

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in trading investments				
Equity securities	7	-	-	7
Investments in available-for-sale securities				
Equity securities	124	-	-	124

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in trading investments				
Equity securities	6	-	-	6
Investments in available-for-sale securities				
Equity securities	133	-	-	133

### 33. Financial instruments

#### 33.1 Financial risk management

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

#### **Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to deposits at financial institutions, investments in debt securities, receivables from Clearing House, securities and derivatives business receivables, other receivables, short-term loans to subsidiary and short-term loans to others.

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Financial assets</b>				
Deposits at financial institutions in the name of Company and on behalf of customers	957	1,176	1	2
Investments in debt securities	181	259	-	-
Receivables from Clearing House	231	168	-	-
Securities and derivatives business receivables	3,186	2,337	-	-
Other receivables	18	21	154	95
Short-term loans to subsidiary	-	-	426	707
Short-term loans to others	437	452	437	452

### **Interest rate risk**

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

Significant financial assets and liabilities as at 31 December 2016 and 2015 classified by type of interest rates and, for those financial assets and liabilities are categorised by the contractual repricing or maturity date (whichever is earlier) are as follows:

(Unit: Million Baht)

Consolidated financial statement									
2016									
Outstanding balances of net financial instruments									
	Floating interest rate	Fixed interest rate				No interest	Total	Interest rate per annum (%)	
		Repricing or maturity dates						Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial instruments - assets</b>									
Cash and cash equivalents	27	-	8	-	-	20	55	Savings deposit interest rate	12 month - fixed deposit interest rate
Investments									
- Equity securities	-	-	-	-	-	301	301	-	-
- Debt securities	-	-	102	78	1	-	181	-	2.30 - 4.70
Receivables from Clearing House	-	-	-	-	-	231	231	-	-
Securities and derivatives business receivables	2,346	-	-	-	-	840	3,186	5.50 - 15.00	-
Other receivables	-	-	-	-	-	18	18	-	-
Short-term loans to others	-	-	437	-	-	-	437	-	MOR plus 0.25 - 0.75
<b>Financial instruments - liabilities</b>									
Short-term borrowings from financial institutions	-	770	300	-	-	-	1,070	-	Interbank rate
Securities and derivatives business payables	-	-	-	-	-	533	533	-	-
Other short-term borrowings	-	-	841	-	-	-	841	-	Interbank rate plus 0.25 - 0.80
Other payables	-	-	-	-	-	106	106	-	-

(Unit: Million Baht)

Consolidated financial statement									
2015									
Outstanding balances of net financial instruments									
	Floating interest rate	Fixed interest rate				No interest	Total	Interest rate per annum (%)	
		Repricing or maturity dates						Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial instruments - assets</b>									
Cash and cash equivalents	51	-	-	-	-	11	62	Savings deposit interest rate	-
Investments									
- Equity securities	-	-	-	-	-	246	246	-	-
- Debt securities	-	-	208	36	15	-	259	-	2.10 - 5.10
Receivables from Clearing House	-	-	-	-	-	168	168	-	-
Securities and derivatives business receivables	2,238	-	-	-	-	99	2,337	5.50 - 15.00	-
Other receivables	-	-	-	-	-	21	21	-	-
Short-term loans to others	-	-	452	-	-	-	452	-	6.00 - 7.50



Derivatives assets	-	-	-	-	-	1	1	-	-
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(Unit: Million Baht)

Consolidated financial statement

2015

	Outstanding balances of net financial instruments							Interest rate per annum	
	Floating interest rate	Fixed interest rate				No interest	Total	(% )	
		Repricing or maturity dates						Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial instruments - liabilities</b>									
Short-term borrowings from financial institutions	-	500	100	-	-	-	600	-	Interbank rate
Securities and derivatives business payables	-	-	-	-	-	181	181	-	-
Other short-term borrowings	-	-	1,232	-	-	-	1,232	-	Interbank rate plus 0.50 - 1.75
Other payables	-	-	-	-	-	95	95	-	-
Derivatives liabilities	-	-	-	-	-	1	1	-	-

(Unit: Million Baht)

Separate financial statement

2016

	Outstanding balances of net financial instruments							Interest rate per annum	
	Floating interest rate	Fixed interest rate				No interest	Total	(% )	
		Repricing or maturity dates						Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial instruments - assets</b>									
Cash and cash equivalents	-	-	-	-	-	1	1	-	-
Investments									
- Equity securities	-	-	-	-	-	131	131	-	-
Other receivables	-	-	-	-	-	154	154	-	-
Short-term loans to subsidiary	-	426	-	-	-	-	426	-	Savings deposit interest rate plus 0.60
Short-term loans to others	-	-	437	-	-	-	437	-	MOR plus 0.25 - 0.75
<b>Financial instruments - liabilities</b>									
Other short-term borrowings	-	-	791	-	-	-	791	-	Interbank plus 0.60 - 0.80
Short-term loans from subsidiary	-	7	-	-	-	-	7	-	Savings deposit interest rate plus 0.35
Other payables	-	-	-	-	-	39	39	-	-

(Unit: Million Baht)

Separate financial statement									
2015									
Outstanding balances of net financial instruments									
	Floating interest rate	Fixed interest rate				No interest	Total	Interest rate per annum (%)	
		Repricing or maturity dates			Floating rate			Fixed rate	
		At call	Within 1 year	1 - 5 years					Over 5 years
<b>Financial instruments - assets</b>									
Cash and cash equivalents	-	-	-	-	-	2	2	-	-
Investments									
- Equity securities	-	-	-	-	-	147	147	-	-
Other receivables	-	-	-	-	-	95	95	-	-
Short-term loans to subsidiary	-	707	-	-	-	-	707	-	Savings deposit interest rate plus 0.50 - 0.75
Short-term loans to others	-	-	452	-	-	-	452	-	6.00 - 7.50
<b>Financial instruments - liabilities</b>									
Other short-term borrowings	-	-	1,181	-	-	-	1,181	-	Interbank plus 0.90 - 1.75
Short-term loans from subsidiary	-	7	-	-	-	-	7	-	Savings deposit interest rate plus 0.50 - 1.00
Other payables	-	-	-	-	-	24	24	-	-

## Liquidity risk

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

The Company and its subsidiaries' liquidity risk are in connection with their assets and financial obligations. However, given that most of the Company and its subsidiaries' 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 Company and its subsidiaries' 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 Company and its subsidiaries, 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 2016 and 2015 follows:

(Unit: Million Baht)

	Consolidated financial statement					
	2016					
	Outstanding balances of net financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial instruments - assets</b>						
Cash and cash equivalents	47	8	-	-	-	55
Investments						
- Equity securities	-	-	-	-	301	301
- Debt securities	-	102	78	1	-	181
Receivables from Clearing House	-	211	-	-	20	231
Securities and derivatives business						
receivables	-	840	-	-	2,346	3,186
Other receivables	-	18	-	-	-	18
Short-term loans to others	-	437	-	-	-	437
<b>Financial instruments - liabilities</b>						
Short-term borrowings from financial institutions	770	300	-	-	-	1,070
Securities and derivatives business payables	-	533	-	-	-	533
Other short-term borrowings	-	841	-	-	-	841
Other payables	-	106	-	-	-	106

(Unit: Million Baht)

	Consolidated financial statement					
	2015					
	Outstanding balances of net financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial instruments - assets</b>						
Cash and cash equivalents	62	-	-	-	-	62
Investments						
- Equity securities	-	-	-	-	246	246
- Debt securities	-	208	36	15	-	259
Receivables from Clearing House	-	153	-	-	15	168
Securities and derivatives business						
receivables	-	99	-	-	2,238	2,337
Other receivables	-	21	-	-	-	21
Short-term loans to others	-	452	-	-	-	452
Derivatives assets	-	1	-	-	-	1
<b>Financial instruments - liabilities</b>						
Short-term borrowings from financial institutions	500	100	-	-	-	600
Payables to Clearing House	-	181	-	-	-	181
Securities and derivatives business payables	-	1,232	-	-	-	1,232

Other short-term borrowings	-	95	-	-	-	95
Other payables	-	1	-	-	-	1

(Unit: Million Baht)

Separate financial statement						
2016						
Outstanding balances of net financial instruments						
	Within		Over 5	No		
	At call	1 year	1 - 5 years	years	maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	1	-	-	-	-	1
Investments						
- Equity securities	-	-	-	-	139	139
Other receivables	-	154	-	-	-	154
Short-term loans to subsidiary	426	-	-	-	-	426
Short-term loans to others	-	437	-	-	-	437
<b><u>Financial instruments - liabilities</u></b>						
Other short-term borrowings	-	791	-	-	-	791
Short-term loans from subsidiaries	7	-	-	-	-	7
Other payables	-	39	-	-	-	39

(Unit: Million Baht)

Separate financial statement						
2015						
Outstanding balances of net financial instruments						
	Within		Over 5	No		
	At call	1 year	1 - 5 years	years	maturity	Total
<b><u>Financial instruments - assets</u></b>						
Cash and cash equivalents	2	-	-	-	-	2
Investments						
- Equity securities	-	-	-	-	147	147
Other receivables	-	95	-	-	-	95
Short-term loans to subsidiary	707	-	-	-	-	707
Short-term loans to others	-	452	-	-	-	452
<b><u>Financial instruments - liabilities</u></b>						
Other short-term borrowings	-	1,181	-	-	-	1,181
Short-term loans from subsidiary	7	-	-	-	-	7
Other payables	-	24	-	-	-	24

### Foreign currency risk

A foreign exchange rate risk is a risk arising in case where a financial instrument's value is changed due to a change in the foreign exchange rate. The subsidiary is exposed to this risk due to the fact that it has made certain investments in derivatives

denominated in foreign currency. However, the subsidiary entered into a forward contract to mitigate the risk.

### **Market risk**

The Company and its subsidiaries' price fluctuation risk are in connection with investment in securities and derivatives.

To control this risk, the management instructs the Proprietary Committee to stipulate the investment policy and requirements and rules to limit loss (Stop Loss Limit) from the Company and its subsidiaries' 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 Company and its subsidiaries.

### **33.2 Fair values of financial instruments**

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

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, receivables from Clearing House, securities and derivatives business receivables, other receivables, short-term loans, short-term borrowings, payables to Clearing House, and securities and derivatives business payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investment in debts securities, their fair values, are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For investment in marketable equity securities and derivatives, their fair values, are generally derived from quoted market prices.
- d) For fixed rate debenture, the fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. The estimated fair value does not significantly differ from the carrying value presenting in the statement of financial position.

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

### **33.3 Commitments in respect of derivatives trading**

As at 31 December 2016 and 2015, 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)

	2016				Total
	Remaining period before maturity date				
	1 - 3 months	3 - 6 months	6 - 9 months	10 - 12 months	
Futures and Options					
Long position	1	1	-	-	2
Short position	174	23	-	-	197

(Unit: Million Baht)

	2015				Total
	Remaining period before maturity date				
	1 - 3 months	3 - 6 months	6 - 9 months	10 - 12 months	
Futures and Options					
Long position	5	3	-	-	8
Short position	79	-	15	-	94

#### 34. Capital management

The primary objectives of the Company and its subsidiaries' 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.

#### 35. Event after the reporting period

On 22 February 2017, the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of shareholders to be held on 21 April 2017 adopt a resolution to pay a year-end dividend of Baht 0.40 per share in respect of the operating result of 2016, or a total of Baht 79 million. The dividend payment is scheduled for 12 May 2017 and represents a total dividend payment is Baht 0.65 per share, inclusive of the interim dividend of Baht 0.25 per share.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

#### 36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2017.