

TSFC Securities Public Company Limited  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2020

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

To the Shareholders of TSFC Securities Public Company Limited

I have reviewed the accompanying statement of financial position of TSFC Securities Public Company Limited as at 30 September 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in owners' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of Review

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

### Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.



Kirdsiri Kanjanaprakasit  
Certified Public Accountant (Thailand) No. 6014

EY Office Limited  
Bangkok: 16 November 2020

TSFC Securities Public Company Limited

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)
<b>Assets</b>			
Cash and cash equivalents	3	1,004	678
Receivables from Clearing House and broker - dealers	4	30,989	12,814
Securities business receivables	5	2,585,103	3,668,274
Non-collateralised investments	7	14,979	12,537
Collateralised investments			
Collateralised investments without granting right to transferee to sell or repledge	7	129,982	108,135
Loans	9	600,000	1,205,000
Equipment	10	1,687	4,996
Intangible assets	11	2,704	3,186
Deferred tax assets		6,470	7,532
Right-of-use assets	12	30,567	-
Other assets		11,193	7,174
<b>Total assets</b>		<u>3,414,678</u>	<u>5,030,326</u>

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

*x Araya Yom.*  
 (Mfs. Araya Yommana)  
 Director




*Malaiporn P.*  
 (Miss Malaiporn Pornlert)  
 Vice President of  
 Finance and Budget Department

TSFC Securities Public Company Limited  
Statement of financial position (continued)  
As at 30 September 2020


(Unit: Thousand Baht)

	Note	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
<b>Liabilities and owners' equity</b>			
<b>Liabilities</b>			
Borrowings from financial institutions	13	1,504,886	2,733,888
Payables from Clearing House		12,673	-
Securities business payables	14	40,652	32,151
Current tax liabilities		2,574	10,548
Debt issued and borrowings	15	-	417,663
Lease liabilities	16	30,621	2,276
Provisions		25,106	21,316
Other liabilities		10,325	18,140
<b>Total liabilities</b>		<b>1,626,837</b>	<b>3,235,982</b>
<b>Owners' equity</b>			
Issued and paid-up share capital			
Ordinary shares	17	1,549,126	1,549,126
Retained earnings			
Appropriated - statutory reserve		30,508	30,508
Unappropriated		208,256	214,465
Other components of owners' equity	7.3	(49)	245
<b>Total owners' equity</b>		<b>1,787,841</b>	<b>1,794,344</b>
<b>Total liabilities and owners' equity</b>		<b>3,414,678</b>	<b>5,030,326</b>

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

>   
(Mrs. Araya Yommana)  
Director



  
(Miss Malaiporn Pornlert)  
Vice President of  
Finance and Budget Department

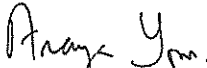
(Unaudited but reviewed)

TSFC Securities Public Company Limited  
Statement of comprehensive income  
For the three-month period ended 30 September 2020


(Unit: Thousand Baht)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>			
Fees and service income	19	83	489
Interest incomes	20	42,056	68,852
Gains (losses) and return on financial instruments	21	(446)	1
Other incomes		64	14
<b>Total revenues</b>		<u>41,757</u>	<u>69,356</u>
<b>Expenses</b>			
Employee benefits expenses		14,393	15,150
Fees and service expenses		374	852
Interest expenses		4,286	15,638
Bad debt and doubtful accounts		-	8
Expected credit loss	22	111	-
Other expenses		7,822	9,607
<b>Total expenses</b>		<u>26,986</u>	<u>41,255</u>
<b>Profit before income tax</b>		<u>14,771</u>	<u>28,101</u>
Income tax expenses	24	(2,956)	(5,642)
<b>Profit for the period</b>		<u>11,815</u>	<u>22,459</u>

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

x   
(Mrs. Araya Yommana)  
Director



  
(Miss Malaiporn Pornlert)  
Vice President of  
Finance and Budget Department

(Unaudited but reviewed)

TSFC Securities Public Company Limited  
Statement of comprehensive income (continued)  
For the three-month period ended 30 September 2020

		(Unit: Thousand Baht)	
	Note	2020	2019
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Loss on investments in debt instruments designated at fair value through other comprehensive income		(240)	-
Gain on remeasuring available-for-sale investments		-	275
Less: Income tax effect	24	48	(54)
Items that will be reclassified subsequently to profit or loss - net of income tax		(192)	221
<b>Other comprehensive income for the period</b>		(192)	221
<b>Total comprehensive income for the period</b>		11,623	22,680

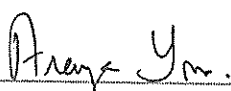
**Basic earnings per share**

Profit for the period


	(Unit: Baht)	
Profit for the period	0.08	0.14

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

x

  
(Mrs. Araya Yommana)  
Director



  
(Miss Malaiporn Pornlert)  
Vice President of  
Finance and Budget Department


(Unaudited but reviewed)

TSFC Securities Public Company Limited  
Statement of comprehensive income  
For the nine-month period ended 30 September 2020


(Unit: Thousand Baht)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>			
Fees and service income	19	350	694
Interest incomes	20	145,672	204,615
Gains and return on financial instruments	21	842	7
Other incomes		87	32
<b>Total revenues</b>		<u>146,951</u>	<u>205,348</u>
<b>Expenses</b>			
Employee benefits expenses		44,443	50,493
Fees and service expenses		1,241	2,002
Interest expenses		22,288	48,091
Reversal of bad debt and doubtful accounts		-	(1,521)
Expected credit loss	22	141	-
Other expenses		24,441	27,404
<b>Total expenses</b>		<u>92,554</u>	<u>126,469</u>
<b>Profit before income tax</b>		<u>54,397</u>	<u>78,879</u>
Income tax expenses	24	(10,924)	(15,776)
<b>Profit for the period</b>		<u>43,473</u>	<u>63,103</u>

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

  
\_\_\_\_\_  
(Mrs. Araya Yommana)  
Director



  
\_\_\_\_\_  
(Miss Malaiporn Pornlert)  
Vice President of  
Finance and Budget Department

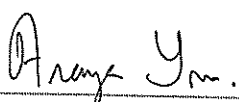
TSFC Securities Public Company Limited  
Statement of comprehensive income (continued)  
For the nine-month period ended 30 September 2020

(Unaudited but reviewed)


	Note	2020	2019
(Unit: Thousand Baht)			
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Loss on investments in debt instruments designated at fair value through other comprehensive income	7.3	(368)	-
Gain on remeasuring available-for-sale investments		-	438
Less: Income tax effect	24	74	(87)
<i>Items that will be reclassified subsequently to profit or loss - net of income tax</i>		(294)	351
<b>Other comprehensive income for the period</b>		(294)	351
<b>Total comprehensive income for the period</b>		43,179	63,454

	(Unit: Baht)	
<b>Basic earnings per share</b>		
Profit for the period	0.28	0.41

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

  
\_\_\_\_\_  
(Mrs. Araya Yommana)  
Director



  
\_\_\_\_\_  
(Miss Malaiporn Porniert)  
Vice President of  
Finance and Budget Department



TSFC Securities Public Company Limited

Statement of changes in owners' equity

For the nine-month period ended 30 September 2020

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Issued and paid-up share capital	Retained earnings		Other components of owner's equity			Total owners' equity
		Appropriated	Unappropriated	Gain (loss) on investments		Total other components of owner's equity	
				in debt instruments designated at fair value through other comprehensive income	Gain (loss) on remeasuring available-for-sale investments		
<b>Balance as at 1 January 2019</b>	1,549,126	26,238	172,053	-	(144)	(144)	1,747,273
<u>Change during the period</u>							
Profit for the period	-	-	63,103	-	-	-	63,103
Other comprehensive income for the period	-	-	-	-	351	351	351
Total comprehensive income for the period	-	-	63,103	-	351	351	63,454
Dividend paid (Note 18)	-	-	(38,728)	-	-	-	(38,728)
<b>Balance as at 30 September 2019</b>	<u>1,549,126</u>	<u>26,238</u>	<u>196,428</u>	<u>-</u>	<u>207</u>	<u>207</u>	<u>1,771,999</u>
<b>Balance as at 1 January 2020</b>							
- as previously reported	1,549,126	30,508	214,465	-	245	245	1,794,344
Cumulative effect of change in accounting policy (Note 2)	-	-	(110)	245	(245)	-	(110)
<b>Balance as at 1 January 2020 - as restated</b>	<u>1,549,126</u>	<u>30,508</u>	<u>214,355</u>	<u>245</u>	<u>-</u>	<u>245</u>	<u>1,794,234</u>
<u>Change during the period</u>							
Profit for the period	-	-	43,473	-	-	-	43,473
Other comprehensive income for the period	-	-	-	(294)	-	(294)	(294)
Total comprehensive income for the period	-	-	43,473	(294)	-	(294)	43,179
Dividend paid (Note 18)	-	-	(49,572)	-	-	-	(49,572)
<b>Balance as at 30 September 2020</b>	<u>1,549,126</u>	<u>30,508</u>	<u>208,256</u>	<u>(49)</u>	<u>-</u>	<u>(49)</u>	<u>1,787,841</u>

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

(Unaudited but reviewed)

## TSFC Securities Public Company Limited

## Statement of cash flows

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Profit before income tax	54,397	78,879
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	7,940	2,607
Reversal of bad debts and doubtful accounts	-	(1,521)
Expected credit loss	141	-
Gain on change in fair value of investments	(464)	-
Gain on disposal of equipment	(33)	-
Interest expenses	22,288	48,091
Interest incomes	(145,672)	(204,615)
Dividend income	(378)	(3)
Long-term employee benefits expenses	2,544	6,070
Loss from operating activities before changes in operating assets and liabilities	(59,237)	(70,492)
Decrease (increase) in operating assets		
Receivables from Clearing House and broker - dealers	(24,863)	317
Securities business receivables	1,209,627	116,406
Non-collateralised investments designated at fair value through profit or loss	(1,132)	-
Loans to financial institutions	605,000	(99,939)
Other assets	(846)	(2,057)
Increase (decrease) in operating liabilities		
Borrowings from financial institutions	(1,229,002)	(15,134)
Payables from Clearing House	12,673	(38,383)
Securities business payables	8,501	129,670
Debt issued and borrowings	(417,663)	(123)
Cash paid for long-term employee benefits	(1,290)	(259)
Other liabilities	(5,687)	(6,243)
Cash flows from operating activities	96,081	13,763
Cash received from interest incomes	16,759	21,233
Cash paid for interest expenses	(24,090)	(47,657)
Cash paid for corporate income tax	(17,762)	(20,204)
<b>Net cash flows from (used in) operating activities</b>	<b>70,988</b>	<b>(32,865)</b>

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

(Unaudited but reviewed)

TSFC Securities Public Company Limited

Statement of cash flows (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from investing activities</b>		
Cash paid for collateralised investments	(216,101)	-
Cash paid for purchase of non-collateralised investments designated at fair value through other comprehensive income	(311,094)	-
Cash received from disposal of non-collateralised investments designated at fair value through other comprehensive income	510,629	-
Cash paid for purchase of available-for-sale investments	-	(767,636)
Cash received from disposal of available-for-sale investments	-	839,908
Cash received from dividends	378	3
Cash received from interest on investments	1,885	1,984
Cash paid for purchase of other investments	-	(411)
Cash paid for purchase of equipment	(504)	(1,074)
Cash paid for purchase of intangible assets	(490)	(535)
Cash received from disposal of equipment	33	-
<b>Net cash flows from (used in) investing activities</b>	<u>(15,264)</u>	<u>72,239</u>
<b>Cash flows from financial activities</b>		
Dividend paid	(49,572)	(38,728)
Cash paid for lease liabilities	(5,826)	(602)
<b>Net cash flows used in financial activities</b>	<u>(55,398)</u>	<u>(39,330)</u>
<b>Net increase in cash and cash equivalents</b>	326	44
Cash and cash equivalents at beginning of period	678	2,123
<b>Cash and cash equivalents at end of period (Note 3)</b>	<u><u>1,004</u></u>	<u><u>2,167</u></u>

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

**TSFC Securities Public Company Limited**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2020**

**1. General information**

**1.1 Corporate information**

TSFC Securities Public Company Limited (hereinafter referred to as “the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in securities business and has two business licenses to engage in granting credits to securities business and securities borrowing and lending business. Its registered address is located at No. 898, Ploenchit Tower, 10th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok.

**1.2 Basis for the preparation of interim financial information**

These interim financial information are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial information. However, the Company has presented the statements of financial position, comprehensive income, changes in owners' equity and cash flows in the same format as that used for the annual financial statements which has been made in compliance with the stipulations of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies (version 3) No. SorThor. 6/2562 dated 8 January 2019.

The interim financial information are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial information should therefore be read in conjunction with the latest annual financial statements.

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

### 1.3 New financial reporting standards

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

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. The adoption of these financial reporting standards has resulted in changes in the Company's accounting policy as summarised below.

### ***Change of classification and measurement***

#### *Financial assets classified as debt instruments*

The Company classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortised cost or fair value depends on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows:

- Financial assets measured at amortised cost if both conditions are met: the financial asset is held within a business model with an objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through other comprehensive income if both conditions are met: the financial asset is held within a business model with an objective to hold financial assets in order to collect contractual cash flows, and to sell the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through profit or loss when the financial asset is held within a business model without an objective to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding.

#### *Investments in equity instruments*

All investments in equity instruments are measured at fair value in the statement of financial position. The Company classifies investments in equity instruments as financial assets to be measured at fair value through profit or loss, except certain items that are classified as financial assets to be measured at fair value through other comprehensive income in accordance with the Company's investment policy.

The significant changes are summarised as follows:

- The previous classification of other investments is no longer applicable.
- All other investments are to be classified as financial assets that are measured at fair value through other comprehensive income.

- The majority of investments in equity instruments are to be classified as financial assets that are measured at fair value through profit or loss, except certain items that are classified as financial assets measured at fair value through other comprehensive income in accordance with the Company's investment policy.
- For investments in equity instruments that have been measured at fair value through other comprehensive income, all gains and losses incurred will be shown in other comprehensive income, except dividends that are recognised in profit or loss.

#### *Classification of financial liabilities*

The classification of all financial liabilities of the Company has not been changed. The majority of its financial liabilities are still measured at amortised cost, except derivatives (losses) that are measured at fair value through profit or loss.

#### *Impairment of financial assets*

Impairment requirements according to TFRS 9 Financial Instruments are recognised in accordance with the Expected Credit Loss model and management overlay. The financial reporting standard requires the Company to recognise an allowance for expected credit losses for all financial assets classified as debt instruments that are not measured at fair value through profit or loss. The Company uses a general approach to determine an allowance for expected credit losses for cash equivalents, receivables from Clearing House and broker - dealers, securities business receivables, investments in debt securities and loans. Expected credit losses must be measured at the amount equal to 12-month expected credit losses, except in the cases that credit risk has increased significantly since initial recognition or assets are impaired, the allowance must be measured at the amount equal to the lifetime expected credit losses of financial instruments. Impairment under these financial reporting standards leads to credit losses being recognised faster compared to the previous method.

#### **Practice during the transition period**

Changes in accounting policies resulted from the adoption of financial reporting standards related to financial instruments must be applied retrospectively, except for the part of financial reporting standards which allows the Company to choose one of the following alternatives:

- It may opt not to restate the financial statements presented for comparative purposes, and make an adjustment to the cumulative effect of the initial adoption of the financial reporting standards related to financial instruments through an adjustment of retained earnings as at 1 January 2020. The presentation of the financial statements for the year ended 2019 did not comply with the financial reporting standards related to financial instruments and therefore cannot be compared with the presentation for the year ending 2020.
- It may reclassify financial assets according to the Company's business model and management of its assets on the basis of the facts and circumstances that exist at the date of first-time adoption of these financial reporting standards.

The cumulative effect of the change is described in Note 2 to the financial statements.

### **IFRS 16 Leases**

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

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

The Company adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as right-of-use assets and lease liabilities as at 1 January 2020, with no effect to retained earnings as at 1 January 2020 and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the financial statements.

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

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



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

The Company has elected to apply the following temporary relief measures on accounting alternatives:

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

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

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**1.4 Significant accounting policies**

The interim financial information are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the adoption of financial reporting standards related to financial instruments and Thai Financial Reporting Standard 16 Leases, as described in the financial statements for the six-month period ended 30 June 2020.

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

As described in Note 1.3 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

(Unaudited but reviewed)

The impacts on the statement of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
Securities business receivables	3,668,274	(110)	-	3,668,164
Equipment	4,996	-	(2,999)	1,997
Right-of-use assets	-	-	43,327	43,327
<b>Liabilities and owners' equity</b>				
<b>Liabilities</b>				
Lease liabilities	2,276	-	37,866	40,142
Provision for dismantling costs	-	-	2,462	2,462
<b>Owners' equity</b>				
Retained earnings - unappropriated	214,465	(110)	-	214,355
Other components of owners' equity - gains on investments in debt instruments designated at fair value through other comprehensive income	-	245	-	245
Other components of owners' equity - gain on remeasuring available-for-sale investments	245	(245)	-	-

## 2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

Recognition of an allowance for expected credit losses on financial assets	110
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	110

The classifications, measurement basis and carrying values of financial assets and liabilities in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	678	-	-	678	678
Receivables from Clearing House and broker - dealers	12,814	-	-	12,814	12,814
Securities business receivables	3,668,274	-	-	3,668,164	3,668,164
Non-collateralised investments	12,537	13	12,524	-	12,537
Collateralised investments	108,135	-	108,135	-	108,135
Loans	1,205,000	-	-	1,205,000	1,205,000
<b>Total financial assets</b>	<b>5,007,438</b>	<b>13</b>	<b>120,659</b>	<b>4,886,656</b>	<b>5,007,328</b>
<b>Financial liabilities as at 1 January 2020</b>					
<b>Borrowings from financial</b>					
institutions	2,733,888	-	-	2,733,888	2,733,888
Securities business payables	32,151	-	-	32,151	32,151
Debt issued and borrowings	417,663	-	-	417,663	417,663
Lease liabilities	2,276	-	-	2,276	2,276
<b>Total financial liabilities</b>	<b>3,185,978</b>	<b>-</b>	<b>-</b>	<b>3,185,978</b>	<b>3,185,978</b>

## 2.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Operating lease commitments as at 31 December 2019	24,648
Less: Short-term leases and leases of low-value assets	(138)
Add: Option to extend lease term	25,366
Less: Contracts reassessed as service agreements	(9,345)
Add: Others	1,289
Less: Deferred interest expenses	(3,954)
Increase in lease liabilities due to TFRS 16 adoption	<u>37,866</u>
Liabilities under finance lease agreements as at 31 December 2019	2,276
Lease liabilities as at 1 January 2020	<u><u>40,142</u></u>
Comprise of:	
Current lease liabilities	7,710
Non-current lease liabilities	<u>32,432</u>
	<u><u>40,142</u></u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Thousand Baht)

Leasehold improvement	40,328
Motor vehicles	<u>2,999</u>
<b>Total right-of-use assets</b>	<u><u>43,437</u></u>

### 3. Cash and cash equivalents

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Cash	<u>30</u>	<u>30</u>
Saving and current deposits	33,787	1,871
Less: Deposits for customers' account	<u>(32,813)</u>	<u>(1,223)</u>
Total cash and cash equivalents	<u><u>1,004</u></u>	<u><u>678</u></u>

**Supplemental cash flows information**

(Unit: Thousand Baht)

For the nine-month periods  
ended 30 September

	2020	2019
Non-cash items		
Decrease in payable from purchase of equipment	252	-
Loss on investments in debt instruments designated at fair value through other comprehensive income	368	-
Gain on remeasuring available-for-sale investments	-	438

**4. Receivables from Clearing House and broker - dealers**

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Receivables from Clearing House	26,347	12,814
Receivables from domestic broker	4,642	-
Receivables from Clearing House and broker - dealers	<u>30,989</u>	<u>12,814</u>

**5. Securities business receivables**

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Customers' accounts - credit balance	2,559,375	3,668,274
Other receivables	33,180	7,298
Total	<u>2,592,555</u>	<u>3,675,572</u>
Add: Accrued interest income	97	-
Less: Allowance for doubtful accounts	-	(7,298)
Less: Allowance for expected credit loss	(7,549)	-
Securities business receivables	<u>2,585,103</u>	<u>3,668,274</u>

As at 30 September 2020 and 31 December 2019, the Company has classified securities business receivables in accordance with TFRS 9 / the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Million Baht)

	30 September 2020		
	Securities business receivables and accrued interest	Receivables amount to be considered setting up of allowance for expected credit losses	Allowance for expected credit losses
Performing debts	2,515	2,515	1
Under-performing debts	71	71	-
Credit impaired debts	7	7	7
<b>Total</b>	<b>2,593</b>	<b>2,593</b>	<b>8</b>

(Unit: Million Baht)

	31 December 2019		
	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts
Normal debts	3,668	-	3,668
Doubtful debts	7	(7)	-
<b>Total</b>	<b>3,675</b>	<b>(7)</b>	<b>3,668</b>

## 6. Derivatives assets and derivatives liabilities

(Unit: Thousand Baht)

	30 September 2020			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Futures <sup>(1)</sup>	-	-	-	8,260
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,260</b>

<sup>(1)</sup> The futures are cash settlement. Real exposure is a difference between cost of such contracts and underlying assets level. Fair value of outstanding futures at the end of period included in "Receivables from Clearing House and broker - dealers". As at 30 September 2020, fair value of derivative liabilities - futures is Baht 6.7 million.

## 7. Investments

### 7.1 Cost and fair value

(Unit: Thousand Baht)

	30 September 2020			31 December 2019		
	Fair value			Fair value		
	Non-collateralised investments	Collateralised investments	Total	Non-collateralised investments	Collateralised investments	Total
<b><u>Investments measured at fair value through profit or loss</u></b>						
Investments in trading securities						
Marketable equity instruments in domestic market	8,260	-	8,260	-	-	-
Total	8,260	-	8,260	-	-	-
<b><u>Investments measured at fair value</u></b>						
Open end fund - equity	9	-	9	-	-	-
Total	9	-	9	-	-	-
Total investments measured at fair value through profit or loss	8,269	-	8,269	-	-	-
<b><u>Investments measured at fair value through other comprehensive income</u></b>						
Investments in debt instruments measured at fair value through other comprehensive income						
Government bonds	306,562	129,982	436,544	66,735	108,135	174,870
Less: Government bonds for customers' account	(300,520)	-	(300,520)	(54,879)	-	(54,879)
Total	6,042	129,982	136,024	11,856	108,135	119,991

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2020			31 December 2019		
	Fair value			Fair value		
	Non-collateralised investments	Collateralised investments	Total	Non-collateralised investments	Collateralised investments	Total
Investments in equity instruments measured at fair value through other comprehensive income						
Non-marketable equity instruments in domestic market	668	-	668	-	-	-
Open end fund - equity	-	-	-	13	-	13
<b>Total</b>	<b>668</b>	<b>-</b>	<b>668</b>	<b>13</b>	<b>-</b>	<b>13</b>
Total investments measured at fair value through other comprehensive income	6,710	129,982	136,692	11,869	108,135	120,004
<b>Other investments</b>						
Equity securities	-	-	-	668	-	668
<b>Total other investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>668</b>	<b>-</b>	<b>668</b>
<b>Total investments</b>	<b>14,979</b>	<b>129,982</b>	<b>144,961</b>	<b>12,537</b>	<b>108,135</b>	<b>120,672</b>

## 7.2 Investments in debt instruments classified by the remaining contracts

(Unit: Thousand Baht)

	30 September 2020				31 December 2019			
	Not over 1 year	1 - 5 years	Over 5 years	Total	Not over 1 year	1 - 5 years	Over 5 years	Total
	Investments in debt instruments designated at fair value through other comprehensive income	436,544	-	-	436,544	174,870	-	-
<b>Total</b>	<b>436,544</b>	<b>-</b>	<b>-</b>	<b>436,544</b>	<b>174,870</b>	<b>-</b>	<b>-</b>	<b>174,870</b>



(Unaudited but reviewed)

7.3 Gain (loss) on remeasuring investments in debt instruments designated at fair value through other comprehensive income which recognised in owners' equity

(Unit: Thousand Baht)  
For the nine-month  
period ended  
30 September 2020

Adjustments from financial reporting standards related to financial instruments adoption (Note 2)	245
Changes during the period	
- from revaluation (before net of income tax)	(368)
- income tax	74
Balance - end of the period	<u>(49)</u>

7.4 Investment in equity instruments designated at fair value through other comprehensive income

(Unit: Thousand Baht)

30 September 2020

Investments	Reason for use of alternative in presentation as mentioned	Fair value	Dividend received	Retained earning or retained losses transferred in owner's equity
ASCO Business Promotion Company Limited	Intention to held in long-term period	668	-	-

8. Allowance for expected credit losses / Allowance for doubtful accounts

8.1 Allowance for expected credit losses

(Unit: Thousand Baht)

30 September 2020

	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
<b>Securities business receivables</b>				
Beginning balance	-	-	7,298	7,298
Changes from stage assignment	-	-	3,226	3,226
Changes from revaluation of expected credit losses	250	1	(3,226)	(2,975)
Ending balance	<u>250</u>	<u>1</u>	<u>7,298</u>	<u>7,549</u>

## 8.2 Allowance for doubtful accounts

(Unit: Thousand Baht)

	31 December 2019		
	Normal debt	Doubtful debt	Total
Balance - beginning of the year	3,000	300,973	303,973
Doubtful accounts	(3,000)	(1,539)	(4,539)
Bad debt recoverable	-	(120)	(120)
Bad debt write-off	-	(292,016)	(292,016)
Balance - end of the year	-	7,298	7,298

## 9. Loans

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
At call	370,000	500,000
Not over 1 year	230,000	705,000
Total loans	600,000	1,205,000

These loans are provided to financial institutions. Part of such loans are unsecured loans and the remaining are secured loans which have right to claim on margin loan receivables of the borrowers as collateral.

## 10. Equipment

Movements of the equipment account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2020	4,996
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 2)	(2,999)
Additions during the period - cost	252
Depreciation for the period	(562)
Net book value as at 30 September 2020	1,687

**11. Intangible assets**

Movements of the intangible assets account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2020	3,186
Additions during the period - cost	490
Amortisation for the period	<u>(972)</u>
Net book value as at 30 September 2020	<u>2,704</u>

**12. Right-of-use assets**

Movement of right-of-use assets for the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 (Note 2)	43,327
Decreased from lease modification	(6,354)
Depreciation for the period	<u>(6,406)</u>
Net book value as at 30 September 2020	<u>30,567</u>

**13. Borrowings from financial institutions**

	30 September 2020			31 December 2019				
		Due period			Due period			
	Interest rate	Not over		Interest rate	Not over			
	(% per annum)	1 year	1 - 5 years	(% per annum)	1 year	1 - 5 years	Total	
Promissory notes	0.60 - 1.75	1,435,000	-	1,435,000	1.35 - 2.45	2,450,000	-	2,450,000
Bills of exchange	1.67 - 2.02	69,886	-	69,886	2.15 - 2.50	283,888	-	283,888
Total borrowings from financial institutions		<u>1,504,886</u>	<u>-</u>	<u>1,504,886</u>		<u>2,733,888</u>	<u>-</u>	<u>2,733,888</u>

The borrowings from financial institutions are unsecured loans.

The loan agreements contain covenants that, among other things, require the Company to maintain net capital ratios in the agreements.

**14. Securities business payables**

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Securities business payables	40,652	32,151
Total	<u>40,652</u>	<u>32,151</u>

**15. Debt issued and borrowings**

(Unit: Thousand Baht)

	30 September 2020				31 December 2019			
	Interest rate (% per annum)	Due period			Interest rate (% per annum)	Due period		
		Not over 1 year	1 - 5 years	Total		Not over 1 year	1 - 5 years	Total
Promissory notes	-	-	-	-	2.40 - 2.50	367,730	-	367,730
Bills of exchange	-	-	-	-	2.60	49,933	-	49,933
Total		-	-	-		<u>417,663</u>	-	<u>417,663</u>

The above debt issued and borrowings are unsecured loans.

**16. Lease liabilities**

Movements of the lease liabilities account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2020	2,276
Adjustments due to TFRS 16 adoption as at 1 January 2020 (Note 2)	37,866
Decreased from lease modification	(3,695)
Payment during the period	(5,826)
Balance as at 30 September 2020	<u>30,621</u>

(Unit: Thousand Baht)

	30 September 2020
Lease liabilities	30,621
Less: Current portion of lease liabilities	(7,008)
Lease liabilities, net of current portion	<u>23,613</u>

(Unaudited but reviewed)

**17. Share capital**

	30 September 2020		31 December 2019	
	Number of shares (Thousand shares)	Amount (Thousand Baht)	Number of shares (Thousand shares)	Amount (Thousand Baht)
Registered share capital (Par value at Baht 10 each)	154,913	1,549,126	154,913	1,549,126
Issued and paid-up share capital (Par value at Baht 10 each)	154,913	1,549,126	154,913	1,549,126

**18. Dividends**

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Dividend for the year 2018	Annual General Meeting of the shareholders on 20 April 2019	38,728	0.25
Total for 2019		<u>38,728</u>	<u>0.25</u>
Interim dividend	Board of Directors Meeting on 13 April 2020	49,572	0.32
Total for 2020		<u>49,572</u>	<u>0.32</u>

**19. Fees and service income**

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
Securities borrowing and lending income	-	454	184	629
Front end fee income	1	1	3	1
Other income	82	34	163	64
Total	<u>83</u>	<u>489</u>	<u>350</u>	<u>694</u>

(Unaudited but reviewed)

## 20. Interest incomes

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
Interest income on margin loans	36,870	60,776	127,570	179,378
Interest income from investments	2,951	5,273	9,367	12,418
Interest income from deposits at financial institutions	-	26	174	202
Others	2,235	2,777	8,561	12,617
Total	<u>42,056</u>	<u>68,852</u>	<u>145,672</u>	<u>204,615</u>

## 21. Gains (losses) and return on financial instruments

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
Gain (loss) on trading securities	(871)	-	7,161	109
Gain (loss) on derivatives	292	-	(6,697)	(105)
Dividend income	133	1	378	3
Total	<u>(446)</u>	<u>1</u>	<u>842</u>	<u>7</u>

## 22. Expected Credit Loss

(Unit: Thousand Baht)

	For the three-month period ended 30 September 2020	For the nine-month period ended 30 September 2020
	Securities business receivables	<u>111</u>
Total	<u>111</u>	<u>141</u>

**23. Directors and management's benefits**

During the period, the Company had salaries, bonuses, meeting allowances, post-employee benefits, gratuities of its directors and management, which were as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
Short-term employee benefits	6,626	6,958	20,564	20,944
Post-employment benefits	911	1,436	2,791	4,495
<b>Total</b>	<b>7,537</b>	<b>8,394</b>	<b>23,355</b>	<b>25,439</b>

**24. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax charge	2,575	5,332	9,789	15,515
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	381	310	1,135	261
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>2,956</b>	<b>5,642</b>	<b>10,924</b>	<b>15,776</b>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019
Deferred tax relating to				
Loss on investments in debt instruments designated at fair value through other comprehensive income	48	-	74	-
Gain on remeasuring available-for- sale investments	-	(54)	-	(87)
Total	<u>48</u>	<u>(54)</u>	<u>74</u>	<u>(87)</u>

**25. Commitments related to service agreements and leases of low-value assets/Operating leases**

As at 30 September 2020, the Company had commitments from several service agreements and lease agreements of low-value assets in respect of the lease of equipment. The terms of the agreements are generally between 1 year and 2 years. Future minimum payments required were as follows:

	(Unit: Million Baht)
	<u>30 September 2020</u>
Payable:	
In up to 1 year	4.3
In over 1 and up to 2 years	1.2



As at 31 December 2019, the Company had commitments from several operating lease agreements in respect of the lease of area in the building, equipment, motor vehicles and service agreements. The terms of the agreements are generally between 1 year and 4 years. Future minimum payments required under operating lease and service agreements were as follows:

	(Unit: Million Baht)
	<u>31 December 2019</u>
Payable:	
In up to 1 year	12.7
In over 1 and up to 4 years	11.9

## 26. Segment information

The Company is principally engaged in the granting credits to securities business. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

## 27. Fair value of financial instruments

As of 30 September 2020 and 31 December 2019, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)				
	<u>As at 30 September 2020</u>				
	<u>Book value</u>	<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets measured at fair value</b>					
Non-collateralised investments <sup>(1)</sup>	315,499	8,260	306,571	668	315,499
Collateralised investments	129,982	-	129,982	-	129,982
<b>Financial liabilities measured at fair value</b>					
Derivatives liabilities <sup>(2)</sup>	-	-	-	-	-

<sup>(1)</sup> Included government securities for customers' account amounting to Baht 301 million.

<sup>(2)</sup> Fair value of derivatives liabilities - futures as at 30 September 2020 amounting to Baht 6.7 million, included in "Receivables from Clearing House and broker - dealers", was measured at fair value by using Level 1 of input.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at 31 December 2019			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Non-collateralised investments <sup>(1)</sup>	-	66,748	-	66,748
Collateralised investments	-	108,135	-	108,135
<b>Assets for which fair value are disclosed</b>				
Other investments - equity securities	-	-	668	668

<sup>(1)</sup> Included government securities for customers' account amounting to Baht 55 million.

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

- For debts securities, their fair values are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- The fair value of unit trusts is determined from the net assets value (NAV) published by the mutual fund management companies acting as the fund managers.

#### Valuation techniques and inputs to Level 3 valuations

Fair value of non-marketable-equity instruments in the domestic market is determined using initial cost of the invested company.

During the current period, there were no transfers within the fair value level.

## **28. Reclassifications**

Certain amounts in the statement of financial position as at 31 December 2019, and the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2019, have been reclassified to comply with the Notification of SEC relating to the format of financial statements of securities companies (version 3) No. SorThor. 6/2562 dated 8 January 2019 and to conform to the current period's classification. The reclassifications are as follows.

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 December 2019

	As reclassified	As previously reported
<u>Statement of financial position</u>		
Investments	-	120,672
Non-collateralised investments	12,537	-
Collateralised investments	108,135	-
Lease liabilities	2,276	-
Other liabilities	18,140	20,416

(Unit: Thousand Baht)

	For the three-month period ended 30 September 2019		For the nine-month period ended 30 September 2019	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Statement of comprehensive income</u>				
Interest incomes	68,852	-	204,615	-
Interest on margin loans	-	60,777	-	179,379
Gains and return on financial instruments	1	8,076	7	25,243

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

## 29. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 16 November 2020.