

TSFC Securities Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TSFC Securities Public Company Limited

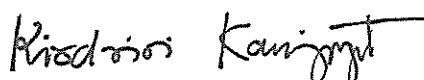
I have reviewed the accompanying statement of financial position of TSFC Securities Public Company Limited as at 31 March 2022, and the related statements of comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim 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: 23 May 2022


TSFC Securities Public Company Limited

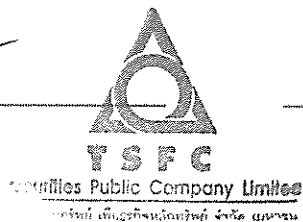
Statement of financial position


As at 31 March 2022

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>31 March 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	2	5,227	3,004
Receivables from Clearing House and broker - dealers		3,881	31,115
Securities business receivables	3	4,193,169	4,554,039
Non-collateralised investments	4	18,206	9,773
Collateralised investments			
Collateralised investments without granting			
right to transferee to sell or repledge	4	168,180	186,010
Loans	5	940,000	745,000
Equipment		955	1,028
Intangible assets		918	1,106
Deferred tax assets		5,209	5,567
Right-of-use assets		21,149	23,083
Other assets		11,216	11,904
Total assets		<u>5,368,110</u>	<u>5,571,629</u>

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


 (Mr. Udomkarn Udomsab)
 Director




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

TSFC Securities Public Company Limited
Statement of financial position (continued)
As at 31 March 2022

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2022</u> (Unaudited but reviewed)	<u>31 December 2021</u> (Audited)
Liabilities and owners' equity			
Liabilities			
Borrowings from financial institutions	6	3,337,831	3,533,155
Payables from Clearing House		13,381	3,201
Securities business payables		67,038	99,972
Current tax liabilities		16,664	11,154
Lease liabilities		23,734	25,947
Provisions		22,500	24,154
Other liabilities		6,170	16,683
Total liabilities		3,487,318	3,714,266
Owners' equity			
Share capital			
Registered			
154,912,584 ordinary shares of Baht 10 each		1,549,126	1,549,126
Issued and fully paid			
154,912,584 ordinary shares of Baht 10 each		1,549,126	1,549,126
Retained earnings			
Appropriated - statutory reserve		37,790	37,790
Unappropriated		293,919	270,472
Other components of owners' equity		(43)	(25)
Total owners' equity		1,880,792	1,857,363
Total liabilities and owners' equity		5,368,110	5,571,629

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

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(Mr. Udomkarn Udomsab)

Director





(Miss Malaiporn Pornlert)

Vice President of
Finance and Budget Department

(Unaudited but reviewed)

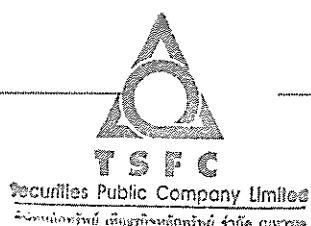
TSFC Securities Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2022

		(Unit: Thousand Baht)	
	Note	2022	2021
Revenues			
Fees and service income		227	206
Interest incomes	7	66,639	56,634
Losses and return on financial instruments		-	(169)
Other incomes		203	1,094
Total revenues		<u>67,069</u>	<u>57,765</u>
Expenses			
Employee benefits expenses		14,275	14,263
Fees and service expenses		737	730
Interest expenses		14,198	9,047
Expected credit loss		322	10
Other expenses		8,217	7,967
Total expenses		<u>37,749</u>	<u>32,017</u>
Profit before income tax		<u>29,320</u>	<u>25,748</u>
Income tax expenses	9	(5,873)	(5,204)
Profit for the period		<u>23,447</u>	<u>20,544</u>

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


(Mr. Udomkarn Udomsab)

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 31 March 2022

		(Unit: Thousand Baht)	
	Note	2022	2021
Other comprehensive income			
<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	4.3	(23)	(241)
Less: Income tax effect	9	5	48
Items that will be reclassified subsequently to profit or loss - net of income tax		(18)	(193)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on investments in equity instruments designated at fair value through other comprehensive income		-	(1)
Items that will not be reclassified subsequently to profit or loss - net of income tax		-	(1)
Other comprehensive income for the period		(18)	(194)
Total comprehensive income for the period		23,429	20,350

(Unit: Baht)

Basic earnings per share

Profit for the period	0.15	0.13
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The accompanying notes are an integral part of the financial statements.

(Mr. Udomkarn Udomsab)

Director



TSFC
Securities Public Company Limited
บริษัทหลักทรัพย์ สาธารณชน จำกัด

(Miss Malaiporn Pornlert)

Vice President of
Finance and Budget Department

(Unaudited but reviewed)

TSFC Securities Public Company Limited
Statement of changes in owners' equity
For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Issued and fully paid share capital	Retained earnings		Other components of owner's equity	Total owners' equity
		Appropriated	Unappropriated	Gain (loss) on investments designated at fair value through other comprehensive income	
Balance as at 1 January 2021	1,549,126	33,431	221,740	270	1,804,567
<u>Change during the period</u>					
Profit for the period	-	-	20,544	-	20,544
Other comprehensive income for the period	-	-	-	(194)	(194)
Total comprehensive income for the period	-	-	20,544	(194)	20,350
Balance as at 31 March 2021	<u>1,549,126</u>	<u>33,431</u>	<u>242,284</u>	<u>76</u>	<u>1,824,917</u>
Balance as at 1 January 2022	1,549,126	37,790	270,472	(25)	1,857,363
<u>Change during the period</u>					
Profit for the period	-	-	23,447	-	23,447
Other comprehensive income for the period	-	-	-	(18)	(18)
Total comprehensive income for the period	-	-	23,447	(18)	23,429
Balance as at 31 March 2022	<u>1,549,126</u>	<u>37,790</u>	<u>293,919</u>	<u>(43)</u>	<u>1,880,792</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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before income tax	29,320	25,748
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	2,241	2,605
Expected credit loss	322	10
Loss on change in fair value of investments	-	170
Gain on disposal equipment	-	(1,082)
Interest expenses	14,198	9,047
Interest incomes	(66,639)	(56,634)
Dividend income	(1)	(1)
Long-term employee benefits expenses	215	723
Loss from operating activities before changes in operating assets and liabilities	(20,344)	(19,414)
Decrease (increase) in operating assets		
Receivables from Clearing House and broker - dealers	27,234	46,658
Securities business receivables	419,855	(319,952)
Loans to financial institutions	(195,000)	120,000
Other assets	344	470
Increase (decrease) in operating liabilities		
Borrowings from financial institutions	(195,324)	264,896
Payables from Clearing House	10,181	(11,630)
Securities business payables	(32,935)	(46,855)
Cash paid for long-term employee benefits	(1,896)	(3,034)
Other liabilities	(10,515)	(9,248)
Cash flows from operating activities	1,600	21,891
Cash received from interest income	6,990	5,902
Cash paid for interest expenses	(14,168)	(9,103)
Net cash flows from (used in) operating activities	<u>(5,578)</u>	<u>18,690</u>

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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Cash received from disposal of collateralised investments	100,000	19,972
Cash paid for purchase of non-collateralised investments designated at fair value through other comprehensive income	(191,025)	(305,954)
Cash received from disposal of non-collateralised investments designated at fair value through other comprehensive income	100,000	254,900
Cash received from dividends	1	1
Cash received from interest on investments	905	1,008
Cash paid for purchase of equipment	(35)	(1,035)
Cash paid for purchase of intangible assets	(9)	-
Cash received from disposal of equipment	-	1,121
Net cash flows from (used in) investing activities	<u>9,837</u>	<u>(29,987)</u>
Cash flows from financial activities		
Cash paid for lease liabilities	(2,036)	(1,933)
Net cash flows used in financial activities	<u>(2,036)</u>	<u>(1,933)</u>
Net increase (decrease) in cash and cash equivalents	2,223	(13,230)
Cash and cash equivalents at beginning of period	3,004	16,158
Cash and cash equivalents at end of period (Note 2)	<u><u>5,227</u></u>	<u><u>2,928</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 period ended 31 March 2022

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 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

(Unaudited but reviewed)

2. Cash and cash equivalents

(Unit: Thousand Baht)

	31 March 2022	31 December 2021
Cash	30	30
Saving and current deposits	43,729	16,584
Less: Deposits for customers' account	(38,532)	(13,610)
Total cash and cash equivalents	<u>5,227</u>	<u>3,004</u>

Supplemental cash flows information

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2022	2021
Non-cash items		
Purchase of assets under lease agreements	-	1,882
Loss on investments in debt instruments designated at fair value through other comprehensive income	(23)	(241)
Loss on investments in equity instruments designated at fair value through other comprehensive income	-	(1)

3. Securities business receivables

(Unit: Thousand Baht)

	31 March 2022	31 December 2021
Customers' accounts - credit balance	4,170,408	4,530,612
Other receivables	30,524	30,843
Total	<u>4,200,932</u>	<u>4,561,455</u>
Add: Accrued interest income	97	122
Less: Allowance for expected credit loss	(7,860)	(7,538)
Securities business receivables	<u>4,193,169</u>	<u>4,554,039</u>

As at 31 March 2022 and 31 December 2021, 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)

	31 March 2022			31 December 2021		
	Securities business receivables and accrued interest	Receivables amount to be considered setting up of allowance for expected credit losses	Allowance for expected credit losses	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	4,103	4,103	-	4,455	4,455	1
Under-performing debts	90	90	-	100	100	-
Credit impaired debts	8	8	8	7	7	7
Total	4,201	4,201	8	4,562	4,562	8

4. Investments

4.1 Cost and fair value

(Unit: Thousand Baht)

	31 March 2022			31 December 2021		
	Fair value			Fair value		
	Non-collateralised investments	Collateralised investments	Total	Non-collateralised investments	Collateralised investments	Total
<u>Investments measured at fair value through profit or loss</u>						
Investments measured at fair value						
Open end fund - equity	11	-	11	11	-	11
Total	11	-	11	11	-	11
Total investments measured at fair value through profit or loss	11	-	11	11	-	11
<u>Investments measured at fair value through other comprehensive income</u>						
Investments in debt instruments measured at fair value through other comprehensive income						
Government bonds	81,664	168,180	249,844	114,976	186,010	300,986
Less: Government bonds for customers' account	(64,120)	-	(64,120)	(105,865)	-	(105,865)
Total	17,544	168,180	185,724	9,111	186,010	195,121

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2022			31 December 2021		
	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	651	-	651	651	-	651
Total	651	-	651	651	-	651
Total investments measured at fair value through other comprehensive income	18,195	168,180	186,375	9,762	186,010	195,772
Total investments	18,206	168,180	186,386	9,773	186,010	195,783

4.2 Investments in debt instruments classified by the remaining contracts

(Unit: Thousand Baht)

	31 March 2022				31 December 2021			
	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	249,844	-	-	249,844	300,986	-	-
Total	249,844	-	-	249,844	300,986	-	-	300,986

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

(Unit: Thousand Baht)

For the three-month periods ended 31 March

	2022	2021
Balance - beginning of the period	(25)	270
Changes during the period		
- from revaluation (before net of income tax)	(23)	(241)
- income tax	5	48
Balance - end of the period	(43)	77

(Unaudited but reviewed)

5. Loans

(Unit: Thousand Baht)

	31 March 2022	31 December 2021
At call	530,000	310,000
Not over 1 year	410,000	435,000
Total loans	940,000	745,000

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.

6. Borrowings from financial institutions

(Unit: Thousand Baht)

	31 March 2022			31 December 2021				
	Interest rate (% per annum)	Due period		Interest rate (% per annum)	Due period			
		Not over 1 year	1 - 5 years		Not over 1 year	1 - 5 years	Total	
Promissory notes	0.80 - 2.75	2,685,000	-	2,685,000	0.80 - 2.75	3,030,000	-	3,030,000
Bills of exchange	2.50 - 2.60	352,831	-	352,831	2.50 - 2.60	203,115	-	203,115
Short-term loan	2.75	300,000	-	300,000	2.75	300,000	-	300,000
Total borrowings from financial institutions		3,337,831	-	3,337,831		3,533,115	-	3,533,115

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.

7. Interest incomes

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2022	2021
Interest income on margin loans	59,307	50,260
Interest income from loans	6,574	5,480
Others	758	894
Total	66,639	56,634

8. 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 31 March	
	2022	2021
Short-term employee benefits	7,108	6,728
Post-employment benefits	882	877
Total	7,990	7,605

9. 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 periods ended 31 March 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2022	2021
Current income tax:		
Interim corporate income tax charge	5,510	4,395
Deferred tax:		
Relating to origination and reversal of temporary differences	363	809
Income tax expenses reported in profit or loss	5,873	5,204

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2022	2021
Deferred tax relating to loss on investments in debt instruments designated at fair value through other comprehensive income	5	48
Total	5	48

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

As at 31 March 2022, 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 1 year. The Company has minimum payments within 1 year Baht 3.8 million (31 December 2021: Baht 1.1 million).

11. 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.

12. Financial instruments

12.1 Fair value of financial instruments

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

12.2 Fair value hierarchy

As of 31 March 2022 and 31 December 2021, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)				
	As at 31 March 2022				
	Book value	Fair value			
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
Non-collateralised investments ⁽¹⁾	82,326	-	81,675	651	82,326
Collateralised investments	168,180	-	168,180	-	168,180

⁽¹⁾ Included government securities for customers' account amounting to Baht 64 million.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at 31 December 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Non-collateralised investments ⁽¹⁾	115,638	-	114,987	651	115,638
Collateralised investments	186,010	-	186,010	-	186,010

⁽¹⁾ Included government securities for customers' account amounting to Baht 106 million.

During the current period, the Company has not changed the methods and assumptions used to estimate the fair value of financial instruments and there were no transfers within the fair value hierarchy.

13. Event after the reporting period

On 20 April 2022, the Annual General Meeting of the Company's shareholders for the year 2022 passed resolution approving payment of a dividend of Baht 0.33 per share to the ordinary shareholders, from profit for the year 2021, or a total of Baht 51.12 million. The dividend payment will be made on 19 May 2022 and will be reflected in the financial statements of the second quarter of the year 2022.

14. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 23 May 2022.