

TSFC Securities Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2024



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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 2024, 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: 28 May 2024

TSFC Securities Public Company Limited

Statement of financial position

As at 31 March 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Assets			
Cash and cash equivalents	3	2,541	3,868
Receivable from Clearing House		6,137	14,601
Securities business receivables	4	2,632,290	2,967,502
Non-collateralised investments	5	26,622	79,289
Collateralised investments			
Collateralised investments without granting right to transferee to sell or repledge	5	71,520	98,845
Loans	6	570,000	560,000
Equipment		5,722	1,287
Intangible assets		4,864	3,422
Deferred tax assets		4,633	5,463
Right-of-use assets		15,911	8,522
Other assets		8,803	6,865
Total assets		<u>3,349,043</u>	<u>3,749,664</u>

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



(Mr. Udomkarn Udomsab)

Director



(Miss Malaiporn Pornlert)

Vice President of
Accounting and Finance Department

TSFC Securities Public Company Limited
Statement of financial position (continued)
As at 31 March 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Liabilities and owners' equity			
Liabilities			
Borrowings from financial institutions	7	1,319,884	1,689,468
Payable from Clearing House		11,160	-
Securities business payables		13,906	17,531
Income tax payable		5,924	5,484
Debt issued and borrowings	8	50,000	90,000
Lease liabilities		14,917	7,562
Provisions		21,865	25,730
Other liabilities		7,401	14,835
Total liabilities		1,445,057	1,850,610
Owners' equity			
Issued and paid-up share capital			
154,912,584 ordinary shares of Baht 10 each		1,549,126	1,549,126
Retained earnings			
Appropriated - statutory reserve		44,665	44,665
Unappropriated		310,232	305,341
Other components of owners' equity	5.3	(37)	(78)
Total owners' equity		1,903,986	1,899,054
Total liabilities and owners' equity		3,349,043	3,749,664

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



(Mr. Udomkarn Udomsab)

Director



(Miss Malaiporn Pornlert)

Vice President of
Accounting and Finance Department

TSFC Securities Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenues			
Fees and service income		18	27
Interest incomes	9	53,815	65,728
Other incomes		11	12
Total revenues		<u>53,844</u>	<u>65,767</u>
Expenses			
Employee benefits expenses		22,362	16,051
Fees and service expenses		382	465
Interest expenses		14,095	17,959
Expected credit loss		379	14
Other expenses		10,475	9,157
Total expenses		<u>47,693</u>	<u>43,646</u>
Profit before income tax		6,151	22,121
Income tax expenses	10	(1,260)	(4,423)
Profit for the period		<u>4,891</u>	<u>17,698</u>

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



(Mr. Udomkarn Udomsab)

Director



(Miss Malaiporn Pornlert)

Vice President of
Accounting and Finance Department

TSFC Securities Public Company Limited
Statement of comprehensive income (continued)
For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gain (loss) on investments in debt instruments designated at fair value through other comprehensive income	5.3	52	(349)
Less: Income tax effect	10	(10)	70
		<hr/>	<hr/>
Items that will be reclassified subsequently to profit or loss - net of income tax		42	(279)
<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	5.3	(1)	(1)
Items that will not be reclassified subsequently to profit or loss - net of income tax		(1)	(1)
		<hr/>	<hr/>
Other comprehensive income for the period		41	(280)
		<hr/>	<hr/>
Total comprehensive income for the period		4,932	17,418
		<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share			
Profit for the period		0.03	0.11
		<hr/> <hr/>	<hr/> <hr/>

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



(Mr. Udomkarn Udomsab)
 Director



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

TSFC Securities Public Company Limited

Statement of changes in owners' equity

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	Issued and paid-up share capital	Retained earnings		Gain (loss) on investments designated at fair value through other comprehensive income	Total owners' equity
		Unappropriated			
		Appropriated	Unappropriated		
Balance as at 1 January 2023	1,549,126	41,821	295,938	(73)	1,886,812
<u>Change during the period</u>					
Profit for the period	-	-	17,698	-	17,698
Other comprehensive income for the period	-	-	-	(280)	(280)
Total comprehensive income for the period	-	-	17,698	(280)	17,418
Balance as at 31 March 2023	1,549,126	41,821	313,636	(353)	1,904,230
Balance as at 1 January 2024	1,549,126	44,665	305,341	(78)	1,899,054
<u>Change during the period</u>					
Profit for the period	-	-	4,891	-	4,891
Other comprehensive income for the period	-	-	-	41	41
Total comprehensive income for the period	-	-	4,891	41	4,932
Balance as at 31 March 2024	1,549,126	44,665	310,232	(37)	1,903,986

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

TSFC Securities Public Company Limited**Statement of cash flows****For the three-month period ended 31 March 2024**

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Profit before income tax	6,151	22,121
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	2,825	2,535
Expected credit loss	379	14
Interest expenses	14,095	17,959
Interest incomes	(53,815)	(65,728)
Dividend income	-	(1)
Long-term employee benefits expenses	792	783
Loss from operating activities before changes in operating assets and liabilities	(29,573)	(22,317)
Decrease (increase) in operating assets		
Receivable from Clearing House	8,464	65,967
Securities business receivables	380,130	(291,545)
Loans to financial institutions	(10,000)	95,000
Other assets	(1,938)	407
Increase (decrease) in operating liabilities		
Borrowings from financial institutions	(369,584)	534,092
Payable from Clearing House	11,160	(61,573)
Securities business payables	(3,625)	(125,577)
Debt issued and borrowings	(40,000)	4,735
Cash paid for long-term employee benefits	(4,686)	-
Other liabilities	(7,340)	(11,807)
Cash flows from (used in) operating activities	(66,992)	187,382
Cash received from interest income	7,653	6,449
Cash paid for interest expenses	(14,161)	(17,912)
Net cash flows from (used in) operating activities	<u>(73,500)</u>	<u>175,919</u>

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

TSFC Securities Public Company Limited
Statement of cash flows (continued)
For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Cash paid for purchase of non-collateralised investments designated at fair value through other comprehensive income	-	(394,564)
Cash received from disposal of non-collateralised investments designated at fair value through other comprehensive income	80,909	220,000
Cash received from dividends	-	1
Cash paid for purchase of equipment	(4,577)	(77)
Cash paid for purchases of intangible assets	(1,596)	(272)
Net cash flows from (used in) investing activities	<u>74,736</u>	<u>(174,912)</u>
Cash flows from financial activities		
Cash paid for lease liabilities	(2,563)	(2,138)
Net cash flows used in financial activities	<u>(2,563)</u>	<u>(2,138)</u>
Net decrease in cash and cash equivalents	(1,327)	(1,131)
Cash and cash equivalents at beginning of period	3,868	4,362
Cash and cash equivalents at end of period (Note 3)	<u><u>2,541</u></u>	<u><u>3,231</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 2024

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.

On 13 May 2024, the Company registered with the Ministry of Commerce to change the registered address from No. 898 Ploenchit Tower, 10th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok to 33/4 The 9th Towers Grand Rama 9, Tower A, 32nd Floor, Rama 9 Road, Huaykwang Sub-District, Huaykwang District, 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 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 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the period, the company had significant business transactions with individuals or entities related to each other. These business transactions were conducted according to commercial terms and criteria agreed upon between the company and these related individuals or entities, which were in line with normal business practices.

Summarise significant business transaction with related parties as follows.

(Unit: Thousand Baht)

	For the three-month periods ended		Transfer pricing policy
	31 March		
	2024	2023	
Transactions with related parties			
Interest income	-	32	As stipulated in the agreement
Service expense	227	306	Contract price
Interest expense	1,150	1,137	As stipulated in the agreement

The balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	31 March	31 December
	2024	2023
Deposits in current accounts - related party		
Related company	79	79
Receivable from Clearing House - related party		
Related company	6,137	14,601
Borrowings from financial institutions - related parties		
Related companies	190,000	230,000
Payable from Clearing House - related party		
Related company	11,160	-
Other liabilities - related parties		
Related companies	48	62

Directors and management's benefits

During the periods, 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	
	2024	2023
Short-term employee benefits	8,389	7,963
Post-employment benefits	445	951
Total	<u>8,834</u>	<u>8,914</u>

3. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
Cash	30	30
Saving and current deposits	22,235	22,079
Less: Deposits for customers' account	(19,724)	(18,241)
Total cash and cash equivalents	<u>2,541</u>	<u>3,868</u>

Supplemental cash flows information

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2024	2023
Non-cash items		
Gain (loss) on investments in debt instruments designated at fair value through other comprehensive income	52	(349)
Loss on investments in equity instruments designated at fair value through other comprehensive income	(1)	(1)

(Unaudited but reviewed)

4. Securities business receivables

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
Customers' accounts - credit balance	2,610,780	2,945,941
Other receivables	36,581	36,232
Total	2,647,361	2,982,173
Add: Accrued interest income	126	146
Less: Allowance for expected credit loss	(15,197)	(14,817)
Securities business receivables	2,632,290	2,967,502

As at 31 March 2024 and 31 December 2023, 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 2024			31 December 2023		
	Receivables amount to be Securities business receivables and accrued interest	considered setting up of allowance for expected credit losses	Allowance for expected credit losses	Receivables amount to be Securities business receivables and accrued interest	considered setting up of allowance for expected credit losses	Allowance for expected credit losses
Performing debts	2,573	2,573	1	2,884	2,884	1
Under-performing debts	60	60	-	84	84	-
Credit impaired debts	15	15	14	14	14	14
Total	2,648	2,648	15	2,982	2,982	15

5. Investments

5.1 Cost and fair value

(Unit: Thousand Baht)

	31 March 2024			31 December 2023		
	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	9	-	9	9	-	9
Total	9	-	9	9	-	9
Total investments measured at fair value through profit or loss	9	-	9	9	-	9
<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	87,152	71,520	158,672	128,909	98,845	227,754
Less: Government bonds for customers' account	(61,188)	-	(61,188)	(50,279)	-	(50,279)
Total	25,964	71,520	97,484	78,630	98,845	177,475
Investments in equity instruments measured at fair value through other comprehensive income						
Non-marketable equity instruments in domestic market						
	649	-	649	650	-	650
Total	649	-	649	650	-	650
Total investments measured at fair value through other comprehensive income	26,613	71,520	98,133	79,280	98,845	178,125
Total investments	26,622	71,520	98,142	79,289	98,845	178,134

5.2 Investments in debt instruments classified by the remaining contracts

(Unit: Thousand Baht)

	31 March 2024				31 December 2023			
	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	158,672	-	-	158,672	227,754	-	-
Total	158,672	-	-	158,672	227,754	-	-	227,754

(Unaudited but reviewed)

5.3 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

	2024	2023
Balance - beginning of the period	(78)	(73)
Changes during the period		
- from revaluation (before net of income tax)	51	(350)
- income tax	(10)	70
Balance - end of the period	(37)	(353)

6. Loans

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
At call	100,000	100,000
Not over 1 year	470,000	460,000
Total loans	570,000	560,000

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.

7. Borrowings from financial institutions

(Unit: Thousand Baht)

	31 March 2024				31 December 2023			
	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	2.00 - 3.85	955,000	-	955,000	1.80 - 3.85	1,315,000	-	1,315,000
Bills of exchange	3.40 - 3.60	64,884	-	64,884	3.40 - 3.60	74,468	-	74,468
Short-term loan	3.70	300,000	-	300,000	3.70	300,000	-	300,000
Total borrowings from financial institutions		1,319,884	-	1,319,884		1,689,468	-	1,689,468

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.

(Unaudited but reviewed)

8. Debt issued and borrowings

(Unit: Thousand Baht)

	31 March 2024			31 December 2023		
	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
Debentures	3.12	50,000	-	3.12	90,000	-
Total		50,000	-		90,000	-

Debt issued and borrowings are unsecured loans.

9. Interest incomes

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2024	2023
Interest income on margin loans	45,297	58,788
Interest income from loans	7,317	6,071
Others	1,201	869
Total	53,815	65,728

10. 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 2024 and 2023 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2024	2023
Current income tax:		
Interim corporate income tax charge	440	4,532
Deferred tax:		
Relating to origination and reversal of temporary differences	820	(109)
Income tax expenses reported in profit or loss	1,260	4,423

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2024	2023
Deferred tax relating to loss (gain) on investments in debt instruments designated at fair value through other comprehensive income	(10)	70
Total	(10)	70

11. Commitments

11.1 Capital commitments

As at 31 March 2024, the Company had capital commitments related to the acquisition of computer software and contracts for office building renovations, totaling Baht 10.86 million (31 December 2023: Baht 1.59 million related to the acquisition of computer software):

11.2 Commitments related to service agreements and leases of low-value assets

As at 31 March 2024 and 31 December 2023, 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 3 years. Future minimum payments required were as follows:

	(Unit: Million Baht)	
	31 March	31 December
	2024	2023
Payable:		
In up to 1 year	6.3	3.4
In over 1 and up to 3 years	5.9	0.4

12. 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.

13. Financial instruments

13.1 Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

13.2 Fair value hierarchy

As of 31 March 2024 and 31 December 2023, 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 2024				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Non-collateralised investments ⁽¹⁾	87,810	-	87,161	649	87,810
Collateralised investments	71,520	-	71,520	-	71,520

⁽¹⁾ Included government securities for customers' account amounting to Baht 61 million.

(Unit: Thousand Baht)

	As at 31 December 2023				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Non-collateralised investments ⁽¹⁾	129,568	-	128,918	650	129,568
Collateralised investments	98,845	-	98,845	-	98,845

⁽¹⁾ Included government securities for customers' account amounting to Baht 50 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.

14. Event after the reporting period

On 23 April 2024, the Annual General Meeting of the Company's shareholders for the year 2024 passed resolution approving payment of a dividend of Baht 0.21 per share to the ordinary shareholders, from profit for the year 2023, or a total of Baht 32.53 million. The dividend payment will be made on 20 May 2024 and will be reflected in the financial statements of the second quarter of the year 2024.

15. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 28 May 2024.