

TSFC Securities Public Company Limited
Report and financial statements
For the six-month period ended 30 June 2021

Independent Auditor's Report

To the Shareholders of TSFC Securities Public Company Limited

Opinion

I have audited the accompanying financial statements of TSFC Securities Public Company Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the related statements of comprehensive income, changes in owners' equity and cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TSFC Securities Public Company Limited as at 30 June 2021, its financial performance and cash flows for the period then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Recognition of revenue from interest on margin loans

The Company's revenue mainly consisted of interest on margin loans as described in Note 25 to the financial statements, which amounted to Baht 106 million for the six-month period ended 30 June 2021, representing 88% of the Company's total revenues. Thai Financial Reporting Standard 9 Financial Instruments requires the Company to recognise revenue from interest on margin loans by applying the effective interest rate method over the expected period or shorter period if appropriate. The Company recognises interest on no credit-impaired margin loans after initial recognition on a gross basis. If the margin loans are considered credit-impaired after initial recognition, the Company recognises interest on margin loans at amortised cost. The interests are fixed rates that are adjusted periodically based on market conditions and competitive environment. Because of the size and volume of transactions, the number of customers, and the recognition of revenue from interest on margin loans relying primarily on data processed by information systems, I addressed the measurement and occurrence of interest on margin loans as key audit matter.

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

Allowance for expected credit losses of securities business receivables

As discussed in Note 4.10 to the financial statements, Thai Financial Reporting Standard 9 Financial Instruments requires the Company to recognise the impairment of securities business receivables in accordance with the expected credit loss model. The Company uses a general approach to determine an allowance for expected credit losses by considering the change in credit risk in three stages and determining measurement method for each stage. Expected credit losses must be measured at the amount equal to 12-month expected credit losses, except in the cases where 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 receivables. The estimation of allowance for expected credit losses is significant because the management has to make subjective judgements on the basis of the significant change in credit risk and the assumptions used in the model. The Company also has a number customers and amounts of the receivables that are significant to the Company's financial statements (as at 30 June 2021, securities business receivables amounted to Baht 4,351 million, representing 86% of the Company's total assets). Therefore, I addressed the adequacy of allowance for expected credit losses for such receivables as key audit matter.

I have performed audit procedures on the allowance for expected credit losses as follows:

- I assessed, and tested on a sampling basis, the Company's internal controls relevant to the status of receivables, the calculation of the collateral value, the reasonableness of assumptions and expected credit loss model, the stage assignment of the change in credit risk, the calculation of expected credit losses, and the recording of expected credit losses. I also assessed the methods applied by the Company to the determination and calculation of the allowance for expected credit losses compared to the Company's policies and the financial reporting standards. I tested certain controls over the computer-based controls relevant to the calculation of the fair values of collateral and the providing of collateral values of the Company.
- I examined the adequacy of allowance for expected credit losses as at the period-end date by testing the data used in the calculation of allowance for expected credit losses, testing on a sampling basis the status of outstanding receivables, the valuation of collateral items, the stage assignment of the change in credit risk, the calculation of expected credit losses, collections of receivables after the period-end date, and the calculation of allowance for expected credit losses, including the sufficiency and appropriateness of the data disclosure.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

I am responsible for the audit resulting in this independent auditor's report.

Kirdsiri Kanjanaprakasit
Certified Public Accountant (Thailand) No. 6014

EY Office Limited
Bangkok: 16 August 2021

TSFC Securities Public Company Limited

Statement of financial position

As at 30 June 2021

(Unit: Baht)

| | <u>Note</u> | <u>30 June 2021</u> | <u>31 December 2020</u> |
|--|-------------|----------------------|-------------------------|
| Assets | | | |
| Cash and cash equivalents | 6 | 1,402,516 | 16,157,636 |
| Receivables from Clearing House and broker - dealers | 7 | 14,509,074 | 179,449,228 |
| Securities business receivables | 8 | 4,350,513,292 | 3,431,122,937 |
| Non-collateralised investments | 10 | 17,541,153 | 11,330,035 |
| Collateralised investments | | | |
| Collateralised investments without granting | | | |
| right to transferee to sell or repledge | 10 | 178,184,909 | 132,916,148 |
| Loans | 12 | 465,000,000 | 680,000,000 |
| Equipment | 13 | 1,274,008 | 1,490,043 |
| Intangible assets | 14 | 1,702,319 | 2,363,442 |
| Deferred tax assets | 30 | 5,232,961 | 5,870,476 |
| Right-of-use assets | 15 | 27,253,112 | 28,553,893 |
| Other assets | 16 | 8,368,161 | 10,352,860 |
| Total assets | | 5,070,981,505 | 4,499,606,698 |

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



(Mr. Udomkarn Udomsab)

Director





(Miss Malaiporn Pornlert)

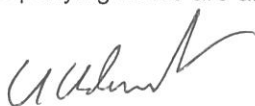
Vice President of
Finance and Budget Department

TSFC Securities Public Company Limited
Statement of financial position (continued)
As at 30 June 2021

(Unit: Baht)

| | Note | <u>30 June 2021</u> | <u>31 December 2020</u> |
|---|------|-----------------------------|-----------------------------|
| Liabilities and owners' equity | | | |
| Liabilities | | | |
| Borrowings from financial institutions | 17 | 3,089,094,321 | 2,354,950,793 |
| Payables from Clearing House | | 7,600,678 | 11,630,369 |
| Securities business payables | | 92,748,242 | 254,630,675 |
| Current tax liabilities | | 10,214,107 | 6,213,559 |
| Lease liabilities | 18 | 27,035,725 | 28,863,509 |
| Provisions | 19 | 22,656,166 | 24,192,682 |
| Other liabilities | 20 | 7,929,541 | 14,557,872 |
| Total liabilities | | <u>3,257,278,780</u> | <u>2,695,039,459</u> |
| Owners' equity | | | |
| Issued and paid-up share capital | | | |
| Ordinary shares | 21 | 1,549,125,840 | 1,549,125,840 |
| Retained earnings | | | |
| Appropriated - statutory reserve | 22 | 33,431,823 | 33,431,823 |
| Unappropriated | | 231,128,139 | 221,739,985 |
| Other components of owners' equity | 10.3 | 16,923 | 269,591 |
| Total owners' equity | | <u>1,813,702,725</u> | <u>1,804,567,239</u> |
| Total liabilities and owners' equity | | <u><u>5,070,981,505</u></u> | <u><u>4,499,606,698</u></u> |

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

TSFC Securities Public Company Limited
Statement of comprehensive income
For the six-month period ended 30 June 2021

| | <u>Note</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|--------------------|--------------------|
| (Unit: Baht) | | | |
| Revenues | | | |
| Fees and service income | 24 | 421,000 | 266,749 |
| Interest incomes | 25 | 119,039,562 | 103,615,751 |
| Gains (losses) and return on financial instruments | 26 | (85,513) | 1,287,743 |
| Other incomes | | 1,105,829 | 24,006 |
| Total revenues | | <u>120,480,878</u> | <u>105,194,249</u> |
| Expenses | | | |
| Employee benefits expenses | | 28,483,553 | 30,049,269 |
| Fees and service expenses | | 1,469,258 | 867,196 |
| Interest expenses | | 20,315,694 | 18,002,714 |
| Expected credit loss (reversal) | 27 | (10,100) | 30,300 |
| Other expenses | | 15,887,586 | 16,618,280 |
| Total expenses | | <u>66,145,991</u> | <u>65,567,759</u> |
| Profit before income tax | | <u>54,334,887</u> | <u>39,626,490</u> |
| Income tax expenses | 30 | (10,865,965) | (7,968,457) |
| Profit for the period | | <u>43,468,922</u> | <u>31,658,033</u> |

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

x Udomkarn

(Mr. Udomkarn Udomsab)
 Director



Malaiporn P.

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

TSFC Securities Public Company Limited
Statement of comprehensive income (continued)
For the six-month period ended 30 June 2021

| | <u>Note</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------------|-------------------|
| | | | (Unit: Baht) |
| 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 | 10.3 | (300,198) | (128,218) |
| Less: Income tax effect | 30 | 60,040 | 25,643 |
| | | <u>(240,158)</u> | <u>(102,575)</u> |
| <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 | 10.3 | (15,637) | - |
| Less: Income tax effect | 30 | 3,127 | - |
| | | <u>(12,510)</u> | <u>-</u> |
| Other comprehensive income for the period | | <u>(252,668)</u> | <u>(102,575)</u> |
| Total comprehensive income for the period | | <u>43,216,254</u> | <u>31,555,458</u> |
| Basic earnings per share | 31 | | |
| Profit for the period | | <u>0.28</u> | <u>0.20</u> |

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

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(Mr. Udomkarn Udomsab)
Director



TSFC
Securities Public Company Limited
 บริษัทหลักทรัพย์ เพื่อธุรกิจหลักทรัพย์ จำกัด มหาชน



(Miss Malaiporn Pornlert)
Vice President of

Finance and Budget Department

TSFC Securities Public Company Limited
Statement of changes in owners' equity
For the six-month period ended 30 June 2021

(Unit: Baht)

| | Note | Issued and paid-up share capital | Retained earnings | | Gain (loss) on investments designated at fair value through other comprehensive income | Other components of owner's equity | Total owners' equity |
|---|------|--|-------------------|----------------|---|---------------------------------------|-------------------------|
| | | | Appropriated | Unappropriated | | | |
| Balance as at 1 January 2020 | | 1,549,125,840 | 30,508,685 | 214,354,667 | 244,971 | | 1,794,234,163 |
| <u>Change during the period</u> | | | | | | | |
| Profit for the period | | - | - | 31,658,033 | - | | 31,658,033 |
| Other comprehensive income for the period | | - | - | - | (102,575) | | (102,575) |
| Total comprehensive income for the period | | - | - | 31,658,033 | (102,575) | | 31,555,458 |
| Dividend paid | 23 | - | - | (49,572,027) | - | | (49,572,027) |
| Balance as at 30 June 2020 | | 1,549,125,840 | 30,508,685 | 196,440,673 | 142,396 | | 1,776,217,594 |
| Balance as at 1 January 2021 | | 1,549,125,840 | 33,431,823 | 221,739,985 | 269,591 | | 1,804,567,239 |
| <u>Change during the period</u> | | | | | | | |
| Profit for the period | | - | - | 43,468,922 | - | | 43,468,922 |
| Other comprehensive income for the period | | - | - | - | (252,668) | | (252,668) |
| Total comprehensive income for the period | | - | - | 43,468,922 | (252,668) | | 43,216,254 |
| Dividend paid | 23 | - | - | (34,080,768) | - | | (34,080,768) |
| Balance as at 30 June 2021 | | 1,549,125,840 | 33,431,823 | 231,128,139 | 16,923 | | 1,813,702,725 |

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

TSFC Securities Public Company Limited

Statement of cash flows

For the six-month period ended 30 June 2021

| | (Unit: Baht) | |
|---|-------------------|-------------------|
| | <u>2021</u> | <u>2020</u> |
| Cash flows from operating activities | | |
| Profit before income tax | 54,334,887 | 39,626,490 |
| Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities: | | |
| Depreciation and amortisation | 5,055,752 | 5,648,773 |
| Expected credit loss (reversal) | (10,100) | 30,300 |
| Loss (gain) on change in fair value of investments | 270,013 | (1,042,343) |
| Gain on disposal equipment | (1,081,823) | - |
| Interest expenses | 20,315,694 | 18,002,714 |
| Interest incomes | (119,039,562) | (103,615,751) |
| Dividend income | (184,500) | (245,400) |
| Long-term employee benefits expenses | 1,446,050 | 1,695,968 |
| Loss from operating activities before changes in operating assets and liabilities | (38,893,589) | (39,899,249) |
| Decrease (increase) in operating assets | | |
| Receivables from Clearing House and broker - dealers | 163,871,341 | (4,210,336) |
| Securities business receivables | (813,459,288) | 1,463,546,090 |
| Non-collateralised investments designated at fair value through profit or loss | - | (54,412,745) |
| Loans to financial institutions | 215,000,000 | 611,000,000 |
| Other assets | 1,719,869 | 1,025,275 |
| Increase (decrease) in operating liabilities | | |
| Borrowings from financial institutions | 734,143,528 | (1,734,179,507) |
| Payables from Clearing House | (4,029,691) | 52,544,787 |
| Securities business payables | (161,882,433) | 74,846 |
| Debt issued and borrowings | - | (201,773,214) |
| Cash paid for long-term employee benefits | (3,033,600) | (1,290,448) |
| Other liabilities | (6,611,700) | (8,532,095) |
| Cash flows from operating activities | 86,824,437 | 83,893,404 |
| Cash received from interest income | 12,196,752 | 11,794,643 |
| Cash paid for interest expenses | (20,281,291) | (18,972,705) |
| Cash paid for corporate income tax | (6,167,639) | - |
| Net cash flows from operating activities | <u>72,572,259</u> | <u>76,715,342</u> |

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

TSFC Securities Public Company Limited
Statement of cash flows (continued)
For the six-month period ended 30 June 2021

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-----------------------|
| | | (Unit: Baht) |
| Cash flows from investing activities | | |
| Cash paid for collateralised investments | - | (116,166,309) |
| Cash received from disposal of collateralised investments | 19,971,657 | - |
| Cash paid for purchase of non-collateralised investments designated at fair value through other comprehensive income | (527,259,186) | (207,218,593) |
| Cash received from disposal of non-collateralised investments designated at fair value through other comprehensive income | 454,900,798 | 300,000,000 |
| Cash received from dividends | 184,500 | 245,400 |
| Cash received from interest on investments | 2,579,394 | 242,544 |
| Cash paid for purchase of equipment | (1,035,135) | (340,419) |
| Cash received from disposal of equipment | 1,121,495 | - |
| Net cash flows used in investing activities | <u>(49,536,477)</u> | <u>(23,237,377)</u> |
| Cash flows from financial activities | | |
| Dividend paid | (34,080,768) | (49,572,027) |
| Cash paid for lease liabilities | (3,710,134) | (3,814,840) |
| Net cash flows used in financial activities | <u>(37,790,902)</u> | <u>(53,386,867)</u> |
| Net increase (decrease) in cash and cash equivalents | (14,755,120) | 91,098 |
| Cash and cash equivalents at beginning of period | 16,157,636 | 678,018 |
| Cash and cash equivalents at end of period (Note 6) | <u><u>1,402,516</u></u> | <u><u>769,116</u></u> |

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

TSFC Securities Public Company Limited
Notes to financial statements
For the six-month period ended 30 June 2021

1. General 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.

2. Basis of preparation

The financial statements for the six-month period ended 30 June 2021 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act. B.E. 2547, and reference to the principles stipulated by of the Office of the Securities and Exchange Commission (“SEC”). The presentation of the financial statements has been made in compliance with the requirement of the Notification of the Office of the SEC relating to the format of the financial statements of securities companies (version 3), No. SorThor. 6/2562 dated 8 January 2019.

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

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

3. New financial reporting standards

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

During the period, the Company has adopted 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 adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue and expenses recognition

a) Interest incomes

Interest income is recognised as interest accrues based on the effective rate method.

The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the effective interest rate method to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate method to the net book value (gross carrying amount less allowance for expected credit losses) of the financial asset. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

b) Fees and service income

Fees and service income are recognised when services have been rendered taken into account to the stage of completion.

c) Gains (losses) and return on financial instruments

Gain (loss) on investments and derivatives trading

Gain (loss) on investments and trading in derivatives is recognised as income or expense on the transaction dates.

Dividend

Dividend from investments is recognised when the right to receive the dividends is established.

d) Expenses

The Company recognises expenses on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Recognition of customers assets

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

4.4 Securities borrowing and lending

The Company records its obligations to return borrowed securities which it has been sold as short selling or lent as "Securities borrowing and lending payables" and securities lent to customers are recorded as "Securities borrowing and lending receivables" in the statements of financial position. At the end of the reporting period, the balance of "Securities borrowing and lending payables" and "Securities borrowing and lending receivables" are adjusted based on the closing price quoted on the Stock Exchange of Thailand of the last working day of the reporting period. In addition, the Company records cash paid as collateral for securities borrowing as "Collateral receivables" and cash received as collateral for securities lending as "Collateral payables".

Fees from borrowing and lending are recognised on an accrual basis over the term of the lending.

4.5 Securities purchased under resale agreements

The Company enters into purchase of securities under agreements to resale securities at certain dates in the future at a fixed price. Securities purchased under resale agreements presented as assets in the statements of financial position are stated at amounts paid for the purchase of those securities.

The difference between the purchase and sale considerations is recognised on an accrual basis over the period of the transaction and is included in interest income.

4.6 Receivables from Clearing House and broker - dealers

Receivables from Clearing House and broker - dealers comprise the net receivable from Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, and the net receivable from domestic broker in respect of securities trades settled through domestic broker, including cash collateral pledged with domestic broker for securities trading.

4.7 Securities business receivables

Securities business receivables are the net balances of securities business receivables after deducting allowance for expected credit losses.

In addition, securities business receivables include customer trading transactions during the last 2 days of the accounting period, for which settlement was not yet due as at the end of reporting period, credit balance accounts, securities borrowings and lending receivables, collateral receivables (which comprise cash pledged as security with securities lenders) and other receivables such as securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

4.8 Financial instruments

Classification and measurement categories of financial assets and liabilities

Financial assets - debt instruments

The Company classifies its financial assets - debt instruments measured at either amortised cost or fair value based on the business model for managing the assets and the contractual cash flow characteristic, as summarised below.

- Financial assets measured at amortised cost when they are held within a business model with the objective to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially measured at fair value on trade date and are subsequently measured at amortised cost and are subject to impairment (if any).
- Financial assets measured at fair value through OCI when they are held within a business model with the objective of both hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. These financial assets are initially and subsequently measured at fair value. Gains and losses arising due to changes in fair value recognised in OCI. Cumulative gains or losses previously recognised in OCI will be reclassified to profit or loss in the statement of comprehensive income once sold or derecognition. Foreign exchange gains and losses, expected credit losses, and interest income using effective interest rate method are recognised in the statement of comprehensive income.
- Financial assets measured at fair value through profit or loss when they are held within a business model without the objective to collect contractual cash flows or according to the conditions in financial assets contracts, it is not solely payments of principal and interest on the principal amount outstanding. These financial assets are initially and subsequently measured at fair value. Gains and losses arising due to changes in fair value and once sold are recognised through gains and return on financial instruments.

Financial assets - equity instruments

The Company classified its investment in equity instruments which are held for trading as financial assets measured at fair value through profit or loss.

In some cases, the Company elects to classify irrevocably its equity instruments which are not held for trading, but for strategic purpose or having high fluctuation in its price as financial assets measured at fair value through OCI. Gains and losses on these financial assets from changes in fair value will be recognised in OCI and gain and losses from selling are never recycled to profit or loss in the statement of comprehensive income, but recognised through retained earning instead. Dividends are recognised in the statement of comprehensive income, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument.

The classification is determined on an instrument-by-instrument basis.

Financial liabilities

The Company classifies and measures its financial liabilities at amortised cost. Such financial liabilities are initially measured at fair value and subsequently measured at amortised cost. Except, securities borrowing and lending payables, and derivative (losses) are measured at fair value through profit or loss.

Changes in conditions of financial instruments which are not measured at fair value

Financial assets

If there is a change in conditions of financial instruments and the Company estimates that cash flows of the financial assets significantly change, the former financial assets will be derecognised and reverted to be recorded at fair value. The difference of those book values is recorded in profit or loss as a part of loss on impairment.

If the cash flows of financial assets have an insignificant change, the Company adjusts gross value of the financial assets and records the adjusted amount to profit (loss) on changes in contractual term in profit or loss which is a part of loss on impairment.

Financial liabilities

The Company derecognises the financial liabilities if there is a change in contractual terms which causes significant changes in cash flows of the financial liabilities, and recognises the financial liabilities at fair value. The difference between book value and fair value is recorded in profit or loss.

If the cash flows of financial liabilities have an insignificant change, the Company adjusts gross value of the financial liabilities which reflects the reviewed net present value, then discounts using the former effective interest rate, and records the adjusted amount to profit or loss.

Derecognition

Financial assets are primarily derecognised when the rights to receive cash flows from the asset have expired or when the Company has transferred its rights to receive cash flows from the asset and either transferred substantially all the risks and rewards of the asset. Interest derived from remaining financial asset or transferred is recognised as asset or liability.

Financial liabilities are derecognised when the obligation under the liability are discharged or cancelled or expires.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures.

4.9 Derivatives

Derivative financial instruments held for trading are initially recognised at fair value on the date on which a derivative contract is entered into. The Company recognised gains (losses) from changes in the fair value of derivatives are included in profit or loss. The fair value of derivatives is based on the daily settlement price of the last working day as quoted on Thailand Futures Exchange Public Company Limited or the latest bid or offer price of the last working day as quoted on the Stock Exchange of Thailand.

In event that the fair value of derivatives cannot be determined from Thailand Futures Exchange Public Company Limited or the Stock Exchange of Thailand, because there are non-active market conditions such as low trading volume or significant fluctuations in price, the fair value is determined by using a valuation technique and model. The input to this model is derived from observable markets, and includes consideration of underlying price and volatility of the underlying asset.

4.10 Allowance for expected credit losses of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments including cash equivalents, receivables from Clearing House and broker - dealers, securities business receivables, loans and investment in debt securities that are measured at amortised cost or fair value through other comprehensive income by using General Approach. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months.

Allowance for expected credit losses are re-measured at every end of reporting period in order to reflect the change in credit risk from those have been initially recognised of related financial instruments.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by present observable and supportable and reasonable forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date. The Company continuously reviews and revisits the methods used, assumptions and forward-looking information.

For credit balance accounts, the allowance is set up based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions assessment/forward-looking. In considering whether there has been a significant increase in credit risk since initial recognition, it is based on outstanding status of the debtors, required maintaining of collateral, high credit-risk debtors with a high attention by the Company's management, and the default.

Increase (decrease) of allowance for expected credit losses is recorded as expenses during the period in the statement of comprehensive income.

4.11 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation. Depreciation is provided for all equipment using the straight-line basis over the estimated useful lives as follows:

| | |
|------------------------|-------------|
| Leasehold improvement | 5 - 6 years |
| Office equipment | 5 years |
| Furniture and fixtures | 5 years |

Depreciation is included in determining income.

Expenditures for additions, renewals and betterments, which result in a substantial increase in an asset's current replacement value, are capitalised. Repair and maintenance costs are recognised as an expense when incurred.

4.12 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite lives are as follows:

| | |
|-------------------|---------|
| Computer software | 5 years |
|-------------------|---------|

4.13 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

4.14 Payables to Clearing House and broker - dealers

Payables to Clearing House and broker - dealers comprise the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, and the net payable to domestic broker in respect of securities trades settled through domestic broker.

4.15 Securities business payables

Securities business payables are the obligations of the Company in respect of its securities business with outside parties, such as customer trading transactions during the last 2 days of the accounting period, for which settlement was not yet due as at the end of reporting period, securities delivery obligations as a result of securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.17 Provisions

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

4.18 Income tax

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

Current tax

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

Deferred tax

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

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to owners' equity if the tax relates to items that are recorded directly to owners' equity.

4.19 Related party transactions

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

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

4.20 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date (the date that underlying assets are available to use). They are subsequently measured at cost less accumulated depreciation and impairment losses (if any), adjusted with any remeasurement of corresponding lease liabilities.

Depreciation of right-of-use assets is calculated from their costs. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset, as follows.

| | |
|-----------------------|---------|
| Leasehold improvement | 5 years |
| Motor vehicles | 5 years |

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

The Company as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Recognition and derecognition of assets and liabilities

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

Allowances for expected credit losses of financial assets

The management is required to make judgement on estimation of allowance for expected credit losses of financial assets. The calculation of allowance for expected credit losses is according to the condition in considering the increase of credit risk, credit risk model, the risk for the call of the securities used as collateral, debtor's status analysis either by individual or group basis, probability of the return, and the selection of the information relating to expected economic conditions into the model. However, using different estimates and assumptions might affect the amount of allowance for expected credit losses. As a result, there is a possibility to have an adjustment of allowance for expected credit losses in the future.

Equipment and depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the Company's equipment and to review estimate residual lives and salvage values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

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

Determining the lease term of contracts with renewal or termination options

In determining the lease term, the management is required to make judgement to evaluate whether it is reasonably certain to or not to exercise the option to renew or terminate the lease, taking into account all relevant factors that create an economic incentive for it to exercise either renewal or termination.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Fair value of financial instruments

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

6. Cash and cash equivalents

| | (Unit: Thousand Baht) | |
|---------------------------------------|-----------------------|---------------------|
| | 30 June 2021 | 31 December 2020 |
| Cash | 30 | 30 |
| Saving and current deposits | 95,724 | 27,254 |
| Less: Deposits for customers' account | (94,351) | (11,126) |
| Total cash and cash equivalents | <u>1,403</u> | <u>16,158</u> |

Supplemental cash flows information

(Unit: Thousand Baht)
For the six-month periods
ended 30 June

| | 2021 | 2020 |
|--|-------|------|
| Non-cash items | | |
| Decrease in payable from purchase of equipment | - | 251 |
| Purchase of asset under lease agreement | 1,882 | - |
| Gain (loss) on investments in debt instruments designated at fair value through other comprehensive income | (300) | 128 |
| Loss on investments in equity instruments designated at fair value through other comprehensive income | (16) | - |

7. Receivables from Clearing House and broker - dealers

(Unit: Thousand Baht)

| | 30 June 2021 | 31 December 2020 |
|--|-----------------|---------------------|
| Receivables from Clearing House | 12,013 | 177,884 |
| Receivables from domestic broker | 2,496 | 1,565 |
| Receivables from Clearing House and broker - dealers | 14,509 | 179,449 |

8. Securities business receivables

(Unit: Thousand Baht)

| | 30 June 2021 | 31 December 2020 |
|--|-----------------|---------------------|
| Customers' accounts - credit balance | 4,326,228 | 3,406,294 |
| Other receivables | 31,712 | 32,255 |
| Total | 4,357,940 | 3,438,549 |
| Add: Accrued interest income | 91 | 102 |
| Less: Allowance for expected credit losses | (7,518) | (7,528) |
| Securities business receivables | 4,350,513 | 3,431,123 |

As at 30 June 2021 and 31 December 2020, 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 June 2021 | | | 31 December 2020 | | |
|------------------------|-------------------------------------|--|--------------------------------------|-------------------------------------|--|--------------------------------------|
| | Receivables amount to be considered | Securities business receivables and accrued interest | Allowance for expected credit losses | Receivables amount to be considered | Securities business receivables and accrued interest | Allowance for expected credit losses |
| Performing debts | 4,246 | 4,246 | 1 | 3,313 | 3,313 | 1 |
| Under-performing debts | 105 | 105 | - | 119 | 119 | - |
| Credit impaired debts | 7 | 7 | 7 | 7 | 7 | 7 |
| Total | 4,358 | 4,358 | 8 | 3,439 | 3,439 | 8 |

9. Derivatives assets and derivatives liabilities

9.1 Derivatives assets and derivatives liabilities for trading

(Unit: Thousand Baht)

| | 30 June 2021 | | | |
|------------------------|--------------|-----------------|-------------|-----------------|
| | Assets | | Liabilities | |
| | Fair value | Notional amount | Fair value | Notional amount |
| Futures ⁽¹⁾ | - | - | - | 7,831 |
| Total | - | - | - | 7,831 |

(Unit: Thousand Baht)

| | 31 December 2020 | | | |
|------------------------|------------------|-----------------|-------------|-----------------|
| | Assets | | Liabilities | |
| | Fair value | Notional amount | Fair value | Notional amount |
| Futures ⁽¹⁾ | - | - | - | 6,750 |
| Total | - | - | - | 6,750 |

⁽¹⁾ 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 June 2020, fair value of derivative liabilities - futures is Baht 7.8 million (31 December 2020: Baht 6.8 million).

As at 30 June 2021, futures contracts are matured in September and December 2021 (31 December 2020: matured in September 2021). Delivery method of the futures listed in TFEX is cash settlement. Real exposure is a difference between cost of futures and underlying assets level on settlement date.

9.2 Portion of derivative trading transactions separated by notional amount

(Unit: %)

| Type of contract party | 30 June 2021 | | 31 December 2020 | |
|------------------------|----------------------------|-------------|----------------------------|-------------|
| | Portion of notional amount | | Portion of notional amount | |
| | Assets | Liabilities | Assets | Liabilities |
| Financial institution | - | 100 | - | 100 |
| Total | - | 100 | - | 100 |

10. Investments

10.1 Cost and fair value

(Unit: Thousand Baht)

| | 30 June 2021 | | | 31 December 2020 | | |
|--|--------------------------------|----------------------------|-----------|--------------------------------|----------------------------|-----------|
| | 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 in trading securities | | | | | | |
| Marketable equity instruments | | | | | | |
| in domestic market | 7,820 | - | 7,820 | 6,980 | - | 6,980 |
| Total | 7,820 | - | 7,820 | 6,980 | - | 6,980 |
| 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 | 7,831 | - | 7,831 | 6,991 | - | 6,991 |
| <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 | 193,008 | 178,185 | 371,193 | 285,056 | 132,916 | 417,972 |
| Less: Government bonds for customers' account | (183,950) | - | (183,950) | (281,370) | - | (281,370) |
| Total | 9,058 | 178,185 | 187,243 | 3,686 | 132,916 | 136,602 |

(Unit: Thousand Baht)

| | 30 June 2021 | | | 31 December 2020 | | |
|---|--------------------------------|----------------------------|---------|--------------------------------|----------------------------|---------|
| | 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 | 652 | - | 652 | 653 | - | 653 |
| Total | 652 | - | 652 | 653 | - | 653 |
| Total investments measured at fair value through other comprehensive income | 9,710 | 178,185 | 187,895 | 4,339 | 132,916 | 137,255 |
| Total investments | 17,541 | 178,185 | 195,726 | 11,330 | 132,916 | 144,246 |

10.2 Investments in debt instruments classified by the remaining contracts

(Unit: Thousand Baht)

| | 30 June 2021 | | | | 31 December 2020 | | | |
|-------|---|-------------|--------------|---------|------------------|-------------|--------------|---------|
| | 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 | 320,084 | 51,109 | - | 371,193 | 316,269 | 101,703 | - |
| Total | 320,084 | 51,109 | - | 371,193 | 316,269 | 101,703 | - | 417,972 |

10.3 Gain on remeasuring investments designated at fair value through other comprehensive income which recognised in owners' equity

(Unit: Thousand Baht)

For the six-month periods ended

30 June

| | 2021 | 2020 |
|---|-------|-------|
| Balance - beginning of the period | 270 | 245 |
| Changes during the period | | |
| - from revaluation (before net of income tax) | (316) | (128) |
| - income tax | 63 | 25 |
| Balance - end of the period | 17 | 142 |

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

(Unit: Thousand Baht)

| Investments | Reason for use of alternative in presentation as mentioned | 30 June 2021 | | | 31 December 2020 | | |
|---|--|--------------|-------------------|---|------------------|-------------------|---|
| | | Fair value | Dividend received | Retained earning or retained losses transferred in owner's equity | 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 | 652 | - | - | 653 | - | - |

11. Allowance for expected credit losses

11.1 Allowance for expected credit losses

(Unit: Thousand Baht)

| | 30 June 2021 | | | | 31 December 2020 | | | |
|--|--------------|------------------------------------|--------------------------------|-------|------------------|------------------------------------|--------------------------------|---------|
| | 12-month ECL | Lifetime ECL - not credit impaired | Lifetime ECL - credit impaired | Total | 12-month ECL | Lifetime ECL - not credit impaired | Lifetime ECL - credit impaired | Total |
| Securities business receivables | | | | | | | | |
| Balance-beginning of the period/year | 230 | - | 7,298 | 7,528 | - | - | 7,298 | 7,298 |
| Adjustments from financial reporting standards related to financial instruments adoption | - | - | - | - | 110 | - | - | 110 |
| Changes from stage assignment | - | - | - | - | - | - | 3,226 | 3,226 |
| Changes from revaluation of expected credit losses | (10) | - | - | (10) | 120 | - | (3,226) | (3,106) |
| Balance-end of the period/year | 220 | - | 7,298 | 7,518 | 230 | - | 7,298 | 7,528 |

12. Loans

(Unit: Thousand Baht)

| | 30 June 2021 | 31 December 2020 |
|-----------------|-----------------|---------------------|
| At call | - | 300,000 |
| Not over 1 year | 465,000 | 380,000 |
| Total loans | <u>465,000</u> | <u>680,000</u> |

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.

13. Equipment

(Unit: Thousand Baht)

| | Leasehold improvement | Office equipment | Furniture and fixtures | Total |
|---|--------------------------|---------------------|---------------------------|---------------|
| Cost | | | | |
| 1 January 2020 | 25,127 | 16,537 | 4,392 | 46,056 |
| Additions | - | 253 | - | 253 |
| Disposals | - | (408) | (836) | (1,244) |
| 31 December 2020 | 25,127 | 16,382 | 3,556 | 45,065 |
| Additions | - | 127 | - | 127 |
| 30 June 2021 | <u>25,127</u> | <u>16,509</u> | <u>3,556</u> | <u>45,192</u> |
| Accumulated depreciation | | | | |
| 1 January 2020 | 25,113 | 14,574 | 4,372 | 44,059 |
| Depreciation for the year | 5 | 748 | 7 | 760 |
| Depreciation on disposals | - | (408) | (836) | (1,244) |
| 31 December 2020 | 25,118 | 14,914 | 3,543 | 43,575 |
| Depreciation for the period | 3 | 338 | 2 | 343 |
| 30 June 2021 | <u>25,121</u> | <u>15,252</u> | <u>3,545</u> | <u>43,918</u> |
| Net book value | | | | |
| 31 December 2020 | <u>9</u> | <u>1,468</u> | <u>13</u> | <u>1,490</u> |
| 30 June 2021 | <u>6</u> | <u>1,257</u> | <u>11</u> | <u>1,274</u> |
| Depreciation charge included in the statements of comprehensive income | | | | |
| for the six-month periods ended 30 June | | | | |
| 2020 | | | | <u>370</u> |
| 2021 | | | | <u>343</u> |

As at 30 June 2021, certain fixed assets items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 42.3 million (31 December 2020: Baht 41.2 million).

14. Intangible assets

(Unit: Thousand Baht)

| | 31 December 2020 | Additions | Amortised | 30 June 2021 |
|-------------------|---------------------|-----------|-----------|-----------------|
| Computer software | 2,363 | - | (661) | 1,702 |
| Total | 2,363 | - | (661) | 1,702 |

(Unit: Thousand Baht)

| | 31 December 2019 | Additions | Transfer in (out) | Amortised | 31 December 2020 |
|----------------------------------|---------------------|-----------|----------------------|-----------|---------------------|
| Computer software | 2,859 | 489 | 327 | (1,312) | 2,363 |
| Computer software in progress | 327 | - | (327) | - | - |
| Total | 3,186 | 489 | - | (1,312) | 2,363 |

15. Right-of-use assets

(Unit: Thousand Baht)

| | Leasehold | | |
|--|--------------|----------------|---------|
| | Improvements | Motor Vehicles | Total |
| 1 January 2020 | 40,328 | 2,999 | 43,327 |
| Decrease from lease modification | (6,354) | - | (6,354) |
| Depreciation for the year | (7,133) | (1,286) | (8,419) |
| 31 December 2020 | 26,841 | 1,713 | 28,554 |
| Additions during the period | - | 2,790 | 2,790 |
| Disposals during the period - net book value at disposal date | - | (39) | (39) |
| Depreciation for the period | (3,326) | (726) | (4,052) |
| 30 June 2021 | 23,515 | 3,738 | 27,253 |

16. Other assets

(Unit: Thousand Baht)

| | 30 June 2021 | 31 December 2020 |
|---------------------------|-----------------|---------------------|
| Deposits | 3,274 | 3,343 |
| Prepaid expenses | 2,072 | 3,504 |
| Finance lease receivable | 2,217 | 2,501 |
| Others | 805 | 1,005 |
| Total other assets | 8,368 | 10,353 |

17. Borrowings from financial institutions

(Unit: Thousand Baht)

| | 30 June 2021 | | | 31 December 2020 | | | | |
|---|--------------------------------|--------------------|-------------|--------------------------------|-------------|--------------------|-------------|------------------|
| | 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 | 0.70 - 2.75 | 2,740,000 | - | 2,740,000 | 0.70 - 1.85 | 2,315,000 | - | 2,315,000 |
| Bills of exchange | 2.00 - 2.50 | 199,094 | - | 199,094 | 1.67 | 39,951 | - | 39,951 |
| Short-term loan | 2.75 | 150,000 | - | 150,000 | - | - | - | - |
| Total borrowings from financial institutions | | 3,089,094 | - | 3,089,094 | | 2,354,951 | - | 2,354,951 |

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.

18. Lease liabilities

(Unit: Thousand Baht)

| | 30 June 2021 | 31 December 2020 |
|--|-----------------|---------------------|
| Lease liabilities | 29,122 | 31,296 |
| Less: Deferred interest expenses | (2,086) | (2,432) |
| Total | 27,036 | 28,864 |
| Less: Current portion of lease liabilities | (7,408) | (6,982) |
| Lease liabilities, net of current portion | 19,628 | 21,882 |

The Company has entered into lease agreements for rental of office area and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 years and 5 years.

The followings are the amounts relating to leases recognised in profit or loss:

| | (Unit: Thousand Baht) | |
|---|--|--------------|
| | For the six-month periods ended 30 June | |
| | 2021 | 2020 |
| Depreciation of right-of-use assets | 4,052 | 4,657 |
| Financial interest from lease liabilities | 623 | 812 |
| Expense relating to short-term leases | 63 | 219 |
| Leases expenses which the underlying asset is low value | 46 | 47 |
| Total | <u>4,784</u> | <u>5,735</u> |

The Company has cash flow paid for repayment of lease liabilities for the six-month period ended 30 June 2021 amounting to Baht 3.7 million (2020: Baht 3.8 million).

The analytical maturity of lease liabilities are as follows:

| | (Unit: Thousand Baht) | | | |
|--------------------------------------|-----------------------|---------------|----------|---------------|
| | As at 30 June 2021 | | | |
| | Not over | Over | | |
| | 1 year | 1 - 5 years | 5 years | Total |
| Lease payments during the lease term | 8,408 | 20,714 | - | 29,122 |
| Deferred interest | (1,000) | (1,086) | - | (2,086) |
| Lease liabilities | <u>7,408</u> | <u>19,628</u> | <u>-</u> | <u>27,036</u> |

| | (Unit: Thousand Baht) | | | |
|--------------------------------------|------------------------|---------------|----------|---------------|
| | As at 31 December 2020 | | | |
| | Not over | Over | | |
| | 1 year | 1 - 5 years | 5 years | Total |
| Lease payments during the lease term | 8,055 | 23,241 | - | 31,296 |
| Deferred interest | (1,073) | (1,359) | - | (2,432) |
| Lease liabilities | <u>6,982</u> | <u>21,882</u> | <u>-</u> | <u>28,864</u> |

19. Provisions

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------------|
| | 30 June 2021 | 31 December 2020 |
| Provision for long-term employee benefits | 20,044 | 21,631 |
| Provision for dismantling costs | 2,612 | 2,562 |
| Total | <u>22,656</u> | <u>24,193</u> |

19.1 Provision for long-term employee benefits

Provision for long-term employee benefits presented as provisions in the statements of financial position, which from compensation payable to employees after they retire, was as follows:

| | (Unit: Thousand Baht) | |
|--|-----------------------|---------------------|
| | 30 June 2021 | 31 December 2020 |
| Provision for long-term employee benefits at beginning of period/year | 21,631 | 21,316 |
| Included in profit or loss: | | |
| Current service - cost | 1,333 | 2,887 |
| Interest cost | 114 | 505 |
| Included in other comprehensive income: | | |
| Actuarial (gain) loss arising from | | |
| Demographic assumptions changes | - | 243 |
| Financial assumptions changes | - | 128 |
| Experience Adjustments | - | (2,158) |
| Benefits paid during the period/year | <u>(3,034)</u> | <u>(1,290)</u> |
| Provision for long-term employee benefits at end of period/year | <u>20,044</u> | <u>21,631</u> |

The Company recognised these expenses in employee benefits expenses in the profit or loss.

As at 31 December 2020, the Company expected to pay Baht 3.0 million of long-term employee benefits during the next year (30 June 2021: Nil).

As at 30 June 2021, the weighted average duration of the liabilities for long-term employee benefit is 8 years (31 December 2020: 8 years).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

| | 30 June 2021 | 31 December 2020 |
|----------------------|-----------------|---------------------|
| Discount rate | 1.23 | 1.23 |
| Salary increase rate | 4.00 | 4.00 |
| Turnover rate | 0.00 - 11.00 | 0.00 - 11.00 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 June 2021 and 31 December 2020 are summarised below:

| 30 June 2021 | | | | |
|----------------------|----------|---|----------|---|
| | Increase | Effect to provision for long-term employee benefits | Decrease | Effect to provision for long-term employee benefits |
| | (%) | (Thousand Baht) | (%) | (Thousand Baht) |
| Discount rate | 1 | (1,489) | 1 | 1,676 |
| Salary increase rate | 1 | 1,808 | 1 | (1,634) |
| Turnover rate | 1 | (1,558) | 1 | 916 |
| 31 December 2020 | | | | |
| | Increase | Effect to provision for long-term employee benefits | Decrease | Effect to provision for long-term employee benefits |
| | (%) | (Thousand Baht) | (%) | (Thousand Baht) |
| Discount rate | 1 | (1,459) | 1 | 1,645 |
| Salary increase rate | 1 | 1,670 | 1 | (1,510) |
| Turnover rate | 1 | (1,527) | 1 | 900 |

20. Other liabilities

(Unit: Thousand Baht)

| | 30 June 2021 | 31 December 2020 |
|-------------------------------|-----------------|---------------------|
| Interest payable | 236 | 253 |
| Accrued expenses | 5,171 | 11,459 |
| Withholding tax payable | 330 | 334 |
| Specific business tax payable | 630 | 519 |
| Other payables | 1,020 | 1,429 |
| Others | 543 | 564 |
| Total other liabilities | <u>7,930</u> | <u>14,558</u> |

21. Share capital

| | 30 June 2021 | | 31 December 2020 | |
|----------------------------------|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | Amount | Number of shares | Amount |
| | (Thousand shares) | (Thousand Baht) | (Thousand shares) | (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 |

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

23. Dividends

| Dividend | Approved by | Total dividend (Thousand Baht) | Dividend per share (Baht) |
|------------------|---|--------------------------------------|---------------------------------|
| 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> |
| Interim dividend | Annual General Meeting of the shareholder on 20 April 2021 | 34,081 | 0.22 |
| Total for 2021 | | <u>34,081</u> | <u>0.22</u> |

24. Fees and service income

(Unit: Thousand Baht)

For the six-month periods
ended 30 June

| | 2021 | 2020 |
|---|------------|------------|
| Securities borrowing and lending income | - | 184 |
| Front end fee income | - | 2 |
| Other income | 421 | 81 |
| Total | <u>421</u> | <u>267</u> |

25. Interest incomes

(Unit: Thousand Baht)

For the six-month periods
ended 30 June

| | 2021 | 2020 |
|---------------------------------|----------------|----------------|
| Interest income on margin loans | 105,921 | 90,271 |
| Interest income on investments | 11,329 | 11,192 |
| Others | 1,790 | 2,153 |
| Total | <u>119,040</u> | <u>103,616</u> |

26. Gains (losses) and return on financial instruments

(Unit: Thousand Baht)

For the six-month periods
ended 30 June

| | 2021 | 2020 |
|---|-------------|--------------|
| Gain on trading securities | 840 | 8,032 |
| Loss on investment designated at fair value | (40) | - |
| Loss on derivatives | (1,070) | (6,989) |
| Dividend income | 184 | 245 |
| Total | <u>(86)</u> | <u>1,288</u> |

27. Expected credit losses

(Unit: Thousand Baht)

For the six-month periods
ended 30 June

| | 2021 | 2020 |
|--------------------------------|-------------|-----------|
| Securities business receivable | (10) | 30 |
| Total | <u>(10)</u> | <u>30</u> |

28. 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 six-month periods
ended 30 June

| | 2021 | 2020 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 13,477 | 13,938 |
| Post-employment benefits | 1,755 | 1,880 |
| Total | <u>15,232</u> | <u>15,818</u> |

29. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate which is not less than 2% of their basic salaries but not more than the amount contributed by the Company, and by the Company at the rates of 3% to 10% of basic salaries. It will be paid to employees upon termination in accordance with the rules of the fund. The fund is managed by BBL Asset Management Company Limited and Principle Asset Management Limited. The contributions for the six-month period ended 30 June 2021 amounting to approximately Baht 1.7 million (2020: Baht 1.7 million) were recognised as expenses.

30. Income tax

Income tax expenses for the six-month periods ended 30 June 2021 and 2020 are made up as follows:

| | (Unit: Thousand Baht) | |
|---|---|--------------|
| | For the six-month periods ended 30 June | |
| | 2021 | 2020 |
| Current income tax: | | |
| Interim corporate income tax charge | 10,168 | 7,214 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | 698 | 754 |
| Income tax expenses reported in the statements of comprehensive income | 10,866 | 7,968 |

The amounts of income tax relating to each component of other comprehensive income for the six-month periods ended 30 June 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | |
|---|---|-----------|
| | For the six-month periods ended 30 June | |
| | 2021 | 2020 |
| Deferred tax relating to | | |
| Loss on investments in debt instruments designated at fair value through other comprehensive income | 60 | 26 |
| Loss on investments in equity instruments designated at fair value through other comprehensive income | 3 | - |
| Total | 63 | 26 |

The reconciliation between accounting profit and income tax expenses is shown below.

| | (Unit: Thousand Baht) | |
|---|--|--------|
| | For the six-month periods ended 30 June | |
| | 2021 | 2020 |
| Accounting profit before tax | 54,335 | 39,626 |
| Applicable tax rate | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 10,867 | 7,925 |
| Effects of: | | |
| Non-deductible expenses | 4 | 49 |
| Additional expense deductions allowed | (5) | (6) |
| Income tax expenses reported in the statements of comprehensive income | 10,866 | 7,968 |

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

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------------|
| | 30 June 2021 | 31 December 2020 |
| Deferred tax assets | | |
| Accumulated amortisation - computer software | 1,221 | 1,501 |
| Provision for long-term employee benefits | 4,009 | 4,326 |
| Lease liabilities | 5,407 | 5,773 |
| Provision for dismantling costs | 522 | 512 |
| Others | - | 36 |
| Total | 11,159 | 12,148 |
| Deferred tax liabilities | | |
| Unrealised gain from revaluation of investments | 32 | 67 |
| Right-of-use assets | 5,451 | 5,711 |
| Finance lease receivable | 443 | 500 |
| Total | 5,926 | 6,278 |
| Deferred tax assets - net | 5,233 | 5,870 |

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

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

As at 30 June 2021 and 31 December 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 3 years. Future minimum payments required were as follows:

| | (Unit: Million Baht) | |
|-----------------------------|----------------------|-------------------------|
| | <u>30 June 2021</u> | <u>31 December 2020</u> |
| Payable: | | |
| In up to 1 year | 3.2 | 4.0 |
| In over 1 and up to 3 years | 0.4 | 0.4 |

33. 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.

34. Financial instruments

34.1 Financial risk management

The Company's financial instruments principally comprise cash and cash equivalents, securities purchased under resale agreements, receivables from Clearing House, securities business receivables, investments, loans, borrowings from financial institutions, payables from Clearing House, securities business payables, debt issued and borrowings. The Company has financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to securities purchased under resale agreements, receivables from Clearing House, securities business receivables, investments in debt securities and loans. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer.

The investment in debt instruments is determined on the basis of the firm financial status of issuing institutions and their instruments being rated at acceptable rating by the reputable credit rating agencies.

The maximum exposure to credit risk is limited to the carrying amounts of securities purchased under resale agreements, receivables from Clearing House, securities business receivables, investments in debt securities and loans less allowance for losses as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, securities purchased under resale agreements, securities business receivables, investments in debt securities, loans, borrowings from financial institutions and debt issued and borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 30 June 2021 and 31 December 2020 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

30 June 2021

| | Outstanding balances of financial instruments | | | | | | | Interest rate (% per annum) |
|--|---|-----------------------------|---------------|-------------|--------------|-------------|-------|--------------------------------|
| | Floating interest rate | Repricing or maturity dates | | | | No interest | Total | |
| | | At call | Within 1 year | 1 - 5 years | Over 5 years | | | |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | 1 | 1 | - |
| Receivables from Clearing House and broker - dealers | 3 | - | - | - | - | 12 | 15 | 0.20 |
| Securities business receivables | 4,326 | - | 25 | - | - | - | 4,351 | 5.95 - 20.00 |
| Non-collateralised investments | - | - | 9 | - | - | 8 | 17 | 0.39 - 0.49 |
| Collateralised investments | - | - | 127 | 51 | - | - | 178 | 0.37 - 0.48 |
| Loans | - | - | 465 | - | - | - | 465 | 2.70 - 3.80 |
| Financial liabilities | | | | | | | | |
| Borrowings from financial institutions | - | 890 | 2,199 | - | - | - | 3,089 | 0.70 - 2.75 |
| Payables from Clearing House | - | - | - | - | - | 8 | 8 | - |
| Securities business payables | - | - | - | - | - | 93 | 93 | - |
| Lease liabilities | - | - | 7 | 20 | - | - | 27 | 2.87 - 8.60 |

(Unit: Million Baht)

31 December 2020

| | Outstanding balances of financial instruments | | | | | | | Interest rate (% per annum) |
|--|---|-----------------------------|---------------|-------------|--------------|-------------|-------|--------------------------------|
| | Floating interest rate | Repricing or maturity dates | | | | No interest | Total | |
| | | At call | Within 1 year | 1 - 5 years | Over 5 years | | | |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | 16 | 16 | - |
| Receivables from Clearing House and broker - dealers | 1 | - | - | - | - | 178 | 179 | 0.20 |
| Securities business receivables | 3,406 | - | 1 | 24 | - | - | 3,431 | 5.00 - 20.00 |
| Non-collateralised investments | - | - | 4 | - | - | 7 | 11 | 0.27 - 0.37 |
| Collateralised investments | - | - | 31 | 102 | - | - | 133 | 0.37 - 0.43 |
| Loans | - | 300 | 380 | - | - | - | 680 | 2.60 - 3.95 |
| Financial liabilities | | | | | | | | |
| Borrowings from financial institutions | - | 665 | 1,690 | - | - | - | 2,355 | 0.70 - 1.85 |
| Payables from Clearing House | - | - | - | - | - | 12 | 12 | - |
| Securities business payables | - | - | - | - | - | 255 | 255 | - |
| Lease liabilities | - | - | 7 | 22 | - | - | 29 | 2.87 - 8.60 |

Liquidity risk

The periods of time from the statements of financial position date to the maturity dates of financial instruments as of 30 June 2021 and 31 December 2020 are as follows:

(Unit: Million Baht)

| | 30 June 2021 | | | | | Total |
|---|---|------------------|----------------|-----------------|----------------|-------|
| | Outstanding balances of financial instruments | | | | | |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | No maturity | |
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalents | - | - | - | - | 1 | 1 |
| Receivables from Clearing House and broker - dealers | - | 15 | - | - | - | 15 |
| Securities business receivables | - | 25 | - | - | 4,326 | 4,351 |
| Non-collateralised investments | - | 9 | - | - | 8 | 17 |
| Collateralised investments | - | 127 | 51 | - | - | 178 |
| Loans | - | 465 | - | - | - | 465 |
| <u>Financial liabilities</u> | | | | | | |
| Borrowings from financial institutions | 890 | 2,199 | - | - | - | 3,089 |
| Payables from Clearing House | - | 8 | - | - | - | 8 |
| Securities business payables | - | 93 | - | - | - | 93 |
| Lease liabilities | - | 7 | 20 | - | - | 27 |

(Unit: Million Baht)

| | 31 December 2020 | | | | | Total |
|---|---|------------------|----------------|-----------------|----------------|-------|
| | Outstanding balances of financial instruments | | | | | |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | No maturity | |
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalents | 16 | - | - | - | - | 16 |
| Receivables from Clearing House and broker - dealers | - | 179 | - | - | - | 179 |
| Securities business receivables | - | 90 | 24 | - | 3,317 | 3,431 |
| Non-collateralised investments | - | 4 | - | - | 7 | 11 |
| Collateralised investments | - | 31 | 102 | - | - | 133 |
| Loans | 300 | 380 | - | - | - | 680 |
| <u>Financial liabilities</u> | | | | | | |
| Borrowings from financial institutions | 665 | 1,690 | - | - | - | 2,355 |
| Payables from Clearing House | - | 12 | - | - | - | 12 |
| Securities business payables | - | 255 | - | - | - | 255 |
| Lease liabilities | - | 7 | 22 | - | - | 29 |

34.2 Fair values of financial instruments

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

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, receivables from Clearing House and broker - dealers, securities business receivables, loans, borrowings from financial institutions, payables from Clearing House and broker - dealers, securities business payables, and debt issued and borrowings, their carrying amounts in the statements of financial position approximate their fair values.
- b) For debt securities, their fair values are generally derived from quoted market prices, or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For marketable equity securities, their fair values are generally derived from quoted market prices.
- d) For other derivatives, their fair values have been determined by using a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market. The Company had considered to counterparty credit risk when determining the fair value of derivatives.
- e) For lease liabilities which their interest rates are close to the market rate, their carrying amounts in the statements of financial position approximate their fair values.

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

35. Fair value hierarchy

As of 30 June 2021 and 31 December 2020, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

| | As at 30 June 2021 | | | | |
|---|--------------------|------------|---------|---------|---------|
| | Book value | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets measured at fair value | | | | | |
| Non-collateralised investments ⁽¹⁾ | 201,491 | 7,820 | 193,019 | 652 | 201,491 |
| Collateralised investments | 178,185 | - | 178,185 | - | 178,185 |
| Financial liabilities measured at fair value | | | | | |
| Derivatives liabilities ⁽²⁾ | - | - | - | - | - |

⁽¹⁾ Included government securities for customers' account amounting to Baht 184 million.

⁽²⁾ Fair value of derivatives liabilities - futures as at 30 June 2021 amounting to Baht 7.8 million, included in "Receivables from Clearing House and broker - dealers", was measured at fair value by using Level 1 of input.

(Unit: Thousand Baht)

| | As at 31 December 2020 | | | | |
|---|------------------------|------------|---------|---------|---------|
| | Book value | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value | | | | | |
| Non-collateralised investments ⁽¹⁾ | 292,700 | 6,980 | 285,067 | 653 | 292,700 |
| Collateralised investments | 132,916 | - | 132,916 | - | 132,916 |
| Financial liabilities measured at fair value | | | | | |
| Derivatives liabilities ⁽²⁾ | - | - | - | - | - |

(1) Included government securities for customers' account amounting to Baht 281 million.

(2) Fair value of derivatives liabilities - futures as at 31 December 2020 amounting to a loss of Baht 6.8 million, net presented in "Receivables from Clearing House and broker - dealers", was measured at fair value by using Level 1 of input.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 August 2021.