

TSFC Securities Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2023



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EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลครัชดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TSFC Securities Public Company Limited

I have reviewed the accompanying statement of financial position of TSFC Securities Public Company Limited as at 31 March 2023, and the related statements of comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Kirdsiri Kanjanaprakasit
Certified Public Accountant (Thailand) No. 6014

EY Office Limited
Bangkok: 24 May 2023

TSFC Securities Public Company Limited

Statement of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)
Assets			
Cash and cash equivalents	2	3,231	4,362
Receivables from Clearing House and broker - dealers		-	65,967
Securities business receivables	3	4,133,190	3,782,868
Non-collateralised investments	4	174,948	16,965
Collateralised investments			
Collateralised investments without granting right to transferee to sell or repledge	4	114,630	97,912
Loans	5	580,000	675,000
Equipment		658	673
Intangible assets		1,901	1,731
Deferred tax assets		5,697	5,518
Right-of-use assets		16,174	18,513
Other assets		7,178	7,587
Total assets		<u>5,037,607</u>	<u>4,677,096</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 financial position (continued)
As at 31 March 2023

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)
Liabilities and owners' equity			
Liabilities			
Borrowings from financial institutions	6	2,387,212	1,853,120
Payables from Clearing House		10,208	71,781
Securities business payables		29,304	154,881
Current tax liabilities		13,571	9,039
Debt issued and borrowings	7	646,423	641,688
Lease liabilities		15,581	17,719
Provisions		25,578	24,768
Other liabilities		5,500	17,288
Total liabilities		<u>3,133,377</u>	<u>2,790,284</u>
Owners' equity			
Share capital			
Registered			
154,912,584 ordinary shares of Baht 10 each		<u>1,549,126</u>	<u>1,549,126</u>
Issued and fully paid			
154,912,584 ordinary shares of Baht 10 each		1,549,126	1,549,126
Retained earnings			
Appropriated - statutory reserve		41,821	41,821
Unappropriated		313,636	295,938
Other components of owners' equity	4.3	(353)	(73)
Total owners' equity		<u>1,904,230</u>	<u>1,886,812</u>
Total liabilities and owners' equity		<u>5,037,607</u>	<u>4,677,096</u>

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

x



(Mr. Udomkarn Udomsab)

Director



(Miss Malaiporn Pornlert)

Vice President of
Finance and Budget Department

(Unaudited but reviewed)

TSFC Securities Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Note	2023	2022
Revenues			
Fees and service income		27	227
Interest incomes	8	65,728	66,639
Other incomes		12	203
Total revenues		<u>65,767</u>	<u>67,069</u>
Expenses			
Employee benefits expenses		16,051	14,275
Fees and service expenses		465	737
Interest expenses		17,959	14,198
Expected credit loss		14	322
Other expenses		9,157	8,217
Total expenses		<u>43,646</u>	<u>37,749</u>
Profit before income tax		<u>22,121</u>	<u>29,320</u>
Income tax expenses	10	(4,423)	(5,873)
Profit for the period		<u>17,698</u>	<u>23,447</u>
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Loss on investments in debt instruments designated at fair value through other comprehensive income	4.3	(349)	(23)
Less: Income tax effect	10	70	5
Items that will be reclassified subsequently to profit or loss - net of income tax		<u>(279)</u>	<u>(18)</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	4.3	(1)	-
Items that will not be reclassified subsequently to profit or loss - net of income tax		<u>(1)</u>	<u>-</u>
Other comprehensive income for the period		<u>(280)</u>	<u>(18)</u>
Total comprehensive income for the period		<u>17,418</u>	<u>23,429</u>
(Unit: Baht)			
Basic earnings per share			
Profit for the period		<u>0.11</u>	<u>0.15</u>

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


(Mr. Udomkarn Udomsab)
Director


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

(Unaudited but reviewed)

TSFC Securities Public Company Limited
Statement of changes in owners' equity
For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Issued and fully paid share capital	Retained earnings		Other components of owner's equity	Total owners' equity
		Appropriated	Unappropriated	Loss on investments designated at fair value through other comprehensive income	
Balance as at 1 January 2022	1,549,126	37,790	270,472	(25)	1,857,363
<u>Change during the period</u>					
Profit for the period	-	-	23,447	-	23,447
Other comprehensive income for the period	-	-	-	(18)	(18)
Total comprehensive income for the period	-	-	23,447	(18)	23,429
Balance as at 31 March 2022	<u>1,549,126</u>	<u>37,790</u>	<u>293,919</u>	<u>(43)</u>	<u>1,880,792</u>
Balance as at 1 January 2023	1,549,126	41,821	295,938	(73)	1,886,812
<u>Change during the period</u>					
Profit for the period	-	-	17,698	-	17,698
Other comprehensive income for the period	-	-	-	(280)	(280)
Total comprehensive income for the period	-	-	17,698	(280)	17,418
Balance as at 31 March 2023	<u>1,549,126</u>	<u>41,821</u>	<u>313,636</u>	<u>(353)</u>	<u>1,904,230</u>

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

(Unaudited but reviewed)

TSFC Securities Public Company Limited

Statement of cash flows

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Profit before income tax	22,121	29,320
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	2,535	2,241
Expected credit loss	14	322
Interest expenses	17,959	14,198
Interest incomes	(65,728)	(66,639)
Dividend income	(1)	(1)
Long-term employee benefits expenses	783	215
Loss from operating activities before changes in operating assets and liabilities	(22,317)	(20,344)
Decrease (increase) in operating assets		
Receivables from Clearing House and broker - dealers	65,967	27,234
Securities business receivables	(291,545)	419,855
Loans to financial institutions	95,000	(195,000)
Other assets	407	344
Increase (decrease) in operating liabilities		
Borrowings from financial institutions	534,092	(195,324)
Payables from Clearing House	(61,573)	10,181
Securities business payables	(125,577)	(32,935)
Debt issued and borrowings	4,735	-
Cash paid for long-term employee benefits	-	(1,896)
Other liabilities	(11,807)	(10,515)
Cash flows from operating activities	187,382	1,600
Cash received from interest income	6,449	6,990
Cash paid for interest expenses	(17,912)	(14,168)
Net cash flows from (used in) operating activities	<u>175,919</u>	<u>(5,578)</u>

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

(Unaudited but reviewed)

TSFC Securities Public Company Limited
Statement of cash flows (continued)
For the three-month period ended 31 March 2023

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Cash flows from investing activities		
Cash received from disposal of collateralised investments	-	100,000
Cash paid for purchase of non-collateralised investments designated at fair value through other comprehensive income	(394,564)	(191,025)
Cash received from disposal of non-collateralised investments designated at fair value through other comprehensive income	220,000	100,000
Cash received from dividends	1	1
Cash received from interest on investments	-	905
Cash paid for purchase of equipment	(77)	(35)
Cash paid for purchase of intangible assets	(272)	(9)
Net cash flows from (used in) investing activities	<u>(174,912)</u>	<u>9,837</u>
Cash flows from financial activities		
Cash paid for lease liabilities	(2,138)	(2,036)
Net cash flows used in financial activities	<u>(2,138)</u>	<u>(2,036)</u>
Net increase (decrease) in cash and cash equivalents	(1,131)	2,223
Cash and cash equivalents at beginning of period	4,362	3,004
Cash and cash equivalents at end of period (Note 2)	<u><u>3,231</u></u>	<u><u>5,227</u></u>

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

TSFC Securities Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2023

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial information

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

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

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

1.3 Significant accounting policies

The interim financial information are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Company's financial statements.

(Unaudited but reviewed)

2. Cash and cash equivalents

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
Cash	30	30
Saving and current deposits	13,019	18,562
Less: Deposits for customers' account	(9,818)	(14,230)
Total cash and cash equivalents	<u>3,231</u>	<u>4,362</u>

Supplemental cash flows information

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2023	2022
Non-cash items		
Loss on investments in debt instruments designated at fair value through other comprehensive income	(349)	(23)
Loss on investments in equity instruments designated at fair value through other comprehensive income	(1)	-

3. Securities business receivables

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
Customers' accounts - credit balance	4,109,444	3,759,510
Other receivables	31,355	30,914
Total	<u>4,140,799</u>	<u>3,790,424</u>
Add: Accrued interest income	102	140
Less: Allowance for expected credit loss	(7,711)	(7,696)
Securities business receivables	<u>4,133,190</u>	<u>3,782,868</u>

As at 31 March 2023 and 31 December 2022, the Company has classified securities business receivables in accordance with TFRS 9 / the relevant notification issued by the Office of the Securities and Exchange Commission. The classification is as follows:

(Unit: Million Baht)

	31 March 2023			31 December 2022		
	Receivables amount to be considered setting up of receivables and accrued interest	Allowance for expected credit losses	Allowance for expected credit losses	Receivables amount to be considered setting up of receivables and accrued interest	Allowance for expected credit losses	Allowance for expected credit losses
Performing debts	4,025	4,025	1	3,695	3,695	1
Under-performing debts	109	109	-	89	89	-
Credit impaired debts	7	7	7	7	7	7
Total	4,141	4,141	8	3,791	3,791	8

4. Investments

4.1 Cost and fair value

(Unit: Thousand Baht)

	31 March 2023			31 December 2022		
	Fair value			Fair value		
	Non-collateralised investments	Collateralised investments	Total	Non-collateralised investments	Collateralised investments	Total
<u>Investments measured at fair value through profit or loss</u>						
Investments measured at fair value						
Open end fund - equity	10	-	10	11	-	11
Total	10	-	10	11	-	11
Total investments measured at fair value through profit or loss	10	-	10	11	-	11
<u>Investments measured at fair value through other comprehensive income</u>						
Investments in debt instruments measured at fair value through other comprehensive income						
Government bonds	272,894	114,630	387,524	71,884	97,912	169,796
Less: Government bonds for customers' account	(98,606)	-	(98,606)	(55,581)	-	(55,581)
Total	174,288	114,630	288,918	16,303	97,912	114,215

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 March 2023			31 December 2022		
	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	650	-	650	651	-	651
Total	650	-	650	651	-	651
Total investments measured at fair value through other comprehensive income	174,938	114,630	289,568	16,954	97,912	114,866
Total investments	174,948	114,630	289,578	16,965	97,912	114,877

4.2 Investments in debt instruments classified by the remaining contracts

(Unit: Thousand Baht)

	31 March 2023				31 December 2022			
	Not over 1 year		Over 5 years		Not over 1 year		Over 5 years	
	1 year	1 - 5 years	5 years	Total	1 year	1 - 5 years	5 years	Total
Investments in debt instruments designated at fair value through other comprehensive income	288,918	-	-	288,918	169,796	-	-	169,796
Total	288,918	-	-	288,918	169,796	-	-	169,796

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

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2023	2022
Balance - beginning of the period	(73)	(25)
Changes during the period		
- from revaluation (before net of income tax)	(350)	(23)
- income tax	70	5
Balance - end of the period	(353)	(43)

5. Loans

(Unit: Thousand Baht)

	31 March 2023	31 December 2022
At call	100,000	220,000
Not over 1 year	480,000	455,000
Total loans	580,000	675,000

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

6. Borrowings from financial institutions

(Unit: Thousand Baht)

	31 March 2023			31 December 2022				
	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	1.00 - 2.95	1,680,000	-	1,680,000	1.00 - 2.75	1,245,000	-	1,245,000
Bills of exchange	2.75 - 3.00	407,212	-	407,212	2.50 - 2.75	308,120	-	308,120
Short-term loan	2.75	300,000	-	300,000	2.75	300,000	-	300,000
Total borrowings from financial institutions		2,387,212	-	2,387,212		1,853,120	-	1,853,120

The borrowings from financial institutions are unsecured loans.

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

7. Debt issued and borrowings

(Unit: Thousand Baht)

	31 March 2023			31 December 2022				
	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
Bills of exchange	3.00	646,423	-	646,423	3.00	641,688	-	641,688
Total		646,423	-	646,423		641,688	-	641,688

Debt issued and borrowings are unsecured loans.

8. Interest incomes

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2023	2022
Interest income on margin loans	58,788	59,307
Interest income from loans	6,071	6,574
Others	869	758
Total	65,728	66,639

9. Directors and management's benefits

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

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2023	2022
Short-term employee benefits	7,963	7,108
Post-employment benefits	951	882
Total	8,914	7,990

10. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2023	2022
Current income tax:		
Interim corporate income tax charge	4,532	5,510
Deferred tax:		
Relating to origination and reversal of temporary differences	(109)	363
Income tax expenses reported in profit or loss	4,423	5,873

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2023	2022
Deferred tax relating to loss on investments in debt instruments designated at fair value through other comprehensive income	70	5
Total	70	5

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

As at 31 March 2023, the Company had commitments from several service agreements and lease agreements of low-value assets in respect of the lease of equipment. The Company has minimum payments within 1 year Baht 4.0 million (31 December 2022: Baht 4.1 million).

12. Segment information

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

13. Financial instruments

13.1 Fair value of financial instruments

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

13.2 Fair value hierarchy

As of 31 March 2023 and 31 December 2022, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

As at 31 March 2023

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Non-collateralised investments ⁽¹⁾	273,554	-	272,904	650	273,554
Collateralised investments	114,630	-	114,630	-	114,630

⁽¹⁾ Included government securities for customers' account amounting to Baht 99 million.

(Unit: Thousand Baht)

As at 31 December 2022

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Non-collateralised investments ⁽¹⁾	72,546	-	71,895	651	72,546
Collateralised investments	97,912	-	97,912	-	97,912

⁽¹⁾ Included government securities for customers' account amounting to Baht 56 million.

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

14. Event after the reporting period

On 20 April 2023, the Annual General Meeting of the Company's shareholders for the year 2023 passed resolution approving payment of a dividend of Baht 0.30 per share to the ordinary shareholders, from profit for the year 2022, or a total of Baht 46.47 million. The dividend payment will be made on 19 May 2023 and will be reflected in the financial statements of the second quarter of the year 2023.

15. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 24 May 2023.