

**ALWAYS  
A STEP AHEAD**

A decorative orange brushstroke graphic that curves across the bottom right corner of the page, starting from the bottom edge and moving towards the right.





# LONG LIVE THE KING

On behalf of directors, management,  
and employees of Finasia Syrus Securities PLC



# WE ARE STRENGTHENING OUR ONLINE-TRADING PLATFORM

BY INCREASING THE USE OF CUTTING-EDGE TECHNOLOGIES



**Finansia HERO**, We're cooperating with Kiwoom Securities, the number 1 online broker in Korea to make your investment journeys seamless - now and in the future.

# Trade Confidently with **FINANSIA** **HERO**

Leading trading system, perfect for investors, was developed by Finasia Syrus PLC, together with no. 1 online securities company in Korea to solve every question and problem of investors, making finding stocks and sending orders as easy as pie! Finasia HERO will help you trade without having to keep an eye on your phone all the time.



## The end of trading problem!

### What stocks to trade today?

Find and trade stocks swiftly with 14 investment strategies in Finasia Scanner

### Test the accuracy of the tools

35 technical tools used in identifying historical data and verifying by back test

### Not good at reading graph?

### Finding the correct buy and sell point will no longer be a problem!

Viewing other investors' stock prices as well as support and resistance automatically with Volume by Price

### Having no time to keep an eye on your stocks

### won't stop you from making profits

Set criteria for advance buy/sell orders to buy cheap, sell high, and stop loss with Auto Order

Download application **FINANSIA**  
**HERO**



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# Steps of Finansia Syrus

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## Vision

“ Building wealth by upgrading the investment ”

## Mission

Providing services which are accessible to individual investors and offering investment advice to produce attractive returns; develop integrated products; pay attention to provide services with ethics and good corporate governance; and also develop its staff and technology to deliver the excellent services

## Core Value



### **H-Honesty**

Be honest and dare to do the right things and be trustworthy

### **E-Engagement**

Participate and be responsible for driving the organization forward to achieve its goals.

### **R-Responsibility**

Have self-responsibility, responsibility towards duties and responsibility towards others for both words and deeds.

### **O-Originality**

Contribute original ideas, embrace new things and adapt to changing situations.

# Message from the Chairman

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## DEAR SHAREHOLDERS,

2019 was indeed a turbulent year for capital markets in general and the brokerage industry in particular. The trade war and the strong THB precipitated a further flight from the Stock Exchange of Thailand (the “SET”) which saw a net foreign sale of THB 44.79 billion. Overall index increase slightly by 1% but there were volatility throughout the year. Although average trading value dropped by only 8% from previous year, it was underscored by the fact that trading of Local Retail investors dropped to a new low of 34% below Foreign Investors for the 1<sup>st</sup> time. The hike in foreign activities were a result of a boost in High frequency or Program Trading from overseas into the SET.

The combined effects above resulted in a decline in the Company's brokerage income from THB 1,050 million in 2018 to THB 914 million in 2019 or a drop of 13%. The Company was unable to compensate the drop with other non-brokerage income as the poor market conditions also affected investment banking and derivatives warrants businesses where revenue dropped 24 and 45% respectively.

Despite the negative sentiment, the Company continued on its transformation plan by investing further in the development and promotion of its new online trading application “HERO”. The 1st half was occupied with improving Users interfaces and fixing technical issues which usually accompany new platforms. In the second half, the Company launched a strong marketing campaign and grew the user base to over 6,500 by year end.

At the same time, to lessen our dependence on the retail sector, the Company began to onboard High Frequency Traders and thereby significantly pushed its Equity trading market share from 4% to 6.15% and ranking from 9<sup>th</sup> to 2<sup>nd</sup> for 2018 and 2019 respectively.

To control costs, the Company streamlined its operations including reduction in 80 headcounts, and a closure of 3 branches.

The overall effects from investments in new technology, and adding in the costs of streamlining operations in an extremely weak market environment, resulted in a significant loss for the entire year.

However, the Board of Directors and the Management believe that the measures taken during the year will yield positive results and better prepare the Company to face future market volatility and wish to thank you all shareholders for their support in this difficult time.



**Mr. Chatchaval Jiaravanon**  
Chairman

# Board of Directors

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(6)      (4)      (3)      (2)      (1)      (5)      (7)      (8)      (9)

**(1) Mr. Chatchaval Jiaravanon**

Chairman of the Board

**(2) Mr. Varah Sucharitakul**

Deputy Chairman of the Board

**(3) Mr. Chuangchai Nawongs**

Chief Executive Officer

**(4) Mr. Somphop Keerasuntonpong**

President

**(5) Mrs. Pornpring Suksantisuwan**

Director

**(6) Mr. Yang Liu**

Director

**(7) Pol. Lt. Gen. Visanu Prasattongsoth**

Chairman of the Audit Committee and Independent Director

**(8) Mr. Phaiboon Siripanoosatien**

Member of the Audit Committee and Independent Director

**(9) Mr. Kittisak Bencharit**

Member of the Audit Committee and Independent Director

# Important Events in 2019

## 22 January

The Company, together with Finansa PLC, held the "Finansia Investment Conference 2019", with over 40 local institutional investors and leading listed companies, being honored by Mr. Prasert Bunsumpun, President of Thailand Business Council for Sustainable Development (TBCSD), who participated in a talk about "Opportunities for the Thai Economy in Crisis towards the international challenge".



## 25 April

The 2019 Annual General Meeting of Shareholders with majority vote approved no appropriation of the 2018 business operating results as legal reserve since, in 2018, the Company incurred net loss of THB 29,420,366. However, since the Company still had unappropriated retained profit from past business operation, the Meeting approved dividend payment from unappropriated retained profit at THB 0.06 per share totaling THB 34,884,181.50 to shareholders whose names are included in shareholder registrar on the record date on 28 February 2019. Dividend payment date was on 3 May 2019.

## 22 May

The Company held a press conference at Pinnacle Room 1, Floor 4, Intercontinental Hotel for the new look "Finansia HERO" under the concept of "Customer Centric" by opening a channel to listen to the usage problems through the investment consultants of the Company and on Social Media. The makeover satisfied the needs of customers and investors with complete, easily accessible, and fast information, allowing the trade to happen in a single application.

## 9 July

The Company held a seminar called the "Global Investment in Digital Age" giving knowledge on investment in China, inviting analysts from famous brokers in Hong Kong 'Shenwan Hongyuan Securities (HK) Limited' to provide knowledge and investment analysis in China on '5G contract network, internet, and games'.



## 19 September

The Company launched the 'Wealth Management Department' and held a seminar for investment in the second half of 2019, with honors from 3 famous asset management companies in Thailand: Asset Plus Fund Management, Principal Asset Management, and TMBAM Eastspring to show the vision and investment perspective in the event at Chatra Room 1, 2nd floor, Siam Kempinski Hotel, Bangkok.



# Financial Highlights

		<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Statement of Income</b>				
Total Revenues	(THB million)	1,295	1,469	1,655
Total Expenses	(THB million)	1,465	1,487	1,447
Net Income	(THB million)	(138)	(24)	177
<b>Statement of Financial Position</b>				
Total Assets	(THB million)	4,277	4,754	5,953
Total Liabilities	(THB million)	1,928	2,223	3,357
Total Equity	(THB million)	2,349	2,531	2,596
<b>Shares Information</b>				
Number of Shares	(Million Shares)	581	581	581
Par Value	(THB)	1.60	1.60	1.60
Book Value per Share	(THB)	4.04	4.35	4.46
Earnings per Share	(THB)	(0.24)	(0.04)	0.30
Dividend Payout Ratio	(%)	N.A. <sup>(2)</sup>	41.28 <sup>(1)</sup>	29.74
Dividend per Share	(THB)	0.06	0.06	0.13
Share Price at the End of Period	(THB)	1.59	1.84	2.84
<b>Financial Ratios</b>				
Net Profit Margin	(%)	(10.66)	(1.62)	10.71
Return on Assets	(%)	(3.06)	(0.44)	2.84
Return on Equity	(%)	(5.66)	(0.92)	6.96
Debt to Equity	(Times)	0.82	0.88	1.29
NCR	(%)	61.84	79.90	61.31

Remark: <sup>(1)</sup> The Company paid dividend on 22 May 2018 in the amount of 34.9 million THB from the 2017 business operating results where the Company had net profits in the amount of THB 88.9 million according to the Company's separate financial statement. The Company's net profit after the deduction of 5 percent of net profit as a statutory reserve according to cash basis.

<sup>(2)</sup> The Company incurred net loss of THB 29,420,366. However, since the Company still had unappropriated retained profit from past business operation, the Meeting approved dividend payment from unappropriated retained profit at THB 0.06 per share totaling THB 34,884,181.50 to shareholders whose names are included in shareholder registrar on the record date on 28 February 2019. Dividend payment date was on 3 May 2019.

# Financial Status

Unit: THB million

## Cash Flow Statements for the Year Ended 31 December 2019

Net Cash provided by (used in) Operating Activities	(203)
Net Cash provided by (used in) Investing Activities	(87)
Net Cash provided by (used in) Financing Activities	15
Net Increase (Decrease) in Cash and Cash Equivalents	(275)
Cash and Cash Equivalents as of 31 December 2018	377
Cash and Cash Equivalents as of 31 December 2019	102

Financial Position as of 31 December 2018	Comprehensive Income for the Year Ended 31 December 2019	Financial Position as of 31 December 2019
<u>Assets</u>	Total Revenues	<u>Assets</u>
Cash and Cash Equivalents	1,295	Cash and Cash Equivalents
Securities and Derivatives	Total Expenses	102
Business Receivables	1,465	Securities and Derivatives
Other Assets	Profit before Income Tax	2,559
<u>Total Assets</u>	Income Tax	Business Receivables
<b>4,754</b>	32	Other Assets
	Profit for the Year	1,616
	(138)	<u>Total Assets</u>
	Other Comprehensive Income <sup>(1)</sup>	<b>4,277</b>
	(4)	
<u>Liabilities</u>	<u>Total Comprehensive Income (Loss) for the year</u>	<u>Liabilities</u>
Securities and Derivatives	(142)	Securities and Derivatives
Business Payables		Business Payables
Other Liabilities		941
		Other Liabilities
		987
<u>Equity</u>		<u>Equity</u>
Share Capital, Premium and Reserves		Share Capital, Premium and Reserves
1,628		1,623
Retained Earnings - Net		Retained Earnings - Net
902		725
Non-controlling Interests		Non-controlling Interests
1		1
<u>Total Liabilities and Equity</u>		<u>Total Liabilities and Equity</u>
<b>4,754</b>		<b>4,277</b>

## Retained Earnings for the Year Ended 31 December 2019

Balance as of 31 December 2018	902
Legal Reserve	-
Total Comprehensive Income for the Year	(142)
Dividends <sup>(2)</sup>	(35)
<b>Balance as of 31 December 2019</b>	<b>725</b>

Remark: <sup>(1)</sup> Total comprehensive income excludes discrepancy when converting foreign currencies and non-controlling interests.

<sup>(2)</sup> The Company paid dividend at 0.06 THB per share on 3 May 2019.

# Our Footprint

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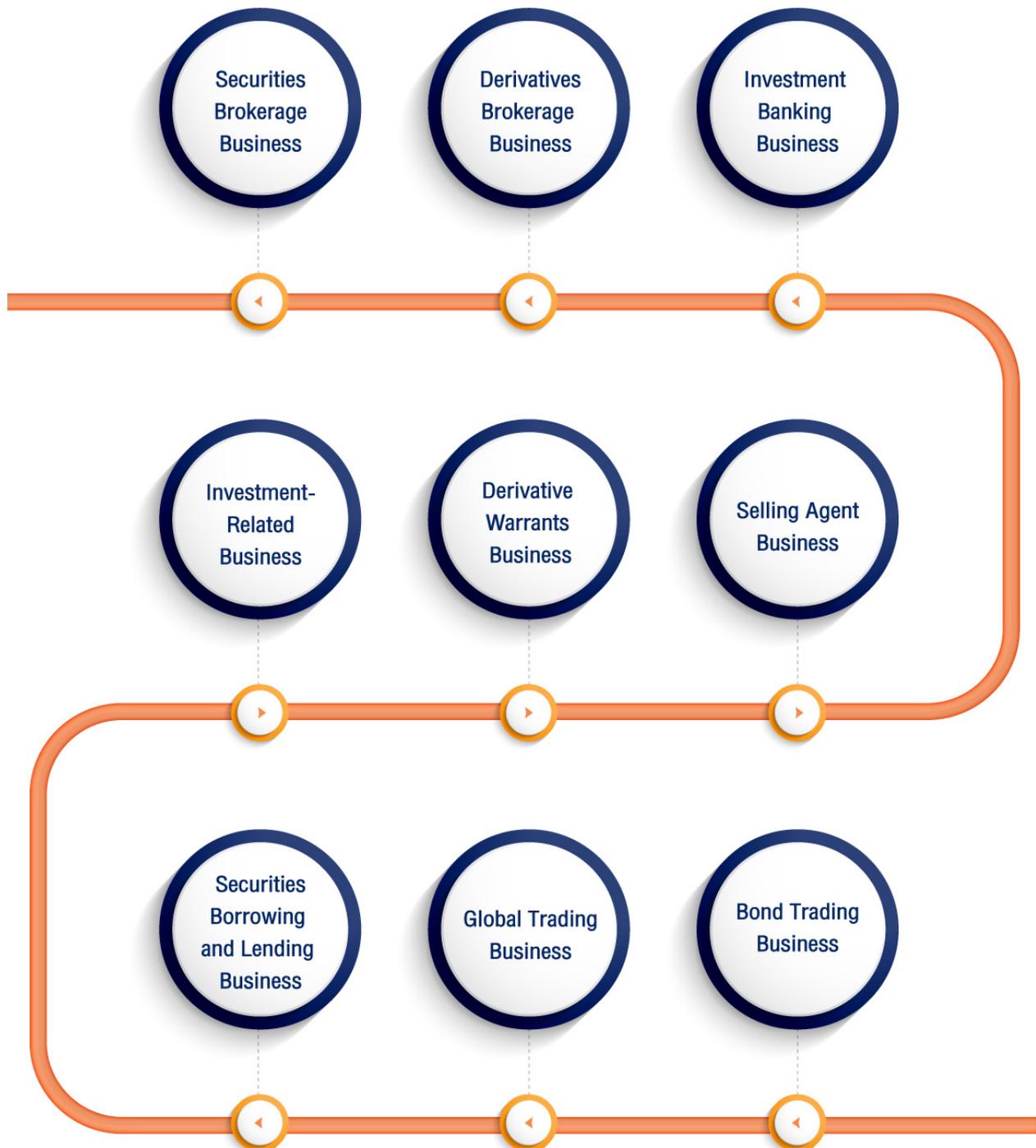
**14**  
Provinces

**27**  
Branches

**393**  
Investment  
Consultants

# Nature of Business

Our Company aims to provide services which are accessible to individual investors and offering investment advice to produce good returns; developing integrated products and services with ethics and good corporate governance; and also developing its staff and technology to deliver the best services.



# Securities Brokerage Business

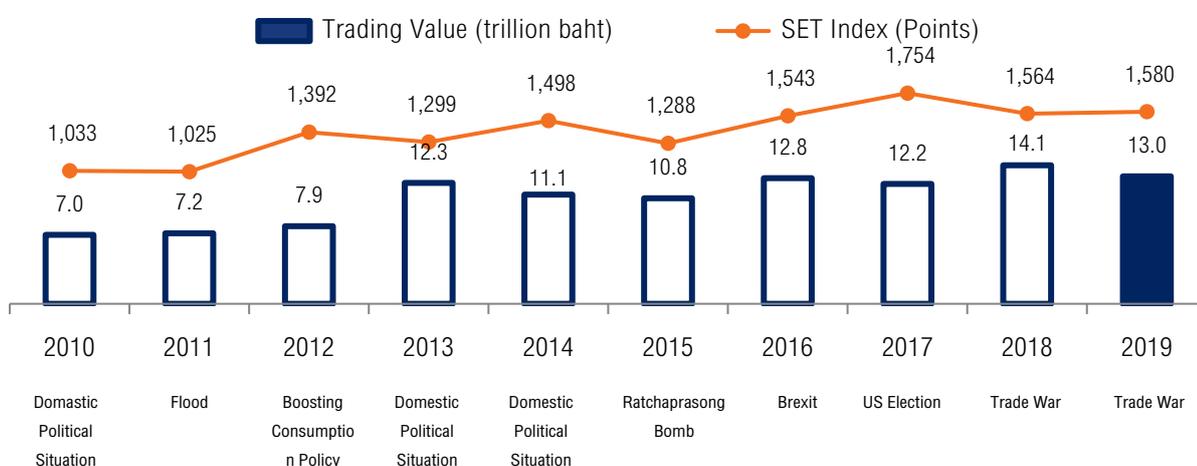
## Market Overview

At the end of 2019, SET Index closed at 1,579.84 points, almost hit the lowest point of the year, increasing by 1.02% from the lowest point at 1,563.88 points, whereas mai Index closed at 309.64 points, decreased by 46.8 points or 13.13% from the end of the previous year which is 356.44 points. Market Capitalization of

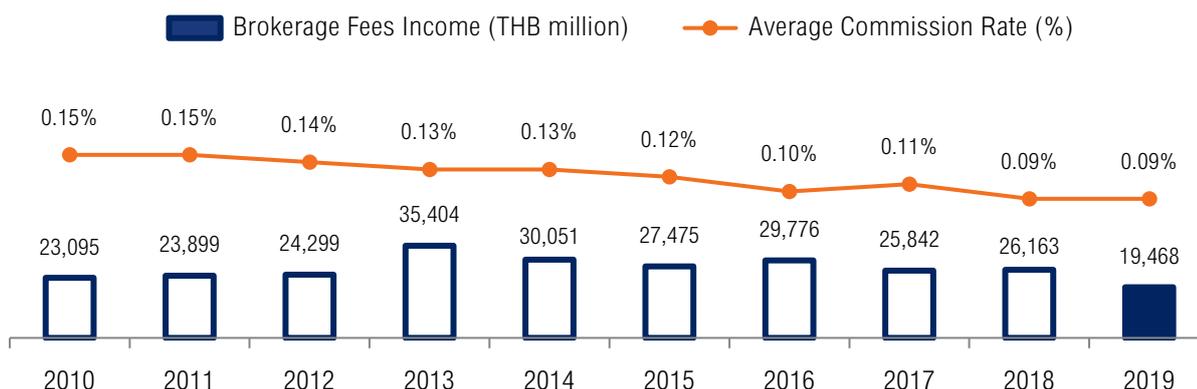
SET and mai at the end of 2019 is THB 16.96 trillion, increased by 4.6%.

There was a decrease in SET Index affected dividend yield which decreased to 3.14% from 3.22% in the previous year. On the otherhand, dividend yield of mai market increased to 2.9% from 2.1% in the previous year. Daily average turnover in 2019 (SET and mai) was THB 53,192 million, decreasing by 7.8% from the previous year which was THB 57,674 million.

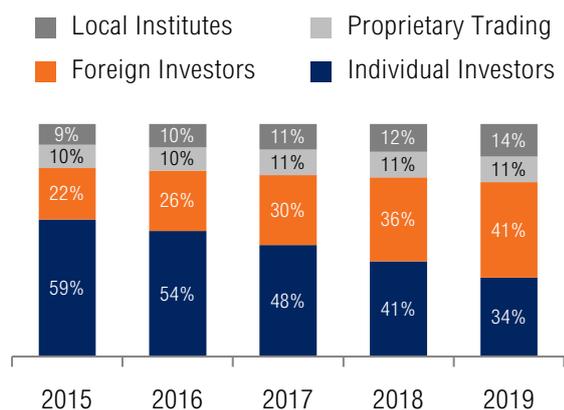
### SET Statistics



### Brokerage Fees



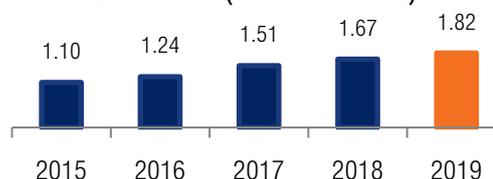
### Trading Value by Investor Type (%)



In 2019, institutional investors' trading proportion is still higher than other types of investors, which was equivalent to 41% of total trading value. However, according to the trading history in last 5 years, the

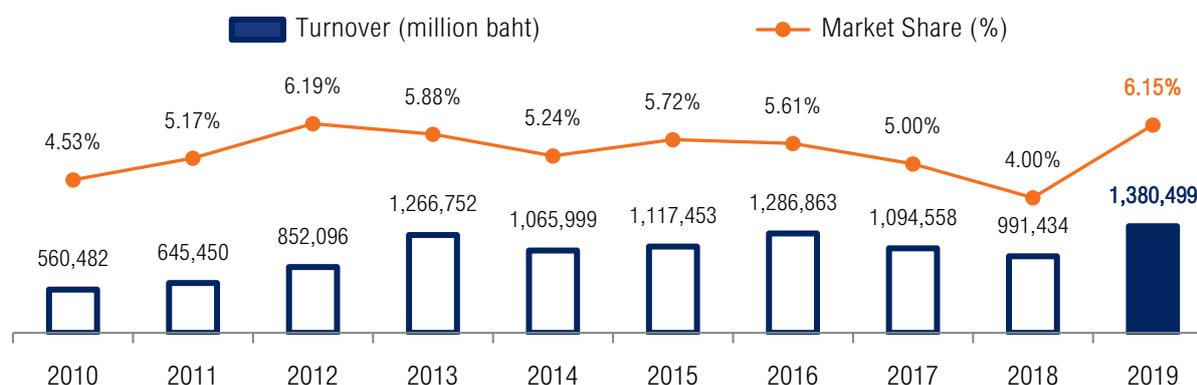
proportion of the local investors tends to decrease gradually in the opposite direction of the proportion of the foreign investors which tends to increase significantly, whereas the proportion of proprietary trading is quite stable.

### No. of investors (million accounts)



In 2019, the number of accounts opening according to the Stock Exchange of Thailand was 1.82 million accounts, increased by 8.98% from the end of 2018.

### FSS Performance



In the last 10 years during 2010-2019, the Company's market share had always been ranked among the first two in securities business. Likewise, in 2019, the Company was ranked as the second, with the trading value of THB 13.8 hundred billion, increased by 39.24% from last year, and its market share was 6.15%, increased by 2.15% from last year since there was an increase in trading value of foreign investors from 7% at the beginning of 2019 to 66% at the end of 2019. This resulted in a decrease in the ratio of individual investors who are the Company's main group of customers. In addition, the average of commission fee decreased from 0.10 in 2018 to 0.06 in 2019. Such decrease reflects more intense competition and the change in the investors' behavior which tend to submit orders through internet with lower brokerage fees, compared to the brokerage fees charged from submitting orders via investment consultants. Considering these factors, the Company cooperates with Korean Securities Company, namely, KIWOOM Securities to develop the online trading platform called "Finansia HERO" which was initially launched on 23 March 2018, resulting in an increase in online market share and becoming no. 5 in market share in 2019 at the rate of 6%.

# Investment Banking Business

The Company operates investment banking business which provides financial advisory and underwriting services by experienced and skillful staff that are competent in money and equity markets in both domestic and international countries. The Company obtained a license from the SEC to operate financial advisory services on 30 September 2002, and also obtained a license from the Ministry of Commerce to provide underwriting services. In addition, the Company provides advisory service for other transactions i.e. Mergers and Acquisition, Financial Restructuring, Feasibility Study, Business Valuation and other transactions to ensure the compliance with the rules and regulations of the SEC and the SET i.e. delisting, acquisition or disposition of assets or connected transactions.

In the previous year, the Company served as the financial advisor for the initial public offering of Applicad PLC and Starflex PLC

For the underwriting services, the Company had provided underwriting services both in debenture market and equity market. In 2019, the Company was engaged in the underwriting of the initial public offering of shares (IPO) for 13 securities, where the Company was the lead underwriter for 3 companies, and the co-underwriter for 10 companies. In this regard, the details on the previous underwritings in 2019 are as follows:

## Lead Underwriter of the IPO shares

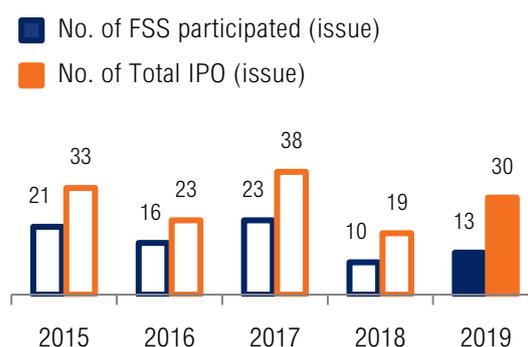
- R&B Food Supply PLC
- Applicad PLC
- Starflex PLC

## Underwriter of the IPO shares

- CAZ (Thailand) PLC
- Veranda Resort PLC
- VL Enterprise PLC
- ZEN Corporation Group PLC
- Kumwell Corporation PLC
- Infraset PLC
- Absolute Clean Energy PLC
- The Practical Solution PLC
- STC Concrete Product PLC
- Copperwired PLC

The Company received financial advisory service fee and underwriting fee. These services also support the brokerage business of the Company by creating customers' satisfaction towards the allocation of IPO shares.

## Underwriting Services of the IPO shares



# Other Businesses

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## Derivatives Brokerage Business

The Company obtained the futures brokerage license from the SEC on 14 October 2005 and the Company has been qualified as a member of Thailand Futures Exchange PLC (“TFEX”) and Thailand Clearing House Co., Ltd. (“TCH”) where the Company started providing futures brokerage services on 17 March 2008.

Moreover, in July 2018, the Company commenced activities in Single Stock Futures through Block Trades to increase its liquidity of Single Stock Futures. The Company expected to handle the increase of transactions and to increase revenue for the Company because TFEX is a market that investors have high interest. The overall volume of trading of TFEX market increases every year especially the Single Stock Futures.

Business plans and marketing plans of the future brokerage are to build a customer base from existing customers who traded equities with the Company because these customers already understand investments in a certain level. For new customers, the Company will focus on the customers with good financial stability and good knowledge of the securities and futures trading. In addition, the Company also conducted seminars to educate customers and interested persons to understand investment strategy, return, and risk arising from the investment and to be able to make use of derivative in investment or hedging against investments risks.

## Investment-Related Business

The Company has a proprietary trading department which is responsible for the Company’s investment related business whereby the Company has policies to invest in equity, bond instrument, mutual fund and other non-listed companies and strictly comply with the

regulations specified by the authorizations, with the objective of short-term trading and long-term investment. The Company’s Board of Directors will consider the allocation of fund, procedures, criteria, practices and investment policy which are clear and in accordance with related regulations of the SEC. The Company gains benefit from securities trading, dividends and interests. In addition, the Company established the Investment Committee and Risk Management Committee as approved by the Board of Directors to be responsible for setting strategies and investment policies for both short-term and long-term investment by diversifying risks with appropriate proportion and setting limit for potential losses; and report the investment status to the Board of Directors to efficiently follow up on the Company’s investment status.

## Derivative Warrants Business

The Company’s first issuance and offering of Derivative Warrants (DW) happened in February 2016, in the form of Direct Listing. In 2019, the Company issued and offered DW, totaling 265 series and received good response from investors. In this regard, the Company received a BBB+ credit rating from Fitch Ratings Thailand Limited on 8 August 2019.

DW has recently been the products that investors has studied and paid more attention. To develop DW business to grow sustainably, the Company strongly emphasizes on providing knowledge to investors in order to enable them to understand the complexity, risks and returns from DW investment by establishing various information channels i. e. websites at <https://www.dwarrant24.com>, Line Official Account ( Line ID: @dw24) , and Facebook (<http://www.facebook.com/Dwarrant24>) ; and assisting them in the decision making. In addition, the Company

conducts analysis to be used as the trading tool for investors.

## **Selling Agent Business**

The Company was approved to conduct the Wealth Advice service on 10 April 2019. The Company provides "Portfolio Management" services to a wide range of clients, focusing on those who wish to access financial and capital markets services easily. as well as having the opportunity to receive appropriate financial planning advice and to respond to their own needs, with the company placing emphasis on the system in order to 1) survey and understand investors 2) determination investment structure 3) investment according to the investment plan 4) investment monitoring and improvement and 5) investment integration report.

Moreover, the Company provides mutual fund investment service which facilitates the customers under the idea of one-stop service. Customers are able to buy, sell and switch between mutual funds managed by any asset management companies which the company acts as an agent without additional charges. The Company also provides comparative data and summarizes all investment information in one report which will simplify the mutual fund investment for customers.

The Company offers 2 types of mutual fund accounts, namely:

### – Omnibus Account

Customers can buy, sell and switch between mutual funds managed by any asset management company which the company acts as an agent under one account, and execute transactions via telephone or sign in the transaction form. In addition, there is an all- inclusive summary of monthly mutual fund investment from every asset management

company to the convenience in reviewing the fund status and management.

### – Selling Agent Account

For customers who wish to invest in Long Term Equity Fund (LTF), Retirement Mutual Fund (RMF) and Property Fund which are closed-end fund.

In addition, the Company offers the service called "Trading Plus" This service will help boost returns from investment by using the proceeds received from the sale of securities to invest automatically in money market funds, and automatically sell units in mutual funds to pay for such securities. The selected funds are the low-risk funds with better returns compared to the deposit interest rate.

At the end of 2019, the Company has acted as the selling agent of investment unit for 20 asset management companies. The Company has a plan to be the selling agent for more asset management companies to increase a variety of mutual funds and constantly develop the mutual fund service system which will fulfill the customers' desire and maximize their satisfaction.

## **Securities Borrowing and Lending Business**

The Company obtained a license from the Ministry of Finance to operate securities borrowing and lending business on 25 August 2010 and started to operate such business since September 2010.

The Company acted as a principal to investors who are borrowers and lenders in providing borrowing and lending services to customers. This transaction provides investors more alternatives in fluctuated market, as well as alternatives for risk management and increase of returns. It also support other business of the Company i. e. brokerage business, investment-related business, derivatives brokerage business, derivatives warrant business, etc. The Company also

develops the technology system to support the securities borrowing and lending business which will greatly facilitate customers in using the service. The details are summarized as follows:

- The Company lends securities to customers for conducting short sales of securities specified by the Company, namely securities in SET100 index, ETF and underlying stocks of SFF. The Company provides enough securities for customers to borrow. Therefore, customers will not miss any investment opportunities while they can manage risks for their investment portfolio. Short sales can be conducted in cash balance accounts and credit balance accounts.
- Benefits derived from borrowed securities remain with the lender.
- On 20 July 2015, the Company provided SMART ACCESS in which clients shall lend and borrow securities via Internet.
- On 23 March 2018, the Company launched HERO System whereby customers can use the SBL service of the Company to borrow and return securities faster and more conveniently.

## Global Trading Business

The Company provides securities trading service in foreign capital market via efficient internet trading program with data security system that is internationally recognized, allowing investors to trade in 34 capital markets globally. The investors are able to manage their own investment portfolio under one time account opening, providing multi-currency settlement without having foreign currency deposit account. Investors can move the investments from other markets to markets that are likely to offer higher returns

at any time. The Company handles transactions of international settlement through professional foreign agent who specializes in international settlement in order to raise confidence for investors in the efficiency of the settlement and safety in foreign investment.

The Company's services covered these following global markets:

- ❖ Asia
  - Hong Kong
  - Singapore
  - Japan
  - Cambodia
  - Laos
  - Vietnam
- ❖ Europe
  - Netherland
  - Portugal
  - Germany
  - Switzerland
  - Austria
  - Belgium
  - France
  - United Kingdom
  - Italy
  - Finland
  - Norway
  - Denmark
  - Sweden
  - Spain
  - Poland
- ❖ North America
  - United States
- ❖ Australia
  - Australia

## Bond Trading Business

The Company is a dealer member of the Thai Bond Market Association and the Thailand Bond Exchange where the Company provides the bond dealing service to bond investors having bond trading account opened together with securities trading account. In 2015, the Company started being a dealer of debt securities/debenture bond and selling agent in Thai Bond Market by offering One Stop Service to clients.

Investment options that generate stable income through both short-term and long-term government and private bonds in order to help financial planning to

match the investment needs of bonds with Finansia Syrus Securities PLC, increasing the chances of getting a higher rate of return for those with the ability to take more risks.

Investment period options: by choosing to invest short-term through short-term debentures that are between 1 to 270 days or invest in long-term debentures for 1 year or more to distribute risks or as an investment alternative in case of other assets fluctuating.

Primary market means the issuer issuing and offering various types of financial instruments to raise funds for the first time.

Secondary market means trading of various types of financial instruments that have been traded in the first market. Second market is where investors can trade financial instruments flexibly, making those types of financial instruments get more attention from investors.

## 1) Exposure to Volatility of the Market

The Company's main source of income comes from brokerage fees which are related to economic conditions, money market conditions and capital market conditions, trading volume in the Stock Exchange including confidence among local and foreign investors. The Company's performance depends on various factors i.e. political situations, global and domestic economic situations which are beyond the Company's control. If the market is volatile, it will have an impact on trading value and will cause fluctuation in brokerage fees, for example, brokerage fee will incline if trading values incline and if trading value increase, brokerage fee will increase as well, provided that other factors are stable.

The Company utilizes various tools for risk management to evaluate and analyze potential impact, for example, the use of Value at Risk (VAR) to evaluate potential damage from the Company's investment value, or the Stress Test to evaluate damage in case of volatile market. The Company also established securities trading policy i.e. determination of appropriate investment amount, stop loss limit, etc. and review such policy regularly. In addition, there is a plan to reduce dependence on brokerage fee by increasing income from other types of business of the Company.

## 2) Competition within the Industry

Securities Business is a highly competitive business since the nature of product is similar and the number of competitors is relatively high. Moreover, commission rates are liberalized and a low pricing strategy is used for business operation.

The Company prepares to alleviate such impact by creating its business' strength, promptly adjusting its strategies to be consistent with a variety of situations, emphasizing on quality and standard of service, developing personnel's competencies, developing information technology system to be novel and secure, as well as create new products and services to facilitate customers and respond their needs.

## 3) Risk of Derivatives Brokerage Business

Due to the high-risk nature of the future exchange from price fluctuations and complexity of commodity, the Company set out the strict and concise risk management whereby the customers are selected based on their knowledge and experience of the futures; consider the credit limit to fit their condition, repayment ability; set sufficient amount of margin prior to submitting the futures order; set out clear working procedures on margin call and position closing by checking Intraday Force status at 12.30 hours of the business day. In addition, the Company arranges the training sessions to instruct the Company's employees in providing futures services on a continuous basis.

For SSF Block Trade transaction, apart from the above-mentioned risk management procedures, the Company required customers to sign in an addendum to the appointment of derivatives agent agreement prior to the transaction execution so as to acknowledge terms and conditions of the transaction. In addition, the Company established the internal risk management policy policies to control the risk incurred from this transaction.

#### **4) Risk Associated with Operating a Business under Regulated Environment**

Since the securities and derivatives businesses are regulated by the related laws of the regulated authorization i.e. the SEC, the SET, Thailand Futures Exchange PLC, Anti Money Laundering Office and Association of Securities Companies (Thailand), etc., the Company may have an operational impact i.e. the increase of operational costs, knowledge and understanding of relevant departments, etc., arising from the stipulation and/or amendment of the regulations, policies including measurements to regulate securities and derivatives businesses by the government bodies or regulated authorizations. In addition, the Company may face the operational error risks in various aspects such as the operational errors in the Company's departments, failure to comply with working standards and code of conducts for investment consultants and securities analysts, etc., which will affect the reputation of the Company, and the Company may have been imposed a fine and/or other action specified by laws and/or the employees of the Company may be imposed penalties from admonishment to suspension.

However, the Company has a policy for the internal audit department and compliance department to oversee and monitor to ensure that all level of its employees carry out their duties accurately and strictly complying with rules and regulations of the regulated authorizations, and when there are any changes in related rules and regulations, the Company will announce such changes to related employees to acknowledge and comply with the current regulations.

#### **5) Risk from System Failure**

The current role of technology makes the computer system the important factors in business operation i.e. supporting the volume of transactions, a variety of products and services, data backup and security of information, etc. If the errors or problems occur, they will directly affect the operation and the reliability of the Company.

The Company foresees the importance of the computer system; therefore, it conducts the improvement and increase the efficiency on a continual basis by increasing more of its efficiency in data processing and increase more storage. The Company also increases all kinds of backup systems, namely data backup, power backup, and network backup to ensure more safety. Apart from the data backup at the head office, the Company also established disaster recovery center, which can immediately replace the computer system regarding securities system in case of errors in the computer system at the head office. The Company also established business continuity plan in order to continue doing business during crises. For the policy regarding the supervision of operation and IT security, the Company has strictly complied with the regulations of the SEC.

For provincial branches, the Company has installed computer with MPLS line to enable faster data travelling between head office and branches while the backup circuit will shift in when there is a system failure. The Company has also installed backup power system in case of any power system failure.

Although none of such system errors happened since the Company operated, the Company conducts the monthly test on the computer system especially electrical problem. There is also staff from the company that owns the systems to conduct the inspection every three months. In addition, the Company aware of the selection of efficient technology and emphasize on the constant development of information technology system.

#### **6) Risk from Default Payment**

The Company reduced default risk by only selecting clients with financial stability. Furthermore, the Company has strict risk management policy and assesses client credit line according to Association of Thai Securities Companies. Credit limit review is taken seriously to ensure that the trading limit is appropriate and suitable for the clients' financial status. In case of default, the Company has stipulate measure to handle the case. Normally, clients are required to pledge collateral with the Company; the collateral can be forced sell to pay off debt immediately.

Together with SET regulation, it enforces clients to deposit cash as collateral with the Company in an amount with no less than 20% of the credit line.

Furthermore, the Company has offered more margin loan service to clients. However, the Company has clear credit assessment with strict control and monitoring procedure to follow. The Company produces lists of securities and initial margin rate and reviews regularly. In addition, the Company has procedure to control collateral in margin account, once the value of asset is lower than required level, margin call or force sell will be enforced.

On 31 December 2019, the Company has total account receivable and accrued interest in the amount of THB 2,551.39 million with total doubtful debt of securities business and future trading business in the amount of THB 6.12 million or 0.24% of total account receivable and accrued interest. The Company has set aside a full amount of doubtful debt reserve. It is currently asking the debtors for payments and taking legal proceeding against the debtors who have doubtful debts. The Company has a policy to write off such debt when the litigation case is final and a debtor is unable to repay debt.

## **7) Underwriting Risk**

Even though underwriting business can generate income to the Company and serves as a factor in preserving and expanding the customer, the Company has to take risks as the underwriter in case of undersubscribed offerings by purchasing the outstanding shares in the Company's proprietary accounts which may cause the Company to realize loss if such shares are traded at the price below the IPO price after trading in the Stock Exchange, such loss may affect the Company's liquidity. Such risk is subject to factors like market volatility and investor opinion on the share price, etc.

To avoid such risk, the Company will ensure that the IPO price is appropriate and suitable. The Company must inspect and conduct a thorough examination on the company in which the Company will underwrite based on the owner's need and money market sentiment before agreeing to offer underwriting service. The Company Executive Committee will evaluate the risk before the Company commit to any underwriting service; of which the Company has never been affected by such risk. Furthermore, the Company always maintains NCR at a higher level than the 7% required by SEC.

## 8) Risks on DW Business

### 8.1 Risks on Derivative Warrants

#### ➤ Risks on Derivative Warrants

The prices of DW's change rapidly and the true theoretical price are difficult to calculate because it depends on many factors. This makes DW's a low-cost but high-yield financial product where investors also make substantial losses if the price move in the opposite direction from their expectations. The losses will be limited to the amount of the purchase of DW's. Therefore, to invest in such products, the investors should study and understand before investing in DW. The factors that affect the price of the DW's are as follows;

#### ❖ Demand and supply of DW's

- DW's price may rise or fall sharply depending on the demand of buying and selling (Demand and supply) of DW at that moment.

#### ❖ Prices of the underlying securities or underlying stock index (when other factors are constant)

- When the prices of the underlying securities or underlying securities index rise, the price of the Call Warrant will increase accordingly, while price of the Put Warrant will drop.
- When the prices of the underlying securities or underlying stock index drop, the price of the Call Warrant will drop accordingly, while price of the Put Warrant will increase.

#### ❖ Exercise price (when other factors are constant)

- When the exercise price rises, the price of Call Warrant will drop, while price of the Put Warrant will increase.
- When the exercise price drops, the price of Call Warrant will increase, while price of the Put Warrant will drop.

#### ❖ Fluctuation in the prices of the underlying securities or underlying stock index (when other factors are constant)

- When the fluctuation of the price of underlying securities or underlying securities index rise, the price of the Call Warrant and Put Warrant may rise as well.
- When the fluctuation of the price of underlying securities or underlying securities index drop, the price of the Call Warrant and Put Warrant may drop as well.

#### ❖ Expiration date of the DW (when other factors are constant)

- When the expiration date of the DW comes up, the price of the Call Warrant and Put Warrant will decline.

#### ❖ Interest Rate (when other factors are constant)

- When interest rate rise, the price of the Call Warrant will increase while the price of the Put Warrant will decline.
- When interest rate decline, the price of the Call Warrant will decline while the price of the Put Warrant will increase.

❖ Dividend yield of the underlying securities (when other factors are constant)

- When dividend yield increase, the price of Call Warrant will drop while the price of Put Warrant may rise.
- When dividend rate drop, the price of Call Warrant will rise while the price of Put Warrant may drop.

➤ Liquidity Risks

Each DW series that trade in the stock market may have liquidity risks because of the small amount of each series compare to securities traded in the market. In addition, the liquidity of the DW may reduce when trading of the underlying securities drop.

However, the Market Maker will send buying and selling orders to stabilize the prices and volumes in accordance with the terms of the Rights that investors can trade DW when they need. Investors should study and consider the information from a 69-Full/Short and also terms of Rights carefully before investing.

## **8.2 Risks from the underlying securities or underlying stock index**

➤ The Company that issued the underlying securities grants privileges to the existing shareholders

The Company may adjust the rights for investors by varying the Exercise Price and/or Exercise ratio for Derivative Warrants which the underlying assets are in form of shares by calculating a formula specified in the Terms and Conditions. The issuer of the underlying securities (the underlying company) may give privileges to existing shareholders. These include:

1. Allocation of new shares to existing shareholders of the Company (the issuer of the underlying securities)
2. The stock dividend of the underlying company
3. The dividend of the underlying company
4. Stock split or reverse stock split of the underlying company

➤ Suspension or cessation of trading of the underlying securities or cessation of calculating the underlying securities index

In the event that the underlying securities are either suspended or cease trading due to announcement of Suspension (SP) or Halt (H) signs, DW's of such underlying securities will also be suspended as well and investors will not be able to trade the DW's during that period. In the event securities index ceases to calculate the related DW's will be affected as well including the underlying products which are the underlying assets which have been ceased the calculation of the underlying. It will affect the DW as well.

➤ The delisting of underlying securities from listed securities in the SET

In the event of delisting of underlying securities from the SET before the maturity date of the DW, the Company will move up the maturity date of DW to be sooner. Therefore, the remaining life of the DW will decline rapidly and may cause the price of DW to drop sharply as well.

➤ Liquidation of the underlying company

In case of the shareholders of the underlying company approved the resolution for dissolution or appointed the liquidator or court order to dissolve the company or appoint a liquidator, the Call Warrants that have not been exercised, will be cancelled and cannot be exercised. Such DW's will be cancelled at the date of the Shareholders' Meeting that approved the Company's resolution or by the date specified by the court. In that case, prices of DW's may decline drastically. In case of Put DW's,

the issuer will announce the fair price of the underlying securities to holders within fifty (50) days after the meeting of shareholders of the Company has approved the dissolution resolution, or appointed a liquidator, or the court has ordered the dissolution of the Company. "Fair Price" means the price supplied by an Independent Financial Advisor which is licensed by SEC. The fair price must be calculated no more than fifty (50) days prior to the issuer announcing the fair price which is deemed to be the underlying price. The issuer must pay the different part of Net Cash Settlement Amount (if any) to the holders of DW's by paying to the bank account of the holders of the DW's or by cheque made payable to holders of the DW that are listed on the share register at the Automatic Exercise Date and sent by registered mail within nine (9) days from the date that the fair price has been announced.

In the case of DW's with underlying stock index, the Company does not adjust the multiplier index and/or exercise price, unless the issuer deems that there are reasonable grounds which have significant impact on the holders of DW's. The Company will determine the appropriate method of adjusting the multiplier index and/or exercise price fairly as well as to set the date for the adjustment of multiplier index and/or exercise price and its effective date without decreasing the rights of DW holders. The Company will notify DW holders according to the regulations of the SET and other entities involved.

### **8.3 Risks of failure in the settlement and delivery**

The event of settlement failure refers to events that are beyond the control of the issuer of DW and not due to the fault of the issuer. This results in the issuer unable to settle with the holders of DW in exercising their rights. This includes (but is not limited to) the following events:

- War or riots in the country or abroad or any other causes which results in unable DW's or the underlying securities unable to trade the stock market as normal
- SET suspend trading of the underlying securities, for whatever reason
- Due to laws or orders of relevant authorities with the impact on the trading of DW and/or adversely affect the underlying securities that cannot find the underlying price.

### **8.4 Risks of delivering securities or payment cash for difference with the Company's obligations (Credit Risk)**

DW's are securities derivatives without assets collateral, so the risk of investors who invest in DW's depends on the reliability of the underlying issuer and guarantor of repayment. If the underlying issuer or guarantor of the debt cannot pay for the debt or default, the investors will have the same status as unsecured creditors of the issuer or guarantor of the underlying debt, regardless of the return of the underlying securities or index. There is a risk that investors will not get a repayment in whether in full amount or partial. Investors will have no rights to claim any of the terms of the issuer of the underlying securities or indexes.

Investors should study the information and qualifications of issuers and study factors of risk associated with the operations of the issuer, financial status, performance in the recent years and credit rating. The issuer has been rated by Fitch Ratings (Thailand) Limited at BBB + (on 8 August 2019), which is a requirement of the SEC for issuance of DW's. Investors can find out more from 69-dw-full/short 56-1 Draft terms of rights, including the events of default and the consequences of default under section 1 of the Terms and Conditions before investing.

## 9) Risk of Securities Borrowing and Lending Business

Investors mainly use borrowing and lending of stocks as tool for hedging and seek for return in volatile market. The Company manages the possible risks that may arise from customer transactions by requiring borrower's deposit collateral, the value of which must be maintained at the minimum set level. If the value of the deposit collateral drops below a given level, the Company has the right to call additional collateral from the borrowers.

## 10) Reliance on Human Resources

The securities business relies highly on experienced employees especially in the field of marketing, investment banking and research which are the professions highly desired. The resignation from such employees could affect the Company's performance.

To minimize such risk and effect, the Company has policy to develop and educate every level and profession so replacement is easy when needed. Furthermore, Association of Thai Securities Companies sets the allowance on compensation given to investment consultants to help controlling the movement of such profession. The Company has also developed a clear policy where investment consultants will be properly compensated in terms of salary, bonus and welfare; as well as good caring environment at a well maintained workplace. The Company encourages good team work, bonding among co-worker, as well as offers opportunity for career growth.

## 11) Client Concentration

The Company has no concentration on any customers more than 30% of total income. However, the Company aware of the potential impact and prepare a solution to manage such risk by expanding more of its customer base, namely individual investors, and local and foreign institutions; developing the online order submission to facilitate its customers. The purpose of which is to expand the customer base and not excessively relying on high-volume customer or a small group of customers.

## 12) Risk from having major shareholder exceeding 25% shareholding

Finansa Fund Management Limited is the major shareholder holding 29.29% of the total paid-up shares. The Shareholder is able to control the resolution of the important agenda of annual general meeting or the resolutions which legally require three-quarter of the shareholders attending the meeting. Consequently, other shareholders have risk in terms of having not enough votes to ask for the verification or balance the vote. However, the 3 independent directors from 9 directors, working independently from the Management and the major shareholder, acting as the Company's Audit Committee are responsible for checking and recommending the Company to operate in a correct and transparent manner.

### 13) Risk from changes of technologies

Since the Company changed its core strategy to provide online trading platform which was launched on 23 March 2018 under the name “Finansia HERO”, the Company aware of the ever-changing information technology because the implemented technology is always developed and changed. In this regard, the Company may pose risks in offering online trading platform system which is obsolete to investors resulted in the decrease in value added of the Company and loss its capability in a long-term competition.

However, the risk from obsolescence will slightly affect the Company because technologies from the Company’s partner, namely, Kiwoom Securities, is on the cutting-edge according to the Company’s results of studies and comparison of the online trading systems which are currently available in the market before its cooperation in developing the online trading system. Such cooperation is not only to buy a computer program but to also conduct the investors’ behaviors to develop the online trading system with the idea of Customer Centric. In addition, the Company also protects itself by following up the movement and trends of the investors’ behaviors, as well as new technology and innovation which will be offered to the market and response the needs of customers. The source of which was from investors, partners, cyber- related news, international seminars regarding technologies, etc. The Company also established E-Business Technology department which comprises of the 5-6 proficient programmers who stationed at Kiwoom Securities and possess knowledge and experiences regarding information technology in various fields to cooperate in considering and design various features to be the alternative investment tool and new innovation for investors. Moreover, the Company’s organizational culture always emphasizes on the adoption of new technology and innovation. The average age of the Company’s E-business technology team is approximately 25-26 years old which is considered as the group of people with constant eagerness to learn and adopt new technologies as well as ability to adapt quickly.

## Report of the Board of Directors' Responsibility for the Financial Reports

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The Board of Directors of Finansia Syrus Securities PLC is responsible for the financial statements of the Company and its subsidiaries which have been prepared in accordance with generally accepted accounting standards in Thailand by implementing the appropriate accounting policies consistently, and provide an adequate disclose of important information in the notes to the financial statements.

The Board has appointed the Audit Committee which comprises three independent members to provide effective oversight of finances and evaluation of internal control system to ensure that accounting information is recorded accurately, adequately and timely, to prevent fraud and irregular transactions. The views of the Audit Committee are included in the Audit Committee's report in this annual report.

The Board is confident that the internal control system of Finansia Syrus Securities PLC and its subsidiaries represents the financial position, results, operations and cash flow accurately.



**Chatchaval Jiaravanon**

Chairman of the Board of Directors

# Independent Auditor's Report

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## Independent Auditor's Report

To the Shareholders of Finansia Syrus Securities Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Finansia Syrus Securities Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Finansia Syrus Securities Public Company Limited for the same year.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Finansia Syrus Securities Public Company Limited and its subsidiary and of Finansia Syrus Securities Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year 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 Group 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 to each matter are described below.

### **Recognition of brokerage fees income**

The Group's core revenues consisted of brokerage fees income, totaling Baht 914 million, representing 71 percent of the total revenues. The Company charges brokerage fees income at percentages of trading volume, which are freely negotiated, and based on a sliding scale fee structure. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees relying primarily on data processed by information and technology (IT) systems, I therefore focused on examining that brokerage fees are recognised correctly as actually incurred.

I assessed and tested, on a sampling basis, the operation of the Company's internal controls relevant to recognition of brokerage fees, the IT controls relevant to the calculation of brokerage fees and checked, on a sampling basis, the brokerage rates, calculation and recording. In addition, I performed analytical procedures on brokerage fees and tested, on a sampling basis, material manual adjustments made through journal vouchers.

## **Allowance for doubtful accounts on securities and derivatives business receivables**

As discussed in Note 4.8 to the financial statements, the Company set aside allowance for doubtful accounts, taking into consideration, status of each debtor, collection risk and the value of the collateral. For securities trading and credit balance transactions, the Company has policies regarding the collateral to be placed, with the value of collateral required dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts on securities and derivatives business receivables is importance because of the number of customers and the significance to the Company's financial statements (As at 31 December 2019, securities business receivables were Baht 2,559 million, representing 60 percent of the Group's total assets). Therefore, I focused on the adequacy of allowance for doubtful accounts on such receivables.

I have performed audit procedures on the adequacy of allowance for doubtful accounts as follows:

- I assessed, and tested on a sampling basis, the Company's internal controls relevant to the status of receivables, calculation of collateral value, calculation of allowance for doubtful debts and the recording of allowance for doubtful accounts. I also assessed the methods applied by the Company in determination and calculation of the allowance for doubtful accounts, and compared the Company's policies with the regulatory requirements. I tested, on a sampling basis, the operation of the IT controls relevant to the calculation of the collateral value and the revaluation adjustments made to the fair values of collateral.
- I examined the adequacy of allowance for doubtful accounts as at the end of reporting period by testing, on a sampling basis, the data used in calculation of allowance for doubtful accounts, the status of receivables, the valuation of collateral, the collections after the end of reporting period, the debt classification and the calculation of the allowance for doubtful accounts.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group's internal control.
- 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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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.

Ratana Jala  
Certified Public Accountant (Thailand) No. 3734

EY Office Limited  
Bangkok: 18 February 2020

Finasia Syrus Securities Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Assets</b>					
Cash and cash equivalents	6, 29,3	101,512,582	376,612,496	76,595,803	354,046,723
Receivables from Clearing House and broker-dealers	7	142,228,011	688,722,575	142,228,011	688,722,575
Securities and derivatives business receivables	8	2,558,517,795	2,220,757,080	2,558,517,795	2,220,757,080
Derivatives assets	9	-	-	-	-
Investments	10	781,523,326	820,769,503	781,523,326	820,769,503
Loans to employees		275,307	1,248,294	275,307	1,248,294
Investments in a subsidiary and an associate	11	116,410,684	119,060,796	113,162,491	113,162,491
Equipment	12	69,723,616	74,105,487	69,723,616	74,105,487
Intangible assets	13	246,462,968	260,339,270	246,462,968	260,339,270
Deferred tax assets	14.1	59,625,254	25,292,812	61,446,067	27,886,746
Current tax assets		6,866,942	6,598,703	5,404,472	4,820,669
Withholding tax receivables		6,598,703	-	4,820,669	-
Other assets	15	187,207,164	160,812,548	191,319,597	163,778,487
<b>Total assets</b>		<b>4,276,952,352</b>	<b>4,754,319,564</b>	<b>4,251,480,122</b>	<b>4,729,637,325</b>
<b>Liabilities and owners' equity</b>					
<b>Liabilities</b>					
Borrowings from financial institutions	16	50,000,000	-	50,000,000	-
Payables to Clearing House and broker-dealers	17	662,572,829	423,883,317	662,572,829	423,883,317
Securities and derivatives business payables	18	940,532,459	1,495,294,583	940,532,459	1,495,294,583
Derivatives liabilities	9	19,371,381	4,772,145	19,371,381	4,772,145
Provision for long-term employee benefits	19	64,492,736	55,463,100	62,648,911	54,834,762
Other payables	20	1,438,802	1,438,802	1,438,802	8,838,802
Other liabilities	21	189,295,347	242,311,018	186,755,139	234,676,411
<b>Total liabilities</b>		<b>1,927,703,554</b>	<b>2,223,162,965</b>	<b>1,923,319,521</b>	<b>2,222,300,020</b>

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Owners' equity</b>					
Share capital					
Issued and paid-up share capital					
581,403,025 ordinary shares of Baht 1.60 each		930,244,840	930,244,840	930,244,840	930,244,840
Share premium		620,892,885	620,892,885	620,892,885	620,892,885
Capital reserve for share-based payment transactions		322,946	322,946	322,946	322,946
Deficit as a result of change in holding percentage					
in a subsidiary		(251,580)	(251,580)	-	-
Retained earnings					
Appropriated - statutory reserve	22	78,640,769	78,640,769	78,640,769	78,640,769
Unappropriated		725,419,484	901,949,260	698,059,161	877,235,865
Other component of owners' equity					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(6,772,407)	(1,417,318)	-	-
Total equity attributable to the Company's shareholders		2,348,496,937	2,530,381,802	2,328,160,601	2,507,337,305
Non-controlling interests of the subsidiary		751,861	774,797	-	-
<b>Total owners' equity</b>		<b>2,349,248,798</b>	<b>2,531,156,599</b>	<b>2,328,160,601</b>	<b>2,507,337,305</b>
<b>Total liabilities and owners' equity</b>		<b>4,276,952,352</b>	<b>4,754,319,564</b>	<b>4,251,480,122</b>	<b>4,729,637,325</b>

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

Mr. Chuangchai Nawongs  
President & CEO

Ms. Pornpring Suksantisuwan  
Director

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Income</b>					
Brokerage fees income	23, 29.2	914,154,999	1,049,505,108	914,154,999	1,049,505,108
Fees and service income	24	81,389,301	94,195,367	81,389,301	94,195,367
Interest income on margin loans		55,245,854	67,677,923	55,245,854	67,677,923
Gain (loss) and return on financial instruments	25	198,578,095	226,280,431	198,314,435	226,217,315
Shares of gain (loss) from investments in an associate	11.2	4,043,752	2,832,737	-	-
Gain on sale of investment in joint venture		-	8,797,834	-	-
Other income	29.2	41,903,026	20,203,634	45,481,564	23,803,633
<b>Total income</b>		<b>1,295,315,027</b>	<b>1,469,493,034</b>	<b>1,294,586,153</b>	<b>1,461,399,346</b>
<b>Expenses</b>					
Employee benefits expenses	26	796,367,244	874,700,850	756,261,308	841,148,211
Fees and service expenses		218,920,476	172,554,025	218,865,476	172,494,025
Finance costs		28,167,826	31,537,137	28,167,826	31,537,137
Bad debt and doubtful accounts (reversal)		(49,450)	(96,000)	(49,450)	(96,000)
Other expenses	29.2	421,995,087	414,617,796	464,868,053	455,199,883
<b>Total expenses</b>		<b>1,465,401,183</b>	<b>1,493,313,808</b>	<b>1,468,113,213</b>	<b>1,500,283,256</b>
<b>Profit (loss) before income tax</b>		<b>(170,086,156)</b>	<b>(23,820,774)</b>	<b>(173,527,060)</b>	<b>(38,883,910)</b>
Income tax	14.2	32,002,984	133,647	32,694,222	3,094,068
<b>Profit (loss) for the year</b>		<b>(138,083,172)</b>	<b>(23,687,127)</b>	<b>(140,832,838)</b>	<b>(35,789,842)</b>
<b>Other comprehensive income (loss):</b>					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements					
in foreign currency - net of income tax		(5,355,089)	(479,011)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(5,355,089)	(479,011)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods:					
Share of other comprehensive income					
from investments in joint venture - net of income tax					
Actuarial loss - net of income tax		(3,586,073)	(5,254,228)	(3,460,399)	(4,778,548)
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(3,586,073)	(5,254,228)	(3,460,399)	(4,778,548)
<b>Other comprehensive income (loss) for the year</b>		<b>(8,941,162)</b>	<b>(5,733,239)</b>	<b>(3,460,399)</b>	<b>(4,778,548)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(147,024,334)</b>	<b>(29,420,366)</b>	<b>(144,293,237)</b>	<b>(40,568,390)</b>

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of comprehensive income (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit (loss) attributable to:</b>					
The Company's shareholders		(138,064,953)	(23,797,934)	(140,832,838)	(35,789,842)
Non-controlling interests of the subsidiary		(18,219)	110,807		
		<u>(138,083,172)</u>	<u>(23,687,127)</u>		
<b>Comprehensive income (loss) attributable to:</b>					
The Company's shareholders		(147,001,398)	(29,513,317)	(144,293,237)	(40,568,390)
Non-controlling interests of the subsidiary		(22,936)	92,951		
		<u>(147,024,334)</u>	<u>(29,420,366)</u>		
<b>Earnings per share</b>					
Basic earnings (loss) per share					
Profit (loss) attributable to shareholders of the Company	27	(0.24)	(0.04)	(0.24)	(0.06)

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of cash flows

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(170,086,156)	(23,820,774)	(173,527,060)	(38,883,910)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	63,415,901	60,247,624	63,415,901	60,247,624
Bad debt and doubtful accounts (reversal)	(49,450)	(96,000)	(49,450)	(96,000)
(Gain) loss on disposals and write-off of equipment and intangible assets	31,193	215,942	31,193	215,942
Unrealised (gain) loss on revaluation of trading investments	(11,641,056)	23,256,367	(11,641,056)	23,256,367
Unrealised (gain) loss on revaluation of derivatives	12,414,620	(10,605,531)	12,414,620	(10,605,531)
(Gain) loss on sale of investment in a joint venture	-	(8,797,834)	-	-
Share of (gain) loss from investments in an associate	(4,043,752)	(2,832,737)	-	-
Provision for long-term employee benefits	16,633,045	(3,096,790)	15,574,651	607,124
Interest and dividend income	(81,562,858)	(74,775,849)	(81,299,198)	(74,712,732)
Interest income on margin loans	(55,245,854)	(67,677,923)	(55,245,854)	(67,677,923)
Finance costs	28,167,826	31,516,820	28,167,826	31,516,820
Amortisation of interest expense on financial lease agreement	-	20,317	-	20,317
Amortisation of discount on debt issued	-	1,143,113	-	1,143,113
<b>Profit (loss) from operating activities before changes in operating assets and liabilities</b>	(201,966,541)	(75,303,255)	(202,158,427)	(74,968,789)
(Increase) decrease in operating assets				
Receivables from Clearing Houses and broker-dealers	534,978,190	(517,836,210)	534,978,190	(517,836,210)
Securities and derivatives business receivables	(338,512,809)	1,702,836,465	(338,512,809)	1,702,836,465
Investments	50,887,233	129,516,999	50,887,233	129,516,999
Loan to employees	972,987	(981,736)	972,987	(981,736)
Other assets	(20,008,443)	13,337,813	(21,154,938)	14,240,488
Increase (decrease) in operating liabilities				
Payables to Clearing Houses and broker-dealers	238,689,512	(485,846,666)	238,689,512	(485,846,666)
Securities and derivatives business payables	(554,762,124)	(78,401,607)	(554,762,124)	(78,401,607)
Derivatives liabilities	13,700,990	(93,329,374)	13,700,990	(93,329,374)
Paid for long-term employee benefits	(12,086,000)	(9,121,400)	(12,086,000)	(9,121,400)
Other payables	-	(361)	(7,400,000)	7,399,639
Other liabilities	(10,926,097)	(55,387,238)	(5,831,698)	(62,228,592)
Cash received (paid) from operating activities	(299,033,102)	529,483,430	(302,677,084)	531,279,217
Proceeds on interest and dividend income	131,224,086	152,947,804	130,960,426	152,884,687
Cash paid on interest expense	(28,485,989)	(31,406,494)	(28,485,989)	(31,406,494)
Cash paid on income tax expense	(6,961,108)	(11,276,933)	(5,404,472)	(9,515,980)
<b>Net cash provided by (used in) operating activities</b>	(203,256,113)	639,747,807	(205,607,119)	643,241,430

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

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of cash flows (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Cash received (paid) from investing activities				
Cash received from disposal of investment in a joint venture	-	117,640,655	-	117,640,655
Proceeds on disposals of equipment	90,256	565,533	90,256	565,533
Proceeds on disposals of intangible assets	183	-	183	-
Cash paid for purchases of equipment	(21,096,792)	(25,844,658)	(21,096,792)	(25,844,658)
Cash paid for purchases of intangible assets	(65,953,981)	(100,465,905)	(65,953,981)	(100,465,905)
<b>Net cash provided by (used in) investing activities</b>	<b>(86,960,334)</b>	<b>(8,104,375)</b>	<b>(86,960,334)</b>	<b>(8,104,375)</b>
<b>Cash flows from financing activities</b>				
Cash received (paid) from financing activities				
Cash received (paid) from borrowings from financial institutions	50,000,000	(200,000,000)	50,000,000	(200,000,000)
Cash received (paid) from debt issued	-	(160,000,000)	-	(160,000,000)
Cash paid for liabilities under finance lease agreement	-	(669,865)	-	(669,865)
Dividend paid	(34,883,467)	(34,883,900)	(34,883,467)	(34,883,900)
<b>Net cash provided by (used in) financing activities</b>	<b>15,116,533</b>	<b>(395,553,765)</b>	<b>15,116,533</b>	<b>(395,553,765)</b>
Net increase (decrease) in cash and cash equivalents	(275,099,914)	236,089,667	(277,450,920)	239,583,290
Cash and cash equivalents at the beginning of the year	376,612,496	140,522,829	354,046,723	114,463,433
<b>Cash and cash equivalents at the ending of the year</b>	<b>101,512,582</b>	<b>376,612,496</b>	<b>76,595,803</b>	<b>354,046,723</b>

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

**Finansia Syrus Securities Public Company Limited and its subsidiary**  
**Statement of changes in owners' equity**  
**For the year ended 31 December 2019**

(Unit: Baht)

		Consolidated financial statements									
		Equity attributable to of the Company's shareholders					Other component of owners' equity				
Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Deficit as a result of change in holding percentage in the subsidiary	Retained earnings	Unappropriated statutory reserve	Exchange differences on translation of financial statements in foreign currency - net of income tax	Total equity attributable to the Company's shareholders	Non-controlling interest of the subsidiary	Total owners' equity	
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	985,867,466	(938,307)	2,594,779,019	681,848	2,595,460,865	
	-	-	-	-	-	(23,797,934)	-	(23,797,934)	110,807	(23,687,127)	
	-	-	-	-	-	(5,236,372)	(479,011)	(5,715,383)	(17,856)	(5,733,239)	
	-	-	-	-	-	(29,034,306)	(479,011)	(29,513,317)	92,951	(29,420,366)	
28	-	-	-	-	-	(34,883,900)	-	(34,883,900)	-	(34,883,900)	
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	901,949,260	(1,417,318)	2,530,381,802	774,797	2,531,156,599	
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	901,949,260	(1,417,318)	2,530,381,802	774,797	2,531,156,599	
	-	-	-	-	-	(138,064,953)	-	(138,064,953)	(18,219)	(138,083,172)	
	-	-	-	-	-	(3,581,356)	(5,355,089)	(8,936,445)	(4,717)	(8,941,162)	
	-	-	-	-	-	(141,846,309)	(5,355,089)	(147,001,398)	(22,936)	(147,024,334)	
28	-	-	-	-	-	(34,883,467)	-	(34,883,467)	-	(34,883,467)	
	930,244,840	620,892,885	322,946	(251,560)	78,640,769	725,419,484	(6,772,407)	2,348,496,937	751,861	2,349,248,798	

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

**Finansia Syrus Securities Public Company Limited and its subsidiary**  
**Statement of changes in owners' equity (continued)**  
**For the year ended 31 December 2019**

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total owners' equity
					Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018</b>		930,244,840	620,892,885	322,946	78,640,769	952,688,155	2,582,789,595
Profit (loss) for the year		-	-	-	-	(35,789,842)	(35,789,842)
Other comprehensive income (loss) for the year		-	-	-	-	(4,778,548)	(4,778,548)
Total comprehensive income (loss) for the year		-	-	-	-	(40,568,390)	(40,568,390)
Dividend paid	28	-	-	-	-	(34,883,900)	(34,883,900)
<b>Balance as at 31 December 2018</b>		930,244,840	620,892,885	322,946	78,640,769	877,235,865	2,507,337,305
<b>Balance as at 1 January 2019</b>		930,244,840	620,892,885	322,946	78,640,769	877,235,865	2,507,337,305
Profit (loss) for the year		-	-	-	-	(140,832,838)	(140,832,838)
Other comprehensive income (loss) for the year		-	-	-	-	(3,460,399)	(3,460,399)
Total comprehensive income (loss) for the year		-	-	-	-	(144,293,237)	(144,293,237)
Dividend paid	28	-	-	-	-	(34,883,467)	(34,883,467)
<b>Balance as at 31 December 2019</b>		930,244,840	620,892,885	322,946	78,640,769	698,059,161	2,328,160,601

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

## Finansia Syrus Securities Public Company Limited and its subsidiary

### Notes to consolidated financial statements

For the year ended 31 December 2019

#### 1. General information

Finansia Syrus Securities Public Company Limited (“the Company”) is a public company incorporated under Thai laws and domiciled in Thailand. Its major shareholders are Finansia Fund Management Limited which held shares in the Company at the rates of 29.29% of the Company’s issued and paid-up share capital. The Company’s registered address and head office are located at No. 999/9, 18th and 25th floors of The Offices at Centralworld, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

The Company has been operating its businesses in Thailand and undertaken business licenses as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Securities underwriting
5. Financial advisory
6. Derivatives brokerage
7. Securities borrowing and lending
8. Mutual fund management
9. Private fund management

As at 31 December 2019 and 2018, the Company had 27 branches and 31 branches, respectively.

#### 2. Basis for preparation of financial statements

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and the principles stipulated by 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 SEC relating to the format of the financial statements of securities companies (Version 2), No. SorThor. 22/2559 dated 2 June 2016.

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.

## 2.2 Basis of consolidation

- (a) The consolidated financial statements included the financial statements of the Company and the following subsidiary company (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2019	31 December 2018
			(%)	(%)
FSS International Investment Advisory Securities Company Limited	Advisory	Thailand	96.25	96.25

- (b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiary is fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as those of the Company.
- (e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within owners' equity in the consolidated statement of financial position.
- (g) The net assets in the financial statements of an overseas associate are translated into Baht using the exchange rate prevailing at the end of the reporting periods. Profit or loss of the associate is translated using a monthly average exchange rate. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” and presented as a part of other component of owners' equity in the statements of financial position.

## 2.3 Separate financial statements

The Company has prepared its separate financial statements, which present investments in a subsidiary and an associate under the cost method.

### 3. New financial reporting standards

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

During the year, the Company and its subsidiary have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2019. 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 and its subsidiary's financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiary's financial statements.

## **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

### **Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

## **TFRS 16 Leases**

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

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiary is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### **(a) Brokerage fees income**

Brokerage fees income on securities and derivatives trading are recognised as revenue on the transaction dates.

#### **(b) Fees and service income**

Fees and service income are recognised as revenue, taking into account the stage of completion, which is measured based on service performed to date as a percentage of total service to be performed. Revenue is recognised when it is probable that the amount will be collected.

#### **(c) Interest income on margin loans**

Interest income is recognised as it accrues based on the effective rate method, except that there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Receivables from general debtors, which are not fully collateralised.
- (2) Installment loans with repayments scheduled less frequently than every three months and for which principal or interest is overdue longer than three months.
- (3) Installment loans with repayments scheduled longer than every three months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- (4) Problem financial institutions.
- (5) Other receivables from which interest payment is overdue for three months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission ("SEC").

- (d) Gain and return on financial instruments

*Gain (loss) on investments and derivatives*

Gain (loss) on investments and derivatives are recognised as income/expense on the transaction date.

*Interest and dividend*

Interest is recognised on an accrual basis based on an effective rate. Dividend is recognised when the right to receive the dividend is established.

#### **4.2 Expenses recognition**

Expenses are recognised on an accrual basis.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, all bank deposit accounts with an original maturity less than 3 months, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

#### **4.4 Recognition and derecognition of customers' assets**

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

#### **4.5 Receivables from/payables to Clearing House and broker-dealer**

Receivables from/payables to Clearing House and broker - dealer comprise the net receivable from/payables to Thailand Clearing House (TCH) for settlement of equity securities trading and derivatives trading, including cash collateral pledged with TCH for derivatives trading instruments and receivable/payables from overseas securities companies in respect of overseas securities trades settle through those companies.

#### **4.6 Securities and derivatives business receivables**

Securities and derivatives business receivables are the balances of securities business receivables and derivatives business receivables and including accrued interest receivables after deducting allowance for doubtful accounts.

Securities business receivables comprise receivables on cash accounts, credit balance receivables for which the securities purchased are used as collateral, securities borrowing and lending receivables and guaranteed deposit receivables which comprise cash placed as guarantee for borrowers of securities and other receivables (such as overdue in cash accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are being settled in installments).

#### **4.7 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” in the statements of financial position. At the end of the reporting periods, the balance of securities borrowing and lending payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the reporting period. Gains or losses arising from such adjustment are recorded in profit or loss in the statement of comprehensive income. Securities lent to customers are recorded as “Securities borrowing and lending receivables” in the statements of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as “Collateral receivables” or “Collateral payables”. Fees on securities borrowing and lending are recognised on an accrual basis.

#### **4.8 Allowance for doubtful accounts**

The Company has provided an allowance for doubtful accounts based on a review of each debtor’s repayment capability, taking into consideration the risk of recovery and the value of the collateral. An allowance will be set aside for doubtful accounts that their collaterals are not fully covered and/or debtors can not be recovered in full. Such debt classifications and allowances are made in accordance with guidelines stipulated by the Office of the Securities and Exchange Commission (“SEC”) as the following criteria:

- (a) Debts classified as bad debts are defined as follows:
  - (1) Debts which the Company has made effort to follow up, but could not collect repayment. The Company has written them off in accordance with tax law.
  - (2) Debts on which the Company has forgiven.

- (b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:
  - (1) Debtors in general, problem financial institutions, and other debtors which have the value of the underlying collateral less than the debts.
  - (2) Installment loans with repayments scheduled no longer than three months for each installment, which principal or interest is overdue by three months or more.
  - (3) Installment loans with repayments scheduled longer than three months for each installment, unless there is clear evidence and high degree of certainty that full is recovered.
- (c) Sub-standard debt is defined as the collateralised portion of debts, which meet the criteria in (b).

Bad debts will be written off when identified. Full allowance of the debt balance will be set aside for debts classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission (“SEC”).

#### **4.9 Investments**

- (a) Investments in securities held for trading are determined at fair value. Changes in the fair value of these securities are recorded in profit or loss in the statement of comprehensive income.
- (b) Investments in deposits at financial institutions are fixed deposits with original maturity within 3 months from the date of acquisition, but the Company intends to roll-over them, or deposits subject to withdrawal restrictions.
- (c) Investments in non-marketable equity securities which the Company classified as general investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the reporting period. The fair value of investment units is determined based on their net asset value at the end of the reporting period.

Impairment loss (if any) is recognised in profit or loss.

In the event that the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recognised in profit or loss or in other component of owners’ equity depending on the type of investment that is reclassified.

Purchase and sales of investments are recorded on trade date. On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised as revenue or expense in profit or loss. The weighted average method is used for computation of the cost of investment.

#### **4.10 Loans**

Loans to employees under welfare program are recognised initially at the amount granted to the employees and are subsequently stated at amorised cost, based on the effective interest rate. Returns are recognised in the statement of comprehensive income over the term of loan.

#### **4.11 Investments in a subsidiary and an associate**

(a) Consolidated financial statements

Investments in an associate is accounted for in the consolidated financial statements using the equity method.

(b) Separate financial statements

Investments in a subsidiary and an associate are stated in the separate financial statements at cost net of allowance for impairment loss (if any).

#### **4.12 Equipment and depreciation**

Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of equipment is calculated by reference to their cost on the straight-line method over the following estimated useful lives:

Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

No depreciation is provided for equipment under installation.

Depreciation is included in profit or loss.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

**4.13 Intangible assets and amortisation**

Intangible assets are recognised at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and allowance for impairment (if any).

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

Intangible assets with finite useful lives are amortised on a straight line method over the estimated period of their economic benefits as follows:

Futures exchange membership fee	10 years
Retail brokerage business acquisition cost	2 years
Computer softwares	5 -15 years
Right to use system	5 years

No amortisation is provided for computer softwares under development and exchange membership fee.

**4.14 Income tax**

Income tax expenses represent 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 and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses brought forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses brought forward can be utilised.

At each reporting date, the Company and its subsidiary review and reduce 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 assets to be utilised.

The Company and its subsidiary record deferred income tax directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

#### **4.15 Impairment of assets**

At each end of reporting year, the Company and its subsidiary perform impairment reviews in respect of equipment and other 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

#### **4.16 Borrowings from financial institution**

Borrowings from financial institution is recognised initially at the fair value of the proceeds received. borrowings from financial institution is subsequently stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

#### **4.17 Securities and derivatives business payables**

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales and obligations to return assets held by the Company as collateral for securities lending.

#### **4.18 Debt issued**

Debt issued is recognised initially at the fair value of the proceeds received. Debt issued is subsequently stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

#### 4.19 Provisions

Provisions are recognised when the Company and its subsidiary have 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.

#### 4.20 Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plan

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

Defined benefit plan

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat 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 the defined benefit plan are recognised in other comprehensive income or loss and as a part of retained earnings.

#### **4.21 Long-term leases**

Leases of equipment, which transfer substantially all the risks and rewards of ownership to the Company and its subsidiary are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the lower of the useful life of the asset or lease periods.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership to the Company and its subsidiary are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line method over the lease term.

#### **4.22 Related party transactions**

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

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiary that give them significant influence over the Company and its subsidiary, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiary's operations, together with closed family members of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

#### **4.23 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of each entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting periods.

Gains and losses on exchange are included in profit or loss.

#### **4.24 Derivatives**

(a) Derivative warrants

The Company initially recognises the fair value of derivative warrants as derivatives liabilities and will subsequently recognise unrealised gains or losses resulting from changes in the fair values of derivative warrants in profit or loss in the statement of comprehensive income. The fair value of marketable derivative warrants being calculated with reference to the last offer price quoted on the Stock Exchange of Thailand on the last working day of the year.

(b) Futures

The Company initially recognises future as off-balance transactions. Gains (losses) from changes in the fair value of the future is induced in profit or loss in the statement of comprehensive income. The fair value of marketable future being calculated with reference to the last bid/offer prices quoted on Thailand Futures Exchange Public Company Limited on the last working day of the year.

(c) Forward exchange contracts

Forward exchange contracts are initially recognised as off-balance transactions. Gains (losses) from changes in the fair value of derivatives is included in profit or loss. The fair value of forward foreign currency contracts is determined based on an average rate of buying or selling for the remaining period of each contract.

#### **4.25 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 and its subsidiary apply 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 and its subsidiary measure fair value using valuation techniques 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 categorisation 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 and its subsidiary determine 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:

### **5.1 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.

### **5.2 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 exercise 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 (the Company and its subsidiary and their counterparties) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these variables could affect the fair value recognised in the statements of financial position and reported in disclosures of fair value hierarchy.

### **5.3 Allowance for doubtful accounts on securities and derivatives business receivables**

Allowances for doubtful accounts on securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each debtor when there is any doubt about the debtor's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

### **5.4 Allowance for impairment on investments**

The Company and its subsidiary treat investments in equity securities as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

### **5.5 Equipment and depreciation**

In determining depreciation of equipment, the management is required to make estimates of the useful life and residual values of equipment and to review estimated useful life and residual 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 in the period when it is determined that their recoverable amount is lower than their carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **5.6 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.

### **5.7 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 estimated future taxable profits.

## 5.8 Provision for long-term employee benefits

Provision for long-term employee benefits is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary incremental rate, mortality rate and staff turnover rate.

## 5.9 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether or not significant risk and rewards of ownership of the leased asset has been transferred to the Company and its subsidiary, taking into consideration terms and conditions of the arrangement.

## 5.10 Litigation

The Company and its subsidiary have contingent liabilities as a result of litigation whereby the management have used judgement to assess the outcome of the litigation cases. In case where the management believe that loss will not be incurred, no contingent liabilities will be recorded for such cases.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated	financial statements	Separate	financial statements
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Cash, short-term deposits and short-term note				
receivables with original maturity periods of less				
than 3 months	682,965	593,134	658,048	570,569
Less: Cash deposits held for customers	(581,452)	(216,522)	(581,452)	(216,522)
Cash and cash equivalents	<u>101,513</u>	<u>376,612</u>	<u>76,596</u>	<u>354,047</u>

### Supplemental cash flows information

	(Unit: Thousand Baht)			
	Consolidated	financial statements	Separate	financial statements
	For the years ended 31 December			
	2019	2018	2019	2018
Non-cash items:				
Purchase of equipment and intangible assets on				
credit	105	41,876	105	41,876

## 7. Receivables from Clearing House and broker-dealers

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2019	31 December 2018
Receivables from Clearing House	265,028	727,708
Receivables from overseas securities companies	212,009	233,762
Receivables from securities company	1,047	4,555
Less: Receivables from Clearing House for customers' account	(134,912)	(58,495)
Less: Receivables from overseas securities companies for customers' account	(200,944)	(218,807)
Receivables from Clearing House and broker-dealers	<u>142,228</u>	<u>688,723</u>

## 8. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2019	31 December 2018
<u>Securities business receivables</u>		
Cash accounts receivables	1,625,164	1,091,714
Credit balance accounts	910,630	928,833
Collateral receivables	6,193	90,731
Securities borrowing and lending receivables	4,105	90,890
Other receivables	1,007	74,856
Total securities business receivables	<u>2,547,099</u>	<u>2,277,024</u>
Add: Accrued interest receivables	4,287	4,954
Less: Allowance for doubtful accounts	(207)	(69,358)
Securities business receivables	<u>2,551,179</u>	<u>2,212,620</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	7,339	8,137
Other receivables	5,911	5,960
Less: Allowance for doubtful accounts	(5,911)	(5,960)
Securities and derivatives business receivables	<u>2,558,518</u>	<u>2,220,757</u>

### 8.1 Non-accrued securities and derivatives business receivables

As at 31 December 2019 and 2018, the Company has securities and derivatives business receivables (included accrued interest receivables) of Baht 6 million and Baht 81 million, respectively, for which the recognition of interest income has been ceased and the Company has set aside allowances for doubtful accounts of Baht 6 million and Baht 75 million, respectively.

### 8.2 Classification of securities and derivatives business receivables

As at 31 December 2019 and 2018, the Company has classified securities and derivatives business receivables in accordance with the Office of the Securities and Exchange Commission's Notification regarding accounting for non-performing debts of securities companies as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2019			31 December 2018		
	Debt balance		Net debt balance after allowance for doubtful accounts	Debt balance		Net debt balance after allowance for doubtful accounts
	Debt balance	Allowance for doubtful accounts	for doubtful accounts	Debt balance	Allowance for doubtful accounts	for doubtful accounts
Normal debt	2,558	-	2,558	2,216	-	2,216
Sub-standard debts	1	-	1	5	-	5
Doubtful debts	6	(6)	-	75	(75)	-
<b>Total</b>	<b>2,565</b>	<b>(6)</b>	<b>2,559</b>	<b>2,296</b>	<b>(75)</b>	<b>2,221</b>

### 8.3 Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2019	2018
Balances - beginning of the year	75,318	75,510
Write-off doubtful accounts	(69,151)	-
Allowance for doubtful accounts (reversal)	(49)	(192)
<b>Balances - end of the year</b>	<b>6,118</b>	<b>75,318</b>

## 9. Derivatives assets and liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2019		
	Fair value		Notional
	Assets	Liabilities	amount
<b>Trading derivatives</b>			
Derivatives warrants	-	19,371	1,450,585
Futures <sup>(1)</sup>	-	-	695,144
Forward exchange contracts	-	-	-
<b>Total</b>	-	19,371	2,145,729

<sup>(1)</sup> Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of futures contracts as at the end of period included in "Receivables from Clearing House and broker-dealers". As at 31 December 2019, the fair value of derivative assets and liabilities for futures contracts are Baht 17 million and Baht 3 million respectively.

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2018		
	Fair value		Notional
	Assets	Liabilities	amount
<b>Trading derivatives</b>			
Derivatives warrants	-	4,772	1,083,365
Futures <sup>(1)</sup>	-	-	404,295
<b>Total</b>	-	4,772	1,487,660

<sup>(1)</sup> Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of futures contracts as at the end of period included in "Receivables from Clearing House and broker-dealers". As at 31 December 2018, the fair value of derivative assets and liabilities for futures contracts are Baht 26 million and Baht 1 million respectively.

Delivery method of the derivatives warrants is cash settlement between the close price of the underlying asset as quoted on the last trading date and the exercise price.

Forward exchange contracts have a short-term maturity period and delivery method is cash settlement between contract buying/selling rates and buying/selling rates as quoted by the Bank of Thailand on the contract maturity dates. Therefore, real exposure under forward exchange contracts would be such price difference.

## 9.1 Gain (loss) on derivatives

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Realised gain (loss) on derivatives trading	52,806	272,157
Unrealised gain (loss) on revaluation of derivatives	(12,415)	10,606
<b>Total</b>	<b>40,391</b>	<b>282,763</b>

## 10. Investments

### 10.1 Cost value and fair value

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2019		31 December 2018	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
<b>Trading securities</b>				
Equity securities	788,387	778,641	440,114	418,402
Add (less): Revaluation allowance	(9,746)		(21,712)	
Trading securities	<u>778,641</u>		<u>418,402</u>	
<b>Held-to-maturity securities</b>				
Fixed deposits	1,501,289		1,251,279	
Bank of Thailand bond	1,096,565		2,345,890	
Less: Investment held for customers	(2,597,854)		(3,197,272)	
Held-to-maturity securities	<u>-</u>		<u>399,897</u>	
<b>General investments</b>				
Equity securities	20,190		19,779	
Less: Allowance for impairment	(17,308)		(17,308)	
General investments	<u>2,882</u>		<u>2,471</u>	
<b>Investments</b>	<u><b>781,523</b></u>		<u><b>820,770</b></u>	

## 10.2 Investments in debt securities classified by remaining periods to maturity

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2019			
	Within 1 year	1 - 5 years	No maturity	Total
<b>Held-to-maturity securities</b>				
Fixed deposits	1,501,289	-	-	1,501,289
Bank of Thailand bond	1,096,565	-	-	1,096,565
Less: Investments held for customers	(2,597,854)	-	-	(2,597,854)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2018			
	Within 1 year	1 - 5 years	No maturity	Total
<b>Held-to-maturity securities</b>				
Fixed deposits	1,251,279	-	-	1,251,279
Bank of Thailand bond	2,345,890	-	-	2,345,890
Less: Investments held for customers	(3,197,272)	-	-	(3,197,272)
<b>Total</b>	<b>399,897</b>	<b>-</b>	<b>-</b>	<b>399,897</b>

## 10.3 Gain (loss) on investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Realised gain (loss) on trading securities	64,983	(108,002)
Unrealised gain (loss) on revaluation of trading securities	11,641	(23,256)
<b>Total</b>	<b>76,624</b>	<b>(131,258)</b>

## 11. Investments in a subsidiary and an associate

### 11.1 Details of investments in a subsidiary and an associate

Investments in a subsidiary and an associate as at 31 December 2019 and 2018 were as follows:

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Type of investment	Currency	Issued and paid-up share capital		Percentage of shareholding		Investment value under equity method	
					31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
<b>Associate</b>										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodian Riel (KHR)	63,960,000	63,960,000	20.01	20.01	116,411	119,061
Total Investment in an associate									116,411	119,061
Separate financial statements										
Company's name	Nature of business	Country of incorporation	Type of investment	Currency	Issued and paid-up share capital		Percentage of shareholding		Investment value under cost method	
					31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
<b>Subsidiary</b>										
FSS International Investment Advisory Securities Co., Ltd.	Advisory	Thailand	Equity securities	Baht	8,000	8,000	96.25	96.25	7,700	7,700
Total Investment in a subsidiary									7,700	7,700
<b>Associate</b>										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodian Riel (KHR)	63,960,000	63,960,000	20.01	20.01	105,462	105,462
Total Investment in an associate									105,462	105,462
Total investments in a subsidiary and an associate									113,162	113,162

### 11.2 Share of gain (loss) and dividend income from an associate

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of gain (loss) from investments in an associate and a joint venture for the years ended 31 December		Shares of other comprehensive income from investments in an associate and a joint venture for the years ended 31 December		Dividend received during the years ended 31 December	
	2019	2018	2019	2018	2019	2018
<b>Associate</b>						
SBI Royal Securities Plc.	4,044	4,342	6,694	(598)	-	-
<b>Joint venture</b>						
SBI Thai Online Securities Co., Ltd.	-	(1,509)	-	-	-	-
Total	4,044	2,833	6,694	(598)	-	-

During the years ended 31 December 2019 and 2018, the Company recognised shares of gain (loss) from the associate under equity method based on financial information, as prepared by the associate's management.

However, the Company obtained the 2018 financial statements of the associate, which were audited by associate's auditors, and showed the amounts that are not significantly different from the financial information prepared by the associate's management used in recognition of share of comprehensive income in that year.

### 11.3 Summarised financial information about material associate

#### Summarised information from statements of financial position

(Unit: Million Baht)

	Associate	
	SBI Royal Securities Plc.	
	31 December 2019	31 December 2018
Cash and cash equivalents	409	420
Other current assets	12	37
Non-current assets	31	34
Current liabilities	1	(27)
Net assets	453	464
Shareholding percentage	20.01	20.01
The Company's equity interest in the investments net assets	91	94
Goodwill	25	25
Total investment values	116	119
Carrying values of investments in an associate (under equity method)	116	119

#### Summarised information from statements of comprehensive income

(Unit: Million Baht)

	Associate	
	SBI Thai Online Securities Co., Ltd.	
	For the years ended 31 December	
	2019	2018
Revenues	42	43
Profit (loss) for the year	20	22
Other comprehensive income for the year	-	-
Total comprehensive income for the year	20	22

## 12. Equipment

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	Office equipment	Furniture and fixtures	Vehicles	Equipment under installation	Total
<b>Cost</b>					
1 January 2018	296,065	187,929	12,430	762	497,186
Additions	14,575	1,729	-	8,538	24,842
Disposals/write-off	(42,410)	(15,847)	(1,545)	-	(59,802)
Transfers in (out)	6,816	8,597	-	(9,092)	6,321
31 December 2018	275,046	182,408	10,885	208	468,547
Additions	9,091	2,669	-	9,085	20,845
Disposals/write-off	(3,523)	(10,084)	-	-	(13,607)
Transfers in (out)	5,519	2,058	-	(7,577)	-
31 December 2019	286,133	177,051	10,885	1,716	475,785
<b>Accumulated depreciation</b>					
1 January 2018	241,174	174,331	9,943	-	425,448
Depreciation for the year	19,488	6,777	1,749	-	28,014
Accumulated depreciation on disposals/write-off	(42,340)	(15,135)	(1,545)	-	(59,020)
Transfers in (out)	-	-	-	-	-
31 December 2018	218,322	165,973	10,147	-	394,442
Depreciation for the year	18,692	5,674	738	-	25,104
Accumulated depreciation on disposals/write-off	(3,401)	(10,084)	-	-	(13,485)
Transfers in (out)	-	-	-	-	-
31 December 2019	233,613	161,563	10,885	-	406,061
<b>Net book value</b>					
31 December 2018	56,724	16,435	738	208	74,105
31 December 2019	52,520	15,488	-	1,716	69,724
<b>Depreciation for the years</b>					
31 December 2018					28,014
31 December 2019					25,104

As at 31 December 2019 and 2018, certain equipment items have been fully depreciated but are still in use. The original costs, before deducting accumulated depreciation and allowance for impairment loss, of these assets amounted to approximately Baht 352 million and Baht 334 million, respectively.

### 13. Intangible assets

(Unit: Thousand Baht)

#### Consolidated and separate financial statements

	Exchange and future exchange membership fee	Retail brokerage business acquisition cost	Computer software	Right to use system	Computer software under development	Total
<b>Cost</b>						
1 January 2018	5,000	6,384	342,276	7,332	8,086	369,078
Additions	-	-	20,790	-	25,067	45,857
Write-off	-	-	-	-	(43)	(43)
Transfers in (out)	-	-	22,933	(7,332)	(22,750)	(7,149)
31 December 2018	5,000	6,384	385,999	-	10,360	407,743
Additions	1,605	-	7,419	-	15,411	24,435
Write-off	-	-	(22)	-	-	(22)
Transfer in (out)	-	-	19,162	-	(19,162)	-
31 December 2019	6,605	6,384	412,558	-	6,609	432,156
<b>Accumulated amortisation</b>						
1 January 2018	4,913	6,384	104,480	221	-	115,998
Amortisation for the year	87	-	31,540	607	-	32,234
Write-off	-	-	-	-	-	-
Transfer in (out)	-	-	-	(828)	-	(828)
31 December 2018	5,000	6,384	136,020	-	-	147,404
Amortisation for the year	-	-	38,311	-	-	38,311
Write-off	-	-	(22)	-	-	(22)
Transfer in (out)	-	-	-	-	-	-
31 December 2019	5,000	6,384	174,309	-	-	185,693
<b>Net book value</b>						
31 December 2018	-	-	249,979	-	10,360	260,339
31 December 2019	1,605	-	238,249	-	6,609	246,463
<b>Amortisation for the years ended</b>						
31 December 2018						32,234
31 December 2019						38,311

As at 31 December 2019 and 2018, certain computer software items have been fully amortised but are still in use. The original costs, before deducting accumulated amortisation, of these assets amounted to Baht 99 million and Baht 89 million, respectively.

## 14. Deferred tax assets and income tax

### 14.1 Deferred tax assets

Deferred tax assets consisted of tax effects on the following temporary differences:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December	31 December	Changes in deferred income tax reported in the statements of comprehensive income	
			For the years ended 31 December	
	2019	2018	2019	2018
<b>Deferred tax assets arose from:</b>				
Allowance for doubtful accounts	1,182	1,192	(10)	(2)
Allowance for impairment loss on investments	3,462	3,462	-	(128)
Share of (profit) loss from investments in an associate	(2,190)	(2,719)	529	(11,742)
Provision for long-term employee benefits	12,899	11,093	1,806	(846)
Unrealised (gain) loss on revaluation of investments and derivatives	(1,503)	(1,658)	155	3,668
Unutilised tax loss	42,301	10,581	31,720	10,581
Others	3,474	3,342	132	60
<b>Deferred tax assets</b>	<b>59,625</b>	<b>25,293</b>	<b>34,332</b>	<b>1,591</b>
Recognised as income tax revenue (expense):				
- Recognised in profit or loss			32,097	182
- Recognised in other comprehensive income			2,235	1,409
<b>Total</b>			<b>34,332</b>	<b>1,591</b>

(Unit: Thousand Baht)

	Separate financial statements			
			Changes in deferred income tax reported in the statements of comprehensive income	
	31 December	31 December	For the years ended 31 December	
	2019	2018	2019	2018
<b>Deferred tax assets arose from:</b>				
Allowance for doubtful accounts	1,182	1,192	(10)	(2)
Allowance for impairment loss on investments	3,462	3,462	-	(9,511)
Provision for long-term employee benefits	12,530	10,967	1,563	(508)
Unrealised (gain) loss on revaluation of investments and derivatives	(1,503)	(1,658)	155	3,668
Unutilised tax loss	42,301	10,581	31,720	10,581
Others	3,474	3,342	132	60
<b>Deferred tax assets</b>	<b>61,446</b>	<b>27,886</b>	<b>33,560</b>	<b>4,288</b>
Recognised as income revenue (expense):				
- Recognised in profit or loss			32,694	3,094
- Recognised in other comprehensive income			866	1,194
<b>Total</b>			<b>33,560</b>	<b>4,288</b>

## 14.2 Income tax

Income tax for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge	(94)	(49)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	32,097	182	32,694	3,094
Income (expense) tax reported in the statement of comprehensive income	32,003	133	32,694	3,094

Reconciliations between income tax and the product of accounting profits for the years ended 31 December 2019 and 2018 and the applicable tax rate are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Accounting profit (loss) before tax	(170,086)	(23,821)	(173,527)	(38,884)
Applicable tax rate	20%	20%		20%
Accounting (profit) loss before tax multiplied by income tax rate	34,017	4,764	34,705	7,776
Effects of:				
Revenue or expenses that are not taxable or not deductible in determining taxable profits	(2,014)	(4,630)	(2,011)	(4,682)
Income (expense) tax reported in the statement of comprehensive income	32,003	134	32,694	3,094

## 15. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
Interest receivables	7,385	2,500	7,385	2,500
Prepaid expenses	28,351	33,968	28,164	33,849
Deposits	21,980	21,409	21,980	21,409
Contribution to the compensation fund for clearing and securities delivery system	97,339	84,703	97,339	84,703
Asset for protecting the clearing system	5,000	5,000	5,000	5,000
Fee receivables	3,301	4,820	3,301	4,820
Advances paid	18,345	6,730	18,345	6,730
Dividend receivables	317	284	317	284
Other receivable - related party	-	-	4,301	3,085
Others	8,045	4,255	8,044	4,254
Total	190,063	163,669	194,176	166,634
Less: Allowance for doubtful accounts/ allowance for impairment	(2,856)	(2,856)	(2,856)	(2,856)
Other assets	187,207	160,813	191,320	163,778

## 16. Borrowings from financial institutions

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2019				
Interest rate per annum (percent)	Remaining period to maturity			Total
	Less than 1 year	1 - 5 years	More than 5 years	
<b>Financial institutions</b>				
Promissory notes	1.70	50,000	-	50,000
Total		50,000	-	50,000

## 17. Payables to Clearing House and broker - dealers

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	31 December 2019	31 December 2018
Payables to Clearing House	660,293	423,409
Payables to overseas securities companies	2,280	474
Payables to Clearing House and broker - dealers	662,573	423,883

## 18. Securities and derivatives business payables

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	31 December 2019	31 December 2018
<u>Securities business payables</u>		
Cash accounts payable	923,182	1,295,601
Collateral payables	4,096	90,731
Securities borrowing and lending payables	6,210	90,890
Securities business payable	933,488	1,477,222
<u>Derivatives business payables</u>		
Derivatives business payables	7,044	18,073
Securities and derivatives business payables	940,532	1,495,295

## 19. Provision for long-term employee benefits

Provision for long-term employee benefits under a defined benefit plan are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Provision for long-term employee benefit				
at the beginning of the year	55,463	61,139	54,835	57,376
Included in profit or loss:				
Current service cost	9,579	6,210	8,538	5,802
Interest cost	1,478	1,357	1,460	1,251
Past service costs	5,576	(10,664)	5,576	(6,446)
Included in other comprehensive income:				
Actuarial (gain) loss arising from:				
Demographic assumption changes	-	(277)	-	(218)
Financial assumption changes	4,483	657	4,326	657
Experience adjustments	-	6,162	-	5,534
Benefits paid during the year	(12,086)	(9,121)	(12,086)	(9,121)
Provision for long-term employee benefit				
at the end of the year	64,493	55,463	62,649	54,835

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary have additional long-term employee benefit liabilities of Baht 7 million (The Company only: Baht 7 million) as a result. The Company and its subsidiary reflects the effect of the change by recognising past service costs as expenses in the income statement of the current period.

As at 31 December 2019, the Company and its subsidiary expect to pay Baht 6 million of long-term employee benefits during the next year (the Company only: Baht 6 million).

As at 31 December 2019, the Company's and its subsidiary's weighted average durations of the liabilities for long-term employee benefit is 9 years (the Company only: 9 years).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	Consolidated and separate financial statements	
	31 December 2019	31 December 2018
	Discount rate	1.22 - 2.43
Salary increase rate	1.2 - 7.0	1.2 - 7.0
Turnover rate	0.0 - 33.0	0.0 - 33.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	Consolidated financial statement			
	31 December 2019			
	Increase in assumption	Provision for employee benefits were increased (decreased) by	Decrease in assumption	Provision for employee benefits were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(4.0)	1.0	4.5
Salary increase rate	1.0	5.1	1.0	(4.7)
Turnover rate	20.0	(7.3)	20.0	9.1

	Consolidated financial statement			
	31 December 2018			
	Increase in assumption	Provision for employee benefits were increased (decreased) by	Decrease in assumption	Provision for employee benefits were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.2)	1.0	3.6
Salary increase rate	1.0	3.6	1.0	(3.3)
Turnover rate	20.0	(5.1)	20.0	6.2

	Separate financial statement			
	31 December 2019			
		Provision for employee benefits		Provision for employee benefits
	Increase in assumption	were increased (decreased) by	Decrease in assumption	were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.9)	1.0	4.3
Salary increase rate	1.0	4.9	1.0	(4.5)
Turnover rate	20.0	(7.1)	20.0	8.8

	Separate financial statement			
	31 December 2018			
		Provision for employee benefits		Provision for employee benefits
	Increase in assumption	were increased (decreased) by	Decrease in assumption	were increased (decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.2)	1.0	3.5
Salary increase rate	1.0	3.5	1.0	(3.2)
Turnover rate	20.0	(5.0)	20.0	6.1

## 20. Other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Other payable - CIMB Thai Bank Plc.	1,353	1,353	1,353	1,353
Other payable - related party	86	86	86	7,486
Total other payables	1,439	1,439	1,439	8,839

Other payable - CIMB Thai Bank Plc. is payable as a result of cash received from debtors under Loan Management Agency Agreement on behalf of the bank.

## 21. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Accrued expenses	158,864	212,636	157,095	205,393
Withholding tax payable	8,708	7,035	8,198	6,643
Value added tax payable	6,045	5,896	5,784	5,896
Employee retention payables	2,512	3,112	2,512	3,112
Others	13,166	13,632	13,166	13,632
Total other liabilities	189,295	242,311	186,755	234,676

## 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. Brokerage fees income

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Brokerage fee from securities business	795,592	951,429
Brokerage fee from derivatives business	113,707	98,076
Other brokerage fee	4,856	-
Total	914,155	1,049,505

## 24. Fees and service income

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2019	2018
Underwriting fee	48,323	51,927
Financial advisory fee	9,860	15,110
Borrowing and lending fee	1,224	1,145
Research fee	801	14,309
Selling agent fee	18,016	9,671
Others	3,165	2,033
<b>Total</b>	<b>81,389</b>	<b>94,195</b>

## 25. Gain (loss) and return on financial instruments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Gain (loss) on investments	76,624	(131,258)	76,624	(131,258)
Gain (loss) on derivatives	40,391	282,763	40,391	282,763
Interest and dividend income	81,563	74,775	81,299	74,712
<b>Total</b>	<b>198,578</b>	<b>226,280</b>	<b>198,314</b>	<b>226,217</b>

## 26. Provident fund

The Company, its subsidiary and their employees have jointly established provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and employees of each company contributed to the funds monthly at the rates of 5% to 10% of basic salary. The funds, which are managed by two asset management companies, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years ended 31 December 2019 and 2018 were recognised as expenses as follow:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Contributions to provident funds	23,374	26,899	21,654	25,086

## 27. Earnings per share

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

## 28. Dividends

Dividends	Approved by	Dividends paid (Million Baht)	Dividend paid per share (Baht)
Dividend for 2017	Annual General Meeting of the shareholders on 24 April 2018	35	0.06
Dividend for 2018	Annual General Meeting of the shareholders on 25 April 2019	35	0.06

## 29. Related party transactions

### 29.1 The relationships

Name	Relationship
FSS International Investment Advisory Securities Company Limited	Subsidiary
SBI Royal Securities Plc.	Associate
SBI Thai Online Securities Company Limited	Joint venture until April 2018
Finansa Fund Management Limited	Major shareholder of the Company
Finansa Public Company Limited	Parent of major shareholder of the Company
Finansa Securities Company Limited	Subsidiary of parent of major shareholder of the Company
Industrial and Commercial Bank of China (Thai) Public Company Limited	Having common director
True Vision Group Public Company Limited	Having common director
True Touch Company Limited	Having common director

## 29.2 Significant transactions during the year

During the year, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and base agreed upon in the ordinary course of businesses between the Company, the subsidiary and those parties. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial		Separate financial		Transfer Pricing Policy
	statements		statements		
	For the years ended 31 December				
	2019	2018	2019	2018	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Other income	-	-	3,600	3,600	Contract value
Other expenses	-	-	44,400	42,900	Contract value
<u>Transactions with related parties</u>					
Directors and executive employees					
Brokerage fees income	1	13	1	13	Similar rates charged to general customers
Major shareholders					
Brokerage fees income	159	27	159	27	Similar rates charged to general customers
Interest income	-	10,336	-	10,336	Similar rates charged to general customers
Related companies and person					
Brokerage fees income	-	322	-	322	Similar rates charged to general customers
Other income	-	3,378	-	3,378	Contract value
Rental and service expenses	1,871	7,934	1,871	7,934	As mutually agreed

### 29.3 Outstanding balances

The balances of accounts as at 31 December 2019 and 2018 between the Company, its subsidiary and their related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Cash and cash equivalents</b>				
Industrial and Commercial Bank of China (Thai) Public Company Limited	999	1,900	999	1,900
<b>Cash collateral for derivatives trading</b>				
Industrial and Commercial Bank of China (Thai) Public Company Limited	-	617	-	617
<b>Other receivables</b>				
FSS International Investment Advisory Securities Company Limited	-	-	4,301	3,085
<b>Other payables</b>				
FSS International Investment Advisory Securities Company Limited	-	-	-	7,400
<b>Accrued expenses</b>				
Directors and executive employees	14	280	14	280
Related companies and person	-	494	-	494

### 29.4 Directors' and key management's remunerations

For the years ended 31 December 2019 and 2018, the Company and its subsidiary had employee benefit expenses incurred for their directors and key management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2019	2018	2019	2018
Short-term employee benefits	172	188	162	179
Post-employment benefits	10	7	10	6
Total	182	195	172	185

### 30. Commitments and contingent liabilities

#### 30.1 Capital commitments

As at 31 December 2019, the Company has capital commitments of approximately Baht 15 million (31 December 2018: Baht 3 million), relating to the installation of software and equipment.

#### 30.2 Operating lease and service agreements commitments

The Company and its subsidiary have entered into several lease agreements in respect of the lease of office building space, vehicles and equipment which the terms of the agreements are generally 1 - 5 years, and various service agreements which the terms of the agreements are generally 1 - 3 years.

As at 31 December 2019 and 2018, future minimum lease and service payments required under these agreements of the Company and its subsidiary were as follows:

(Unit: Million Baht)		
Consolidated financial statements		
Payable within	31 December 2019	31 December 2018
1 year	167	106
1 to 5 years	133	84
(Unit: Million Baht)		
Separate financial statements		
Payable within	31 December 2019	31 December 2018
1 year	166	105
1 to 5 years	132	84

#### 30.3 Litigation

As at 31 December 2019, the Company have been sued for compensation totaling approximately Baht 16 million. Final judgements have not yet been reached in respect of these cases. The management of the Company believe that no material losses to the financial statements will be incurred as a result of the mentioned lawsuits.

### 31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiary are summarize into business units based on their products and services and have 3 reportable segments as follows:

- Securities and derivatives brokerage segment, which provide service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory and financial advisory.
- Proprietary trading segment, which provide service according to investment.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The following table presents information by operating segment for the years ended 31 December 2019 and 2018:

(Unit: Million Baht)

	For the years ended 31 December									
	Securities and derivatives brokerage segment		Investment banking segment		Proprietary trading segment		Elimination of inter-segment transactions		Consolidation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues from external	1,036	1,279	47	62	93	90	44	(43)	1,220	1,388
Profit (loss) from operating by segment	102	205	22	33	25	28	(1)	(43)	148	223
Unallocated income and expenses:										
Interest and dividend income									58	49
Other income									60	26
Operating expenses									(436)	(323)
Income tax expenses									32	1
Profits (loss) for the year attributable to the Company									(138)	(24)

The following table presents segment assets, classified by operating segments, as at 31 December 2019 and 2018:

(Unit: Million Baht)

Segment assets	Securities and derivatives brokerages	Investment	Proprietary	Total segments	Unallocated	Total
	segment	banking segment	trading segment		assets	
31 December 2019	2,801	1	-	2,802	1,475	4,277
31 December 2018	2,476	-	-	2,476	2,278	4,754

## Geographic information

The Company and its subsidiary are operated in only Thailand and as a result all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical segment.

## Major customers

During the years ended 31 December 2019 and 2018, the Company and its subsidiary do not have revenue generated from any customer more than 10 percent of the consolidated revenues.

## 32. Financial instruments

### 32.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, receivables from and payables to Clearing House and broker - dealers, securities and derivatives business receivables and payables, derivatives assets and liabilities, investment, loans to employees, borrowings from financial institutions, debt issued and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to receivables from Clearing House and broker - dealers, securities and derivatives business receivables, investment in deposits at financial institutions, investments in debt securities and so on. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures and depositing and investing with creditable financial institutions and therefore do not expect to incur material financial loss. In addition, the Company does not have high concentration of credit risk since it has a large customer base.

#### Interest rate risk

The Company's and its subsidiary's exposure to interest rate risk relates primarily to their cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivative business receivables, derivatives assets and liabilities, investments, loans to employees, payables to Clearing House and broker - dealers, securities and derivative business payables, borrowings from financial institutions and debt

issued. However, since most of the Company and its subsidiary'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 31 December 2019 and 2018 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)

Consolidated financial statement										
31 December 2019										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate				Non-performing receivables	Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Total				Floating	Fixed
		At call	Less than 1 year	1 - 5 years						
<b>Financial assets</b>										
Cash and cash equivalents	78	-	-	-	-	24	102	0.13 - 1.10	-	
Receivables from Clearing House and broker - dealers	-	-	-	-	-	142	142	-	-	
Securities and derivatives business receivables	911	6	-	-	7	1,635	2,559	5.25	5.25	
Investments	-	-	-	-	-	782	782	-	-	
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-	
<b>Financial liabilities</b>										
Borrowings from financial institutions	-	50	-	-	-	-	50	-	1.70	
Payables to Clearing House and broker - dealers	-	-	-	-	-	663	663	-	-	
Securities and derivatives business payables	-	4	-	-	-	937	941	0.70	3.00	
Derivatives liabilities	-	-	-	-	-	19	19	-	-	

(Unit: Million Baht)

## Consolidated financial statement

31 December 2018

## Outstanding balances of financial instruments

	Floating interest rate	Fixed interest rate				Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Non-performing receivables			Floating	Fixed
		At call	Less than 1 year	1 - 5 years					
<b>Financial assets</b>									
Cash and cash equivalents	332	-	-	-	-	45	377	0.13 - 1.10	-
Receivables from Clearing House and broker - dealers	-	-	-	-	-	689	689	-	-
Securities and derivatives business receivables	929	91	-	-	81	1,120	2,221	5.25	5.25
Investments	-	-	400	-	-	421	821	-	-
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-
<b>Financial liabilities</b>									
Payables to Clearing House and broker - dealers	-	-	-	-	-	424	424	-	-
Securities and derivatives business payables	-	91	-	-	-	1,404	1,495	0.80	3.00
Derivatives liabilities	-	-	-	-	-	5	5	-	-

(Unit: Million Baht)

## Separate financial statement

31 December 2019

## Outstanding balances of financial instruments

	Floating interest rate	Fixed interest rate				Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Non-performing receivables			Floating	Fixed
		At call	Less than 1 year	1 - 5 years					
<b>Financial assets</b>									
Cash and cash equivalents	58	-	-	-	-	19	77	0.13 - 1.10	-
Receivables from Clearing House and broker - dealers	-	-	-	-	-	142	142	-	-
Securities and derivatives business receivables	911	6	-	-	7	1,635	2,559	5.25	5.25
Investments	-	-	-	-	-	782	782	-	-
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-
<b>Financial liabilities</b>									
Borrowings from financial institutions	-	50	-	-	-	-	50	-	1.70
Payables to Clearing House and broker - dealers	-	-	-	-	-	663	663	-	-
Securities and derivatives business payables	-	4	-	-	-	937	941	0.70	3.00
Derivatives liabilities	-	-	-	-	-	19	19	-	-

Separate financial statement										
31 December 2018										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate				Non-performing receivables	Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual			Total				Floating	Fixed
		At call	Less than 1 year	1 - 5 years						
<b>Financial assets</b>										
Cash and cash equivalents	311	-	-	-	-	43	354	0.13 - 1.10	-	
Receivables from Clearing House and broker - dealers	-	-	-	-	-	689	689	-	-	
Securities and derivatives										
business receivables	929	91	-	-	81	1,120	2,221	5.25	5.25	
Investments	-	-	400	-	-	421	821	-	-	
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.43	-	
<b>Financial liabilities</b>										
Payables to Clearing House and broker - dealers	-	-	-	-	-	424	424	-	-	
Securities and derivatives										
business payables	-	91	-	-	-	1,404	1,495	0.80	3.00	
Derivatives liabilities	-	-	-	-	-	5	5	-	-	

### Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate its financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the Company and its subsidiary incurring a financial loss.

The Company and its subsidiary manage liquidity risk through monitoring and planning of their cash flows, including the arrangement of credit facilities with financial institutions, in order to ensure that they will have sufficient funds for their operations.

As at 31 December 2019 and 2018, remaining periods to maturity of financial instruments, counted from the reporting period-end dates, are as follows:

(Unit: Million Baht)

Consolidated financial statement						
31 December 2019						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>						
Cash and cash equivalents	102	-	-	-	-	102
Receivables from Clearing House and broker - dealers	-	142	-	-	-	142
Securities and derivatives business receivables	6	1,635	-	911	7	2,559
Investments	-	-	-	782	-	782
Loans to employees	1	-	-	-	-	1
<b>Financial liabilities</b>						
Borrowings from financial institutions	50	-	-	-	-	50
Payables to Clearing House and broker - dealers	-	663	-	-	-	663
Securities and derivatives business payables	4	937	-	-	-	941
Derivatives liabilities	-	19	-	-	-	19

(Unit: Million Baht)

Consolidated financial statement						
31 December 2018						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>						
Cash and cash equivalents	377	-	-	-	-	377
Receivables from Clearing House and broker - dealers	-	689	-	-	-	689
Securities and derivatives business receivables	91	1,120	-	929	81	2,221
Investments	-	400	-	421	-	821
Loans to employees	1	-	-	-	-	1
<b>Financial liabilities</b>						
Payables to Clearing House and broker – dealers	-	424	-	-	-	424
Securities and derivatives business payables	91	1,404	-	-	-	1,495
Derivatives liabilities	-	5	-	-	-	5

(Unit: Million Baht)

Separate financial statement					
31 December 2019					
At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>					
Cash and cash equivalents	77	-	-	-	77
Receivables from Clearing House and broker - dealers	-	142	-	-	142
Securities and derivatives business receivables	6	1,635	-	911	2,559
Investments	-	-	-	782	782
Loans to employees	1	-	-	-	1
<b>Financial liabilities</b>					
Borrowings from financial institutions	50	-	-	-	50
Payables to Clearing House and broker - dealers	-	663	-	-	663
Securities and derivatives business payables	4	937	-	-	941
Derivatives liabilities	-	19	-	-	19

(Unit: Million Baht)

Separate financial statement					
31 December 2018					
At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
<b>Financial assets</b>					
Cash and cash equivalents	354	-	-	-	354
Receivables from Clearing House and broker - dealers	-	689	-	-	689
Securities and derivatives business receivables	91	1,120	-	929	2,221
Investments	-	400	-	421	821
Loans to employees	1	-	-	-	1
<b>Financial liabilities</b>					
Payables to Clearing House and broker - dealers	-	424	-	-	424
Securities and derivatives business payables	91	1,404	-	-	1,495
Derivatives liabilities	-	5	-	-	5

## Foreign exchange risk

The Company's exposure to foreign currency risk arises mainly from brokerage service for securities listed in stock exchange in overseas and revenue and expense transactions that are denominated in foreign currencies.

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2019 and 2018 are summarised below:

(Unit: Million unit)

Foreign currency	Financial assets		Financial liabilities		Average exchange rates	
	31 December	31 December	31 December	31 December	31 December	31 December
	2019	2018	2019	2018	2019	2018
					(Baht per 1 foreign currency unit)	
Vietnamese dong	106,351	121,673	101,236	118,458	0.0013	0.0014
Hong Kong dollar	2.9	2.2	2.8	2.1	3.8732	4.1416
United States dollar	1.5	1.1	1.4	1.0	30.1540	32.4498
Laos kip	385.8	343.5	364.0	324.6	0.0034	0.0038
Singapore dollar	0.1	0.1	0.1	0.1	22.3245	23.6943
Cambodian riel	258.9	232.5	189.6	221.3	0.0074	0.0080
Japanese yen	13.5	13.5	13.4	13.4	0.2759	0.2931

In addition to the above, as of 31 December 2019, the Company has no forward contract USD.

## Market risk

The Company's exposure to market risk is the risk that volatility on the Stock Exchange of Thailand and The Thailand Futures Exchange will substantially reduce the value of its investments and collateral for securities and derivatives business receivables. However, the Company manages the market risk by analysing the market risk inherent in their various transactions, setting appropriate policies to manage such risk, and controlling risk to conform with policies.

### 33. Fair value of financial instruments

As of 31 December 2019 and 2018, the Company and its subsidiary had the financial assets and liabilities that were measured at fair value or their fair values are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2019				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments				
Equity securities	779	-	-	779
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Derivatives warrants	19	-	-	19

(Unit: Million Baht)

Consolidated and separate financial statements				
31 December 2018				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments				
Equity securities	418	-	-	418
Bank of Thailand bond	-	400	-	400
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Derivatives warrants	5	-	-	5

(Unit: Million Baht)

Consolidated financial statement				
31 December 2019				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	102	-	-	102
Receivable from Clearing House and broker - dealers	-	142	-	142
Securities and derivatives business receivables	-	2,559	-	2,559
General investments	-	-	3	3
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	663	-	663
Securities and derivatives business payables	-	941	-	941

(Unit: Million Baht)

Consolidated financial statement				
31 December 2018				
Fair value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	377	-	-	377
Receivable from Clearing House and broker - dealers	-	689	-	689
Securities and derivatives business receivables	-	2,221	-	2,221
General investments	-	-	2	2
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	424	-	424
Securities and derivatives business payables	-	1,495	-	1,495

(Unit: Million Baht)

	Separate financial statement			
	31 December 2019			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	77	-	-	77
Receivable from Clearing House and broker - dealers	-	142	-	142
Securities and derivatives business receivables	-	2,559	-	2,559
General investments	-	-	2	2
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	663	-	663
Securities and derivatives business payables	-	941	-	941

(Unit: Million Baht)

	Separate financial statement			
	31 December 2018			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets for which fair values are disclosed</b>				
Cash and cash equivalents	354	-	-	354
Receivable from Clearing House and broker - dealers	-	689	-	689
Securities and derivatives business receivables	-	2,221	-	2,221
General investments	-	-	2	2
Loans to employees	-	-	1	1
<b>Financial liabilities for which fair values are disclosed</b>				
Payable to Clearing House and broker - dealers	-	424	-	424
Securities and derivatives business payables	-	1,495	-	1,495

The Company and its subsidiary in estimating the fair value of financial instruments are as follows:

- (a) Financial assets and liabilities, which have short-term maturity periods or bear interest at rates close to market interest rates, including cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, general investment, short-term loans, payables to Clearing Houses and broker - dealers, and securities and derivative business payables, their fair values approximate their carrying values in the statements of financial position.
- (b) The fair value of marketable equity securities is derived from market price. The fair value of non-marketable equity securities is determined using net asset value per share of the investee company, except investment units which are not listed on the Stock Exchange of Thailand, is determined using the net asset value per unit announced by fund managers.
- (c) The fair value of derivatives has been determined by using a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and forward exchange rates.
- (d) For loans to employees, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- (e) Liabilities under financial lease agreements carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

#### **34. Capital management**

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern, to have an appropriate financial structure and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

#### **35. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2020.

# Management Discussion and Analysis

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## Business Overview

The stock market conditions in 2019 remained volatile, affected by both external and domestic factors. At the end of 2019, the SET index closed at 1,579.84 points, increasing 1% from the end of 2018. During the year, the SET index was highest at 1,740.91 points on 1 July and lowest at 1,548.65 points on 17 December. The average daily trading value, including SET and mai in 2019, was of THB 53,192 million, a total decrease of 8% from a year earlier, 43% of which is a decrease in mai and 7% in the SET. Foreign investors had a net sell position of THB 44,791 million, selling for the third consecutive year, decreasing from THB 200,000 million of the previous year. On the other hand, domestic institutional investors had a net buy position for the seventh consecutive year at a value of THB 51,340 million.

The SET in the first half moved in an uptrend, driven by positive expectations that the United States and China could reach an agreement on trade issues; the clarity of the Thai government's election resulting in investors expecting to have measures to reduce the risk of economic downturn; the adjustment of the MSCI criteria to include the NVDR in the MSCI EM Index, resulting in the weight of the SET in the MSCI EM index to increase from 2.5% to 3%; and the hope that the Federal Reserve will reduce interest rates.

However, the SET in the second half of the year clearly showed a downward trend due to several additional risks, such as the establishment of a Thai government that took more than 3 months after the election; the economic recovery in the country which had been delayed and led to the policy rate cut by the Monetary Policy Committee (MPC) up to 2 times, totaling 0.50% in the August and November meetings; the trade

tensions between the United States and China, in which the United States announced a 15% increase in tax on imported goods from China worth USD 60 billion and threatened to raise taxes at the end of the year while China also announced to raise tax on imported goods from the United States in retaliation for USD 7.5 billion, effective 1 September, before both parties reached their first phase of trade agreement in mid-December which caused the SET to improve at the end of the year.

The Company operates a securities brokerage business, therefore, mainly rely on brokerage income which accounted for 70.6% of total revenue. Apart from the impacts of both domestic and foreign economic factors that affect investors' trading decisions, the proportion of trading value of domestic investors, who are the Company's target customers, has tended to decrease over the years, contrary to foreign investors, whose proportion increased and whose trading volume has been increasing every year. However, being able to see the change of technology that has more roles in daily life and in the behavior of investors who turn to buy and sell securities online, the Company invested in the development of the online trading system called Finansia Hero, which was officially launched in 2018 to support the said change, advertising in many channels and organizing seminars to teach how to use the program, which received good response from current and new customers. As a result, the online trading value of the Company is the 5<sup>th</sup> in the industry at the end of 2019 at 6% and helped to drive the overall market share of the Company in 2019 to 6.15%, ranking 2<sup>nd</sup>, increasing from 4% and ranked 9<sup>th</sup> in 2018.

## Results of Operations and Profitability

### (1) Income

Items	2019		2018		Change	
	Million	%	Million	%	Million	%
	THB		THB		THB	
Brokerage fees income	914	70.6	1,049	71.4	(135)	-12.9
Fees and services income	81	6.3	94	6.4	(13)	-13.8
Interest income on margin loans	55	4.3	68	4.6	(13)	-19.1
Gain and return on financial instruments	199	15.3	226	15.4	(27)	-11.9
Shares of profit from investments in an associate and a joint venture	4	0.3	3	0.2	1	33.3
Gain from investment disposal in an associate	-	0.0	9	0.6	(9)	-100
Other income	42	3.2	20	1.4	22	110
<b>Total Income</b>	<b>1,295</b>	<b>100</b>	<b>1,469</b>	<b>100</b>	<b>(174)</b>	<b>-11.8</b>

#### Brokerage Commission Income

In 2019, the major source of income of the Company is brokerage commission accounted for 70.6 of total revenue decreased by THB 135 million from last year or accounted for 12.9%. This is mainly due to the decrease in brokerage commissions in equity market accounted for 87.03% of total brokerage commission. The cause of such decrease is due to the increase in the trading value of foreign investors from 7% at the beginning of 2019 to 66% at the end of 2019. Average brokerage commission decreased from 0.10% to 0.06%. However, DW commission income increased from THB 98 million in 2018 to THB 114 million in 2019 or an increase of 16.33%, which was resulted from retail investors investing more in DW.

#### Fees and Services Income

Fees and services are accounted for 6.3% of total income, decreasing from THB 94 million in 2018 to THB 81 million in 2019 or accounted for 13.8%. Such decrease was due to the decrease in securities research fees from THB 14.3 million in 2018 to THB 0.8 million in 2019 as a result from cancelation of cooperation in securities research with foreign investors in April 2018. The revenue from financial advisory and underwriting service also decreased from THB 67 million to THB 58 million in 2019 due to the decrease in the number of initial public offerings (IPO) from 18 issues to 13 issues resulted in loss of revenues from this business.

However, the Company gained income from unit trust commission in the amount of THB 18 million in 2019, increasing from THB 10 million in 2018 from recruiting more personnel in Wealth Management Department.

#### Interest on Margin Loans

Interest on Margin Loans is accounted for 4.3% of total income, decreasing from THB 13 million in 2018 or accounted for 19.1% due to the volatile market which made it harder to generate returns from investment. Therefore, the customers slowed down their investment which resulted in the decrease in total margin loans from THB 1,021 million in 2018 to THB 923 million in 2019.

#### Gain and return on financial instruments

Gain and return on financial instruments are regarded as significant revenue accounted for 15.3% of total income. The major source is from proprietary trading business and derivative warrants business. In 2019, revenue from such business went down THB 34 million or accounted for 22.76%. This is mainly because, even though there was an increase in gain (loss) on proprietary trading business in the amount of THB 77 million, gain (loss) in DW decreased from THB 283 million to THB 40 million. This is a result of market conditions that are more difficult to speculate on derivative warrants, and other competitors issuing DW

that has more features similar to the Company when compared to the previous year.

### Share of loss from investments in an associate and a joint venture, share of loss from investment disposal and gain from change in a joint venture proportion

In 2019, the Company recognized gain from the investment in SBI Royal, Cambodia, in the amount of THB 4 million or 42.75% as a result of a constantly

improved operating results from the investment banking business in Cambodia.

### Other revenues

The Company received other revenues apart from its ordinary course of business in an amount of THB 42 million in 2019 which increased by THB 22 million or 110% from services given to local institutional customers and profits from discrepancy in currency.

## (2) Expense

Items	2019		2018		Change	
	Million	%	Million		Million	%
	THB		THB		THB	
Employee Benefits	796	54.3	875	58.6	(79)	-9.0
Fees and Service Expenses	219	14.9	173	11.6	46	26.6
Finance costs	28	1.9	31	2.1	(3)	-9.7
Bad debt and doubtful accounts (reversal)	(0)	-0.0	(0)	-0.0	(0)	(0)
Other expenses	422	28.8	415	27.8	7	1.7
<b>Total</b>	<b>1,465</b>	<b>100</b>	<b>1,494</b>	<b>100</b>	<b>(29)</b>	<b>-1.9</b>

### Employee Benefits

The Company had employee benefits expense as a major expense accounted for 54.3% of income. In 2019, this expense decreased by THB 79 million or 9% which was a result of the significant reduction of organization size and no bonus for executives due to incurred loss.

### Fees and Service Expenses

In 2019, fees and service expenses of the Company increased from 2018 in an amount of THB 46 million or accounted for 26.6%. The cause of which was an increase in trading fees paid to regulators in the amount made by foreign investors.

### Other expenses

In 2019, other expenses of the Company increased by THB 7 million or 1.7% due to the investment and launching of Finansia HERO, the online trading system and organizing Finansia Investment Conference which incurred more expenses in advertisement and public relations significantly and the recognition of depreciation and amortization as well as maintenance expenses of equipment. However, the Company closed some branches to adapt for the situation where technology plays more roles and to alternatively reduce the Company's expenses.

## Expenses of the Company excluding employee benefits, fees and service expenses and other expenses

The Company has 2 other types of expenses, namely, finance costs and bad debt and doubtful accounts (reversal). A total amount of which equaled to THB 28 million decreased by THB 3 million from last year.

Items	2019		2018		Change	
	Million THB	%	Million THB		Million THB	%
Income	1,295	100.0	1,469	100.0	(174)	-11.8
Expenses	1,465	113.1	1,493	101.6	(28)	-1.9
Income tax	(32)	(2.5)	(0)	-0.0	(32)	+23,845.9
<b>Net profit</b>	<b>(138)</b>	<b>-10.6</b>	<b>(24)</b>	<b>-1.6</b>	<b>(114)</b>	<b>-475</b>

### (3) Net Profit

In 2019, the Company's operating result was THB 1,295 million decreased by THB 174 million or 11.8%, likewise, the expenses decreased by THB 28 million or 1.9% from the expenses in 2018. The decrease in incomes and the increase in expenses resulted in operating loss at the amount of THB 138 million accounted for 10.6% of loss. The loss was mainly a result of investment in Finansia HERO. The regular operating results of the Company generated some profits, however, foreign investors being a majority slowed down investment from retail investors. The loss also came from the cost of developing Finansia HERO which needs gradual adjustment, training, and advertisement.

The Company had return on equity in 2019 at minus 5.66%, decreased from 2018 which equaled to 0.92%. This was mainly due to the operating loss which caused the net profit margin to decrease from 1.62 in 2018 to minus 10.66 in 2019. The equity multiplier also decreased from 2.09 times in 2018 to 1.85 times in 2019 due to the decrease in receivables from clearing house and broker-dealers from THB 689 million in 2018 to THB 142 million in 2019 which was considered an insignificant change. However, the total assets turnover increased from 0.27 times in 2018 to 0.29 times in 2019 resulting in the slightly increase of the efficiency of the assets utilization.

## Asset Management Ability

### Receivables from Clearing House and brokerdealers

At the end of 2019, the Company had receivables from Clearing House and broker-dealers amounted to THB 1 42 million, decreasing THB 546 million from the previous year or accounted for 79.3%. The reason of which was the increase in receivables from clearing house which was THB 728 million in 2018 to THB 265 million in 2019 or 63.6%.

### Securities and derivatives business receivables

As of 31 December 2019, the Company's total assets was of THB 4,277 million, reduced from the previous year at THB 477 million or 10%. Such reduce was mainly due to the decrease in securities and derivatives business receivables which was the highest proportion in the Company's assets decreasing THB 338 million or 15.2%. Such transactions were variable depends on the trading volume of the customers during the last three business days of each fiscal period. The decreases in these transactions are regarded as the Company's ordinary course of business and do not have a significant impact on the Company's operation. Securities and derivatives business receivables comprises of:

- Receivables from cash accounts amounted to THB 1,625 million at the end of 2019, increasing from the end of 2018 by THB 533 million or 48.9%.
- Credit balance accounts amounted to THB 910 million at the end of 2019, decreasing from the end of 2018 by THB 18 million or 2%.
- Collateral receivables amounted to THB 6 million at the end of 2019, decreasing from the end of 2018 by THB 84 million or 93.1%.
- Receivable from securities borrowing and lending amounted to THB 4 million at the end of 2019, decreasing by THB 87 million or 95.5% from the end of 2018.
- Receivables from derivatives business amounted to THB 7 million at the end of

2019, decreasing by THB 1 million or 9.8% from the end of 2018.

- Other receivables (Securities and derivatives business receivables) amounted to THB 6 million, remaining the same as that of the end of 2018.

At the end of 2019 the Company set its securities receivables according to the Notification of the Securities and Exchange Commission re: Categorization of the Accounts on Sub-Standard debts. The normal debt was of the amount of THB 2,216 million. The substandard debt was of the amount of 5 million and the doubtful debt was of the amount of 75 million which was already fully reserved. In this regard, the Company selected the quality clients and follow up on clients to pay for the securities on time. Additionally, the Company strictly complies with the Notification re: Categorization of the Accounts on Sub-Standard debts of the SEC to avoid doubtful debts.

### Investments

At the end of 2019, the Company had investments amounted to THB 782 million, divided into THB 779 million of trading securities and THB 3 million of general investments. Such investments were different from the investment in 2018 where the trading securities amounted to THB 418 million from total investment amounted to THB 821 million.

### Investment in Subsidiary, Associate, and Joint Venture

At the end of 2019, the Company invested in its subsidiary, associate, and joint venture amounted to THB 116 million, decreasing by THB 3 million or 2.23% from the previous year due to the strengthened currencies which resulted in the investment amount reduction.

### Intangible Assets

At the end of 2019, the Company had tangible assets of THB 316 million, decreasing by THB 18 million or 5.4% due to the increase in office equipment, computer accessories and computer program being in development process.

## **Other Assets excluding receivables from clearing house and broker- dealers, securities and derivatives business receivables, investments, investment in subsidiary, associate and joint venture, intangible assets**

The Company had 6 other types of assets, namely, cash and cash equivalents, derivatives assets, loans to employees, equipment, deferred tax assets and other net assets which are totaling THB 362 million, decreasing by THB 208 million or 36.5% from the previous year.

## **Liquidity and Sufficiency of Capital**

### **Liquidity**

At the end of 2019, the Company's cash and cash equivalent decreased by THB 275 million which increased from the end of 2018, divided into:

- Operating activities – the Company's net cash flow from operating activities was minus THB 203 million which is mainly due to net loss before tax of THB 170 million and cash to pay business payables decreasing by THB 554 million.
- Investment activities – the Company's net cash flow from investment activities was THB 87 million since the Company purchased equipment and intangible assets which resulted in a decrease in cash.
- Financing activities – the Company's cash flow from financing was THB 15 million which mainly resulted from cash paid from borrowings from financial institutions, debt issued and dividends paid amounted to THB 50 million. However, the Company paid dividend in the amount of THB 35 million.

In considering the Company's liquidity, an additional issue was the ability to meet its Net Capital Requirement ( NCR) , to be in line with SEC's regulations. The ratio of net capital requirement will be varied depending on various factors such as securities trading volume, underwriting of securities and etc. During the past years, the Company had maintained its NCR above 7% which was the minimum net capital requirement of the SEC. This demonstrates that the Company had sufficient liquidity for business operation.

### **Source of Funds**

As of 31 December 2019, the Company's source of funds derived from 2 sources which are liabilities amounted to THB 1,928 million and shareholder's equity amounted to 2,349 million. All of which had debt to equity ratio equivalent to 0.82 times. In considering the liabilities, it was found that the majority of debt came from securities and derivatives business payables accounted for 22% of total source of funds which varied according to trading volume within 2 business days before the end of each accounting period. As a result, it is not regarded as the real source of funds. Therefore, to consider debt to shareholder's equity ratio excluding securities and derivatives business payables, the Company's debt to shareholder's equity was only 0.42 times, increasing by 0.29 times from the end of 2018.

## **Factors or Situation Affecting Financial Status of the Company's Operation**

The Company's operation relied on many factors such as economic condition, money market situation, investor sentiment, political issue or disturbance both domestic and global, including liberalization of commission rate. These factors affecting local and foreign investor's sentiments might affect financial status and operations.

Risk from changes in prices of securities invested by the Company affected profit and loss on the Company's investment in securities. Therefore, the Company set a clear investment policy and regulation to use as guideline to prevent settlement risks and trading errors. The Company has implemented risk control and management measures for proprietary trading and considers new business activities to diversify its source of revenue.

## **Research and Development ( R&D) According to National Science and Technology Development Agency (NSTDA)**

The Company values the importance of research and development (R&D) by modernizing its technology to response the need of customers and enhances the quality of its operation to be more efficient. The expenses of research and development in softwares since 2017-2019 were THB 227.69 million, which was booked as intangible assets- software in 2019.

# Related Party Transactions

Related Parties	Relationship	Transaction Details	Conditions and Price Policy	Transaction Value (THB million)		
				2018	2019	
1) Directors and executives of the Company	<ul style="list-style-type: none"> <li><u>Directors as of 31 December 2018</u> <ol style="list-style-type: none"> <li>Mr. Chatchaval Jiaravanon</li> <li>Mr. Varah Sucharitakul</li> <li>Mr. Chuangchai Nawongs</li> <li>Mr. Somphop Keerasuntonpong</li> <li>Mrs. Pornpring Suksantisuwan</li> <li>Mr. Yang Liu</li> <li>Pol. Lt. Gen. Visanu Prasattongosoth</li> <li>Mr. Phaiboon Siripanoosatiem</li> <li>Mr. Kittisak Bencharit</li> </ol> </li> </ul>	<p><b>Fee received</b></p> <p><b>Accrued expenses</b></p> <ul style="list-style-type: none"> <li>In 2018, Directors No. 1, 3, 4, 5, and 7 had securities trading account with the Company and 1 Directors (No. 7) had total trading value of THB 4.72 million.</li> </ul>	<ul style="list-style-type: none"> <li>The Company charges directors according to the minimum commission fee of the SET.</li> </ul>	0.01	-	
	<ul style="list-style-type: none"> <li><u>Directors as of 31 December 2019</u> <ol style="list-style-type: none"> <li>Mr. Chatchaval Jiaravanon</li> <li>Mr. Varah Sucharitakul</li> <li>Mr. Chuangchai Nawongs</li> <li>Mr. Somphop Keerasuntonpong</li> <li>Mrs. Pornpring Suksantisuwan</li> <li>Mr. Yang Liu</li> <li>Pol. Lt. Gen. Visanu Prasattongosoth</li> <li>Mr. Phaiboon Siripanoosatiem</li> <li>Mr. Kittisak Bencharit</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>In 2019, Directors No. 1, 3, 4, 5, and 7 had securities trading account with the Company and 1 Directors (No. 7) had total trading value of THB 4.72 million.</li> </ul>		<ul style="list-style-type: none"> <li>The Company charges directors according to the minimum commission fee of the SET.</li> </ul>	0.28	0.01
	<ul style="list-style-type: none"> <li><u>Executives as of 31 December 2018</u> <ol style="list-style-type: none"> <li>Mr. Kuntra Ladavalaya Na Ayudya</li> <li>Mr. Chatchai Chumsiri</li> <li>Mr. Nithivat Dhambhirasing</li> <li>Mr. Pothorn Chuemvarachart</li> <li>Mr. Somchai Kaewjaroenpisan</li> <li>Ms. Kanoknapat Sithivaraporn</li> <li>Mr. Supat Apiratimai</li> <li>Mr. Pannatat Smitthisakda</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>In 2018, executives No. 1, 2, 3, 4, 5, 12, 13 and 16 had securities trading account with the Company and 1 Management (13) had total trading value of THB 0.03 million.</li> </ul>		<ul style="list-style-type: none"> <li>The Company charges executives according to the minimum commission fee of the SET.</li> </ul>		

Related Parties	Relationship	Transaction Details	Conditions and Price Policy	Transaction Value (THB million)	
				2018	2019
	9) Mrs. Nusara Rooncharoen 10) Mrs. Wimon Lovichit 11) Mr. Richard Edmond Markarian 12) Mr. Kosit Thammatada 13) Mr. Somyot Kittisukcharoen 14) Ms. Chorpetch Riamdee 15) Ms. Supin Suravichai 16) Ms. Ubonrut Sripunyawitch 17) Ms. Raveewan Chaiyakit 18) Mrs. Manida Sithseree 19) Mr. Chatchawan Dashrochanapatt 20) Mr. Pitsanu Wathanawanapong  • <u>Executives as of 31 December 2019</u> 1) Mr. Kuntra Ladavalya Na Ayudya 2) Mr. Chatchai Chumsiri 3) Mr. Nithivat Dhambhirasing 4) Mr. Pothorn Chuemvarachart 5) Mr. Somchai Kaewjaroenpisan 6) Ms. Kanoknapat Sithivaraporn 7) Mr. Pannatat Smitthisakda 8) Mrs. Nusara Rooncharoen 9) Mr. Kosit Thammatada 10) Mr. Somyot Kittisukcharoen 11) Ms. Chorpetch Riamdee 12) Ms. Supin Suravichai 13) Ms. Ubonrut Sripunyawitch 14) Ms. Raveewan Chaiyakit 15) Mrs. Manida Sithseree 16) Mr. Pitsanu Wathanawanapong	• In 2019, Executives No. 1, 2, 3, 4, 5, 9, 10, and 13 had securities trading account with the Company and 1 Management (10) had total trading value of THB 0.03 million.	• The Company charges executives according to the minimum commission fee of the SET.		

Related Parties	Relationship	Transaction Details	Conditions and Price Policy	Transaction Value (THB million)	
				2018	2019
2) Top 10 major shareholders	<ul style="list-style-type: none"> <li>• <u>As of 31 December 2018</u> <ol style="list-style-type: none"> <li>1) Finansa Fund Management Ltd.</li> <li>2) ICBC (Thai) PLC</li> <li>3) MORGAN STANLEY &amp; CO. INTERNATIONAL PLC</li> <li>4) Thai NVDR Co., Ltd.</li> <li>5) Mrs. Suporn Wattanavekin</li> <li>6) Mr. Anucha Sihanatkathakul</li> <li>7) Mr. Paitoon Manasilp</li> <li>8) Mr. Kittichai Kraikorkij</li> <li>9) Mr. Chamroen Rungwattanaset</li> <li>10) Mrs. Kesara Manasilp</li> </ol> </li> <li>• <u>As of 31 December 2019</u> <ol style="list-style-type: none"> <li>1) Finansa Fund Management Ltd.</li> <li>2) Morgan Stanley &amp; Co. International PLC</li> <li>3) ICBC (Thai) PLC</li> <li>4) Thai NVDR Co., Ltd.</li> <li>5) KIM ENG SECURITIES (HONG KONG) LTD. FOR DVP CLIENT.</li> <li>6) Mrs. Suporn Wattanavekin</li> <li>7) Mr. Anucha Sihanatkathakul</li> <li>8) Mr. Paitoon Manasilp</li> <li>9) Mr. Kittichai Kraikorkij</li> <li>10) Mr. Chamroen Rungwattanaset</li> </ol> </li> </ul>	<p><b><u>Fee received</u></b></p> <ul style="list-style-type: none"> <li>• In 2018, Shareholders No.1, 2, 5, 6, 9 and 10 had securities trading account with the Company.</li> <li>• In 2019, Shareholders No.1, 3, 6, 7 and 10 had securities trading account with the Company.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company charges shareholders according to the minimum commission fee of the SET.</li> <li>• The Company charges shareholders according to the minimum commission fee of the SET.</li> </ul>	0.03	0.16
3) True Vision Group Co., Ltd.	Same Director as of 31 December 2018 and 2019.	<b><u>Service fees</u></b>	<ul style="list-style-type: none"> <li>• The Company uses Cable TV satellite service provided by True Vision Group Co., Ltd.</li> </ul>	0.70	0.62

Related Parties	Relationship	Transaction Details	Conditions and Price Policy	Transaction Value (THB million)	
				2018	2019
4) TrueTouch Co., Ltd.	Same Director as of 31 December 2018 and 2019.	<u>Service fees</u>	<ul style="list-style-type: none"> <li>The Company uses services provided by TrueTouch Co., Ltd. according to the contracts and conditions</li> </ul>	2.62	1.25
		<u>Accrued expenses</u>		0.49	-
5) FSS International Investment Advisory Securities Co., Ltd.	It was the Company's subsidiary as of 31 December 2018 and 2019.	<u>Other receivables</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	3.09	4.30
		<u>Other payables</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	7.40	-
		<u>Income from service fees</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	3.60	3.60
		<u>Other expenses</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	42.90	44.40
6) SBI Thai Online Securities Company Limited	It was the Company's joint venture until April 2018.	<u>Income from service fees</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	0.97	-
7) ICBC (Thai) PLC	It was a shareholder of the Company as of 31 December 2018 and 2019.	<u>Deposit</u>	<ul style="list-style-type: none"> <li>The Company has current account and promissory note with the Bank.</li> </ul>	1.90	1.00
		<u>Margin pledged for derivative trading</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	0.62	-
		<u>Interest incomes</u>	<ul style="list-style-type: none"> <li>according to the promissory note</li> </ul>	10.34	-

Related Parties	Relationship	Transaction Details	Conditions and Price Policy	Transaction Value (THB million)	
				2018	2019
8) Finansa Securities Co., Ltd.	It was the Company's subsidiary of parent of major shareholder of the Company as of 31 December 2018 and 2019.	<u>Other incomes</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	2.22	-
		<u>Other expenses</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	0.02	-
9) Finansa PLC	It was a parent of major shareholder of the Company as of 31 December 2018 and 2019.	<u>Fee received</u>	<ul style="list-style-type: none"> <li>The Company charges shareholders according to the minimum commission fee of the SET</li> </ul>	0.32	-
		<u>Other incomes</u>	<ul style="list-style-type: none"> <li>according to the contracts and conditions</li> </ul>	0.19	-
10) Zaap Party Co., Ltd.	Same Director as of 31 December 2018 and 2019.	<u>Other expenses</u>	<ul style="list-style-type: none"> <li>The Company uses services provided by Zaap Party Co., Ltd. according to the contracts and conditions</li> </ul>	2.02	-
11) The Ultra Wealth Group Co., Ltd.	Same Director as of 31 December 2018 and 2019.	<u>Other expenses</u>	<ul style="list-style-type: none"> <li>The Company uses services provided by The Ultra Wealth Group Co., Ltd. according to the contracts and conditions</li> </ul>	2.57	-

# Management Structure

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The Company's management structure consists of the Board of Director, sub-committees and management committees as follows:

- |                                     |  |
|-------------------------------------|--|
| (1) Audit Committee                 | (9) Complaints Consideration Committee |
| (2) Executive Board                 | (10) Purchase Committee                |
| (3) Remuneration Committee          | (11) Brokerage Business Committee      |
| (4) Risk and Investment Committee * | (12) Risk Management Committee         |
| (5) IT Security Committee           | (13) Investment Committee              |
| (6) Credit Committee *              | (14) Private Fund Committee            |
| (7) Management Committee            | (15) Risk of Private Fund Committee    |
| (8) Damage Examination Committee    |  |

Remark: \* The Board of Directors' Meeting No.8/2019, held on 12 November 2019, considered and approved the restructuring of management committees by collapsing Risk and Investment Committee and Credit Committee, and establishing Risk Management Committee and Investment Committee.

## Board of Directors

### Composition of the Board of Directors

The Company sets out the composition of the Board of Directors to ensure a proper balance of power and responsibilities among the governance bodies with the aim of avoiding a situation whereby a single individual has absolute power in decision making.

### Number of directors

The Board of Directors consists of at least five directors but not more than eleven directors where at least one-third but not less than three of them act as independent directors, and at least three independent directors shall be the members of the Audit Committee.

### Qualifications

The Board of Directors shall be experienced and competent in the Company's business, considering from the diversity of their skills, experiences, characteristics with an appropriate gender and age, and shall not possess any of the prohibited characteristics specified by the relevant regulations.

### Residency of directors

No less than half of all directors must reside in Thailand.

### Authorized Directors

Two directors whose names specified in the Company's Affidavit sign and affix the Company's seal.

### Holding Position as directors in other listed companies

The directors shall not hold positions as directors in more than 5 listed companies.

## **Directors**

As of 31 December 2019, the Company has nine directors and three of them also act as independent directors:

	<b>Full Name</b>	<b>Position</b>
1.	Mr. Chatchaval Jiaravanon	Chairman of the Board of Directors
2.	Mr. Varah Sucharitakul	Deputy Chairman of the Board of Directors
3.	Mr. Chuangchai Nawongs	President
4.	Mr. Somphop Keerasuntonpong	President
5.	Mrs. Pornpring Suksantisuwan	Director
6.	Mr. Yang Liu	Director
7.	Pol. Lt. Gen. Visanu Prasattongsoth	Independent Director and Chairman of the Audit Committee
8.	Mr. Phaiboon Siripanoosatien	Independent Director and member of the Audit Committee
9.	Mr. Kittisak Bencharit	Independent Director and member of the Audit Committee

## **Authority and Duties of the Board of Directors**

Board of Directors has their roles and responsibilities towards the shareholders, where individual director shall perform his duties for the utmost benefits of the Company, and shall be responsible for their performances collectively and equally. The roles and responsibilities of the board of directors are as follows:

- 1) Be aware of their roles as the leader of the corporate governance, and be responsible for promoting the corporate culture with morality, and also take into consideration the stakeholders, society, and environment to achieve sustainable growth
- 2) Determine the clear objectives and goals, and inform policies and directions of the Company to all level of personnel, enable them to understand and implement coherently. Besides, the Board of directors should follow up and ensure that the business operation takes into account an impact on the stakeholders with morality and contributing to the society, as well as the ability to compete properly in the changing situation in a long term
- 3) Ensure that the operation comply with the statutory requirement, the Company's articles of association, resolution of the shareholders' meeting, and relevant practices
- 4) Consider and assign its duties to the management within the scopes that the Board of Director deems appropriate and ensure that the management carries out their duties as assigned, as well as review the delegation of roles and responsibilities regularly
- 5) Consider the strategies, operational policies, and business plan for both financial and non-financial aspects as well as budget and informs the employees to ensure that they understand the objectives and goals; and carefully analyzes the environment, factors, risk, and impact to stakeholders to be in line with the scope of ethics and relevant laws by implementing innovation and technology to create the ability to compete and business value, while taking care of the stakeholders properly; allocates the resources which are important for business operation; and follows up, reviews and monitors the performance to meet the objectives and goal sustainably.
- 6) Determine and review the composition of the Board of Directors to ensure appropriateness and conduct the disclosure thereof including directors' information in the Company's annual report and website
- 7) Set out the clear scope of duties of the Chairman and the Chief Executive Officer to prevent one of them from having absolute power and to set a balance between the Board of Directors and the Management
- 8) Appoint relevant committees to consider specific matters, scrutinize information, recommend action for board approval, and disclose their roles and responsibilities, number of meetings, and performance
- 9) Consider the remuneration and its rate for each pay component proposed by the Remuneration Committee to be appropriate and in line with responsibility of the directors, and discloses the remuneration policy and procedure for the directors in order to propose to shareholders for approval

- 10) Ensure that the Company's governance framework and policy extend to its subsidiaries and other businesses in which the Company has a significant investment by determining scope of duties of the person appointed to act on behalf of the Company. The Board of Directors shall also ensure that the internal control within its subsidiaries is adequate and concise, and ensure that the financial status, performance, and other important transactions are disclosed pursuant to relevant laws and regulations. The agreement or arrangement may be made to clarify the managerial power and participation in decision making
- 11) Constantly develop skills and competencies in their duties by participating training and updating knowledge required for their roles, and discloses such participation in the annual report. The Board shall also understand the corporate's information, operations, relevant law and standards
- 12) Appoint a company secretary who is competent and experienced to support the Board of Directors to carry out its duties to be in order and able to access necessary information
- 13) Monitor the recruitment procedure and promote the Chief Executive Officer and senior executives to possess knowledge, competency, experience, and characteristics that is necessary for their duties; ensures that the remuneration structure and the evaluation is adequate; conduct the succession plan and report to the Board of Director from time to time; as well as manage and develop human resources in accordance with the direction and strategy of the organization. This includes promoting and supporting employees with adequate savings and financial management to support retirement
- 14) Understand the structure and relationship of the shareholders to prevent it from being hindrance in performing their duties, and ensure that the information is disclosed according to the agreements which affect the control over business
- 15) Establish the scopes of oversight and management of information technology in the corporate level to be consistent with the Company's demand and ensures that the information technology is adopted to increase business opportunity and operation development, as well as risk management
- 16) Establish the proper risk management system and internal control, and manage conflicts of interest prevention policy, the use of non-public information prevention policy and anti-corruption practice, and communicates and encourages the employees to comply with relevant rules and regulations, and also establish the receipt of complaint mechanism and the whistleblowing procedure
- 17) Supervise the preparation and disclosure of financial report to be accurate, adequate, timely, and in compliance with relevant regulatory, standard, and practices
- 18) Monitor the financial liquidity, solvency, and mitigation plan for financial difficulty by taking into account the rights of the stakeholders.
- 19) Encourage the implementation of information technology in the disclosure of significant information
- 20) Allow shareholders to participate in significant matters, and ensures that the shareholders' meetings are conducted properly with transparency and efficiency; ensures the ability of all shareholders to exercise their rights; ensures accurate and complete disclosure of shareholder resolutions and minutes of the shareholders' meetings
- 21) Establish the policies for managing various risks arising from conducting private fund management business in accordance with the risk characteristics; review and update the policies to be current and in line with market conditions and significant changes according to certain situations. In this regard, the Board of Directors assigned the Executive Board to consider and establish a management committee responsible for ensuring that the private fund management business complies with relevant rules and is efficient, and preventing conflicts of interest. The Executive Board shall report the performance of the aforementioned management committee to the Board of Directors on a quarterly basis
- 22) Establish the policies for conducting digital asset business, risk management and internal control system, selection and revocation of digital assets to be provided to customers; establishes measures to prevent conflicts of interest and use of inside information; as well as provides appropriate information technology systems. In this regard, the Board of Directors assigned the Executive Board or the person assigned by the Executive Board to execute the policies and perform any action related to digital asset business

### **Chairman of the Board of Directors**

Chairman has the roles as a leader of the organization and responsibility for the efficiency of the Board of Directors, namely:

- 1) Presides over the Board of Directors' meetings and the Shareholders' meeting and ensure that the meetings are conducted properly
- 2) Oversees, monitor and ensure that the Board of Directors efficiently carries out their duties to achieve the company's objectives and goals
- 3) Ensures that all directors contribute to promote ethical organizational culture and good corporate governance
- 4) Sets the Board Meeting agendas by discussing with the Chief Executive Officer and the Company Secretary, and sets the policy to ensure that the important matters are included
- 5) Allocates sufficient time for the consideration of each proposed agenda and encourage directors to exercise independent judgment;
- 6) Promotes healthy relationship between executive and non-executive directors, and between the Board of Directors and the management

### **Chief Executive Officer**

Chief Executive Officer has the roles in developing business plans and operation plans; ordering, overseeing, and monitoring daily routines; managing budget and allocating resources to be consistent with the Company's strategy, namely:

- 1) Manages and monitors the business operation to be consistent with policies, objectives, operational plans, business strategies, and budget approved by the Board of Directors or the Executive Board
- 2) Establishes practices, work procedures, internal control system, and establishes or revokes practices, orders, rules and notifications to ensure that the operations comply with the specified policies
- 3) Approves the payment for various operations pursuant to the corporate authorization index or annual budget approved by the Board of Directors
- 4) Approves the credit limit for cash balance account pursuant to the corporate authorization index
- 5) Approves the purchase of computers and office appliances in addition to those specified in the annual budget in the amount not exceeding THB 3 million and in compliance with the corporate authorization index
- 6) Approves the construction or renovation of the offices in addition to those specified in annual budget in the amount not exceeding THB 1 million and in compliance with the corporate authorization index
- 7) Acts as the management including recruiting, hiring, determining both short and long-term compensations, repositioning, training, terminating employment for the employees serving as senior vice president and below
- 8) Appoints a lawyer to file a lawsuit or involve in the legal proceeding on an issue relating to the business operation
- 9) Appoints or assigns person (s) to act on behalf of himself as appropriate, and shall revoke, change, or revise such appointment or assignment
- 10) Performs any duties as assigned by the Board of Directors or the Executive Board

### **President**

Presidents' roles are to support the Chief Executive Officer's duties as follows:

- 1) Manage day-to-day operations of the Company by optimizing the use of existing resources.
- 2) Assist the Chief Executive Officer in developing strategies and mission of the organization, instruct, and give an order to employees in lower level to implement such strategies and mission.
- 3) Conduct the operational plan by considering the importance between the need of customers, employees, and the Company.

4) Cooperate with the Chief Executive Officer and the Executives to ensure that employees achieve the best quality standard and comply with the corporate governance policy and the code of conduct.

### **Appointment and Retirement**

Although the Company does not have the Nomination Committee to select persons to be appointed as the Company's directors, the Company established the rules and procedures for directors' appointment and retirement as follows:

1) Shareholders' meeting shall appoint persons to be the directors according to the composition of the Board of Directors. The criteria and procedures thereof are as follows:

(a) each shareholder shall have one vote for each share held.

(b) each shareholder may cast the total number of votes under (1) for electing one or more persons as director or directors, the votes must not be appropriated to any person in any number at the shareholder's pleasure.

(c) the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the remaining appointment shall be made by the chairman of the meeting who shall have a casting vote.

2) At the Annual General Meeting of Shareholders, one-third of the directors, or if their number cannot be divided by three, then the number nearest to one-third, must retire from the office.

3) A retiring director is eligible for re-election.

4) Any director intending to resign shall submit a resignation letter to the Company. The resignation takes effect from the date on which the resignation letter reaches the Company.

5) The directors to vacate office in the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall vacate office.

6) In addition to vacating office at the expiration of the term, a director vacates office upon:

(a) death;

(b) resignation;

(c) being disqualified or being under any of the prohibitions under the laws relating to public limited company and securities and exchange;

(d) being removed by a resolution of a shareholders' meeting with the votes of not less than three-fourths of the number of shareholders present at the meeting and entitled to vote and also with the aggregate number of shares of not less than half of the number of shares held by the shareholders present at the meeting and entitled to vote.

7) In the case the office of a director becomes vacant by any reason other than the expiration of the term, the Board of Directors shall elect a person possessing the qualifications and being under no prohibitions under relevant laws and regulations as a replacing director at the next Board of Directors' meeting, unless the remaining term of office of such director is less than two months. The replacing director shall hold office only for the remaining term of the replaced director. The resolution of the Board of Directors must be supported by votes of not less than three-fourths of the number of the remaining directors.

8) The appropriate term of service for the independent directors shall be limited to three terms consecutively, unless any independent director is appropriate to hold office beyond such period, the Board of Directors shall review the independence and efficiency, and inform a rationale and performance of such independent director to shareholders.

### **Director Orientation**

The Company set the orientation program for the new directors to create awareness and understanding of their roles and duties of director which comprises of the following topics: (1) the Company's history and nature of business, (2) the Company's group structure, organizational structure, and shareholding structure, (3) duties and responsibilities of the Board of Directors according to the relevant laws, (4) financial status and operating results, (5) corporate governance, (6) use of inside information, (7) internal control and risk management, (8) Code of Conduct, and (9) remuneration and benefits of directors.

### **Succession Plan**

The Board of Directors established a succession plan for the top executives, namely, Chief Executive Officer, President and executives in lower level. External or internal candidate who is qualified are also eligible to be nominated for the abovementioned positions in order to fit the particular circumstance of the Company and to prepare the Company's personnel to perform their duties in the case the top executives and subordinate executives cannot perform their duties or their term of service is expired. The succession plan will also minimize risk or impact caused by discontinuity in the business management, the Company; therefore, conduct the succession plan as specified follows:

- 1) Executive positions that need the succession plans are the Chief Executive Officer, the President and the executives of all departments;
- 2) The Board of Directors will consider and determine the knowledge and experience required for each level of position;
- 3) The Board of Directors will consider and determine an executive who is qualified to succeed each position;
- 4) The Board of Directors will evaluate the performance and competencies of the qualified executives, and then compare to the required level of performance to conduct the individual development plan;
- 5) The Board of Directors may assign the Chief Executive Officer and the President to supervise the training and development program for the qualified executives;
- 6) The Board of Directors may set out the rotation of duty for qualified executives, and allow the executives in vice president level to attend the Board of the Directors' meeting to enable them to understand, experience and prepare for the overall management of the Company;
- 7) The Board of Directors may discuss the performance and the individual development report on the qualified executives in the Board of Directors' meeting;
- 8) The Board of Directors assigns the Chief Executive to report the implementation of the succession plan to them at least once on an annual basis.

### **Company Secretary**

The Board of Directors set out the qualification of the Company Secretary whose roles are to provide advice relating to laws and regulations which the Board of Directors are required to know, to maintain important documents, and to coordinate to ensure that all resolutions of the Board of Directors have been implemented.

#### **Responsibilities of the Company Secretary**

- 1) Prepares and maintains the following documents:
  - Register of directors;
  - Notices of the Board of Directors' Meeting and Minutes of the Board of Directors' Meeting;
  - Notices of shareholders' meetings and Minutes of shareholders' meetings;
  - Annual Reports;
- 2) Maintains reports of the interests which reported by directors or executives;
- 3) Perform any duties set out by the Capital Market Supervisory Board;
- 4) Perform any tasks assigned by the Board of Directors.

## **(1) Audit Committee**

The Company established the structure of the Audit Committee which is independent from the executives and major shareholders to ensure that the management is conducted for the mutual benefit of the Company.

### Member of the Audit Committee

Consist of as least 3 independent directors

### General Qualifications

1) Holding shares not more than 1% of the total number of shares with voting rights of the Company, its subsidiaries, affiliates, major shareholders or controlling person, including shares held by related persons of such independent director;

2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its subsidiaries, affiliates, major shareholders, unless the foregoing status has ended not less than 2 years prior to his appointment;

3) Not being a person related by blood or legally registered as parents, spouses, relatives and children, including a spouse of the executive's child, with executives, major shareholders, controlling persons, or persons who will be nominated as the executive or controlling person of the Company or its subsidiary;

4) Neither having nor used to have a business relationship with the Company, its subsidiaries, affiliates, major shareholders, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship, unless the foregoing relationship has ended not less than 2 years before his appointment;

5) Neither being nor used to be an auditor of the Company, its subsidiaries, affiliates, major shareholders or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its subsidiaries, affiliates, major shareholders, or controlling person, unless the foregoing relationship has ended not less than 2 years before his appointment;

6) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding THB 2 million per year from the Company, its subsidiaries, affiliates, major shareholders or controlling person and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years before his appointment;

7) Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;

8) Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiaries or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares more than 1% of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiaries.

### Specific qualifications

1) Not being assigned by the Board of Directors to take part in the business decision of the Company, its subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person;

2) Not being a director of the Company's subsidiary or same-level subsidiary, which is a listed company;

3) Must possess sufficient knowledge and experience to serve as the Audit Committee and have sufficient time to perform his duties;

4) Each member of the Audit Committee shall not hold the position of a director in more than five listed companies since it will affect the effectiveness of his performance in one of those companies;

5) The members of the Audit Committee are not required to be knowledgeable in accounting or finance since the Audit Committee can seek advice from independent accounting or financial experts. However, at least one of the Audit Committee Members shall have sufficient knowledge and experience in accounting or finance to perform the

review of the credibility of the financial statements, and be consistently knowledgeable of events affecting the changes in financial reporting process in order to increase the efficiency of the Audit Committee's performance.

6) A Member of the Audit Committee shall constantly participate the training and improve his knowledge relating the activities of the Audit Committee, in order to be up to date with the ongoing changes that may occur; and shall constantly improve his knowledge relating the Company's operation to increase effectiveness of the Audit Committee.

As of 31 December 2019, the Audit Committee of the Company comprises of 3 members, where Mrs. Parichart Kanthaseema serves as the secretary to the Audit Committee. Mr. Phaiboon Siripanoosatien and Mr. Kittisak Bencharit are members of the Audit Committee who have knowledge and experience in accounting or finance to perform the review of the credibility of the financial statements.

Full Name	Position
1. Pol. Lt. Gen. Visanu Prasattongosoth	Independent Director/Chairman of the Audit Committee
2. Mr. Phaiboon Siripanoosatien	Independent Director/Audit Committee
3. Mr. Kittisak Bencharit	Independent Director/Audit Committee

The Audit Committee's roles are similar to the Board of Directors. However, the additional duties are to monitor the accuracy and creditability of the financial statement, internal control system and internal audit; and ensure the Company's compliance with laws and regulations. In this regard, the roles and responsibilities of the Audit Committee are as follows:

- 1) Review the Company's financial report to ensure accuracy and completeness
- 2) Review the internal control system and internal audit of the Company to ensure appropriateness and effectiveness
- 3) Ensure the compliance with laws relating securities and exchange, future contract, regulations of the SET and Thailand Futures Exchange Public Company Limited, as well as any laws and regulations related to the business
- 4) Consider the independence of the internal audit department, and consider and approve the appointment, transferring and dismissal
- 5) Consider, select, nominate and dismissal an independent person to be the external auditor of the Company; consider and propose his remuneration; and convene the meeting with the external auditors at least one meeting a year without the presence of management
- 6) Consider connected transactions or transactions which may constitute potential conflicts of interest to ensure that such transactions are reasonable and gain the Company maximum benefit, as well as in compliance with the relevant laws and regulations
- 7) Review the accuracy of the reference documents and self-evaluate form relating to anti-corruption measure of Thai Private Sector Collective Action Coalition against Corruption
- 8) Conduct the Corporate Governance Report from Audit Committee signed by the Chairman of the Audit Committee and disclose in the annual report
- 9) Perform other duties as assigned by Board of Directors with consent from the Audit Committee

## **(2) Executive Board**

The Company established the structure of the Executive Board as follows:

### Member of the Executive Board

At least three directors

### Qualification

Possess knowledge and experience related to the Company's business, especially risk management, business administration, strategy and financial products.

As of 31 December 2019, the Executive Board of the Company comprises of 4 members, where Ms. Phatra Kanchanaphat serves as the secretary to the Executive Board.

	Full Name	Position
1.	Mr. Varah Sucharitakul	Chairman
2.	Mr. Chuangchai Nawongs	Director
3.	Mr. Somphop Keerasuntonpong	Director
4.	Mrs. Pornpring Suksantisuwan	Director

The crucial duties and responsibilities of the Executive Board are to ensure the compliance of the Company's strategies, policies and regulations, and oversees the Company's business, and perform tasks assigned by the Board of Directors, including approvals of significant or high-risk transactions in order to accomplish the Company's vision and be in line with the Company's mission and also promote management practices to be in accordance with the Company's core values. In addition, the Executive Board shall have authorities, duties and responsibilities as follows:

- 1) Consider and formulate the business strategy, financial goals, annual business plan (including short, medium and long term), including annual budget for proposal to the Board of Directors
- 2) Review, follow up, and oversee the business plan and annual budget to ensure its compliance with specified objectives and goals
- 3) Consider and approve matters related to the business of the Company according to the Company's regulations, including but not limited to the following:
  - 3.1) credit
  - 3.2) debt restructuring
  - 3.3) investment strategy and investments
  - 3.4) contingent liabilities and borrowing
  - 3.5) expenses on various operations which are above the authorization of the authorized executives provided that it complies with the Company's authorization index or annual budget approved by the Board of Directors
  - 3.6) MIS report
  - 3.7) human resources matters
  - 3.8) other crucial matters relating to the Company's business, such as new business, interest rate policy, credit policy, accounting policy, branch opening, organization structure, etc.
- 4) Approve the securities underwriting and transactions relating to investment banking business according to the transaction sizes specified by the Board of Directors
- 5) Consider and approve the appointment of management committees or other committees as appropriate
- 6) Consider and screen issues prior to their proposal to the Board of Directors for consideration, except where the issues are under the responsibility and/or authority of other sub-committees. Such issues shall be screened by related sub-committees to propose to the Board of Directors
- 7) Consider and acknowledge issues both related and not related to the management of the Company, such as legal proceedings against the Company as a defendant, etc., which the Executive Board deem necessary or appropriate
- 8) Consider and acknowledge compliance reports and/or internal audit reports concerning preventive and audit measures. In case of damage and potential loss which could severely affect the Company, the compliance department shall inspect and report to the Executive Board immediately
- 9) Ensure that high-level executives, including the head of the Risk Management Department, comply with the risk management policy and strategy, and acceptable level of risk.
- 10) Review the adequacy and effectiveness of the overall risk management policy and strategy, including the acceptable level of risk at least once a year or in the occurrence of significant changes. The Risk Management Committee should

discuss and exchange ideas to assess whether the Company's risk management policy and strategy cover all types of risks, including emerging risks, and implement such policy and strategy with efficiency and effectiveness.

11) Report the Board of Directors about status of risk, efficiency and situation of risk management, compliance with corporate culture taking into account risk, as well as significant factors and problems, and things that need to be revised in order to be in line with the Company's risk management policy and strategy.

12) Supervise investments in accordance with the investment policy and ratios agreed with customers, follow up on fund performance for investment adjustment or other appropriate actions

13) Determine reasonable fees and charges made on customers, as well as designate disclosure of fees and expenses

14) Consider and approve the selection of partners, service providers in private fund management business, such as securities brokerage companies, custodian, and other departments related to private fund management business services, as well as consider and approve the service review of the aforementioned service providers

15) Take any action as recommended by the Board of Directors

In case the Executive Board resolves or direct that a person or a group of persons be authorized to perform a task on its behalf, such authorization may not be sub-delegated to a third person unless it is allowed in the Committee's initial authorization.

### (3) Remuneration Committee

As of 31 December 2019, the Remuneration Committee of the Company comprises of 3 members, where Mr. Chuangchai Nawongs serves as the secretary to the Remuneration Committee.

	Full Name	Position
1.	Mr. Chatchaval Jiaravanon	Chairman
2.	Pol. Lt. Gen. Visanu Prasattongsoth	Director
3.	Mr. Varah Sucharitakul	Director

The Remuneration Committee, whose meeting is to be held twice a year, serves a role in determining the remuneration of the Board of Directors, Chief Executive Officer, and senior executives to be in line with their authority, roles, responsibilities, and their ability to perform duties to achieve the goals. The roles and responsibilities of the Remuneration Committee are as follows:

1) Establishes and reviews the policy and criteria for the determination of remuneration as well as other benefits for the directors and senior executives, and proposes to the Board of Directors to further propose to shareholders' meeting for approval

2) Disclose the policy and criteria on remuneration determination and other benefits of the Board of Directors

3) Ensures that directors', Chief Executive Officer's, and senior executives' short and long-term remunerations and other benefits are commensurate with their duties and responsibilities

4) Reviews and approves the promotion, remuneration, and other benefits both short and long-term of directors, Chief Executive Officer, and senior executives to propose to the Board of Directors

5) Performs other duties as assigned by the Board of Directors with consent from of the Remuneration Committee

#### (4) Risk and Investment Committee \*

As of 31 December 2019, the Risk and Investment Committee of the Company comprises of 5 members, where Mr. Kittipong Santisarun serves as the secretary to the Risk and Investment Committee.

	Full Name	Position
1.	Chief Executive Officer	Chairman
2.	President	Director
3.	Chief Financial Officer	Director
4.	Chief Operating Officer	Director
5.	Head of Business Development Department	Director

The Risk and Investment Committee serves a role in supervision of risk management in various aspects related to each type of investments. The roles and responsibilities of the Risk and Investment Committee are as follows:

1) Establish the Company's investment strategies and policies:

1.1) Short and long-term investment strategies;

1.2) Approve the policies, strategies, goals and annual plan of DW proposed by the Equity Derivatives Department;

1.3) Investment Risk Control policy and Investment Risk Diversification policy of the Company in accordance with the appropriate investment proportion;

1.4) Report the Company's investment status to the Board of Directors to keep track on the Company's investment efficiently;

1.5) Manage cash flow for the Company and customers to generate best interest under the applicable regulations of the related authorization and the Company's policy;

1.6) Oversee the operation of the department in relation to DW transactions to ensure its consistency with policies, strategies, goals and operational plan including the results thereof;

1.7) Approve any transactions not mentioned above which is in relation to the investment, except for the determination of the;

2) Review the report on organizational risks i.e. market risk, operational risk, credit risk, liquidity risk, regulatory risk, legal risk, etc. ;

3) Review the policies and operational guidelines in relation to operational risks in various aspects and propose to the Audit Committee and the Board of Directors to approve;

4) Consider and carry out any operations in relation to Compliance related matters;

5) Consider and approve the marginable stocks for credit balance accounts;

6) Consider and approve the readiness of new products and services before proposing to the Board of Directors to approve;

7) Consider and approve the Business Continuity Plan and the Annual Testing Plan;

8) Any assignments regarding the management of operational risks as assigned by the Executive Board, the Audit Committee, and the Board of Directors.

#### (5) IT Security Committee

As of 31 December 2019, the IT Security Committee of the Company comprises of 4 members, where Mr. Apinut Chamlumjeak serves as the secretary to the IT Security Committee.

	Full Name	Position
1.	President	Chairman
2.	Chief Operating Officer	Director
3.	Chief Technology Officer	Director
4.	Head of E-Business_Technical Department	Director

The IT Security Committee serves a role in establishing the policy regarding procedures for the use of information technology. The roles and responsibilities of the IT Security Committee are as follows:

- 1) Establish the policies and procedures in relation to the operational supervision and IT security to propose to the Board of Directors to approve, and disseminate them to all level of executives and officers to acknowledge, accept and comply with such policies;
- 2) Review and revise the policies from time to time to be consistent with the change and tendency of risks which may affect the IT security;
- 3) Oversee the implementation of information technology to ensure its compliance with laws, regulations, rules and other applicable standards;
- 4) Provide the information security system to preserve confidentiality, trustworthiness and readiness, and prevent the unlawful exploitation or unauthorized alteration of information.

#### (6) Credit Committee

As of 31 December 2019, the Credit Committee of the Company comprises of 7 members, where Ms. Wanthani Chanmaniwong serves as the secretary to the Credit Committee.

	Full Name	Position
1.	Chief Executive Officer	Chairman
2.	Mrs. Pornpring Suksantisuwan	Director
3.	Chief Operating Officer	Director
4.	Chief Financial Officer	Director
5.	Head of Risk Management Department	Director
6.	Executive Director of Brokerage Business *	Director

Remark: \* Executive Director of Brokerage Business will be reselected every quarter after finishing the terms.

The Credit Committee serves a role in managing the customers' credit. The roles and responsibilities of the Credit Committee are as follows:

- 1) Consider and approve the operational guidelines in relation to customers' accounts and credit to propose to the Board of Directors to approve
- 2) Consider and approve the matter regarding the credit and account management for customers, and monitor to ensure its compliance with the scope stipulated by the Company
- 3) Consider and approve the credit line, review credit line according to the regulations and policies of the Company
- 4) Resolve problems in relation to securities business and derivatives business
- 5) Consider the solution to doubtful receivables
- 6) Consider proceed operations to be in line with regulators; SEC, SET, AML0, TFEX, ASCO, etc.

## (7) Management Committee

As of 31 December 2019, the Management Committee of the Company comprises of 17 members, where Ms. Chorpetch Riamdee serves as the secretary to the Management Committee.

	Full Name	Position
1.	Chief Executive Officer	Chairman
2.	Delegated director from the Executive Board	Director
3.	Chief Operating Officer	Director
4.	Head of Risk Management Department and Head of Compliance Department	Director
5.	Chief Financial Officer	Director
6.	Chief Technology Officer	Director
7.	Head of Retail Brokerage Segment and Head of E-business Brokerage Segment	Director
8.	Head of Local Institution Segment	Director
9.	Head of Wealth Segment and Head of Wealth Products	Director
10.	Head of Equity Derivative Department	Director
11.	Head of Stock Borrowing and Lending Department	Director
12.	Head of Derivative Products	Director
13.	Head of Research Department	Director
14.	Head of Marketing Communication Department	Director
15.	Head of Human Resource Department	Director
16.	Head of Corporate Strategy Department	Director
17.	Head of Business Development Department	Director

The Management Committee serves a role in business operation supervision to ensure compliance with specified objectives and goals. The roles and responsibilities of the Management Committee are as follows:

- 1) Prepares a business and annual action plan, financial goals, annual budget, and performance indicators according to the organization strategy in order to be presented to the Executive Board
- 2) Reviews operating results and determines business practices to be in line with competitive conditions
- 3) Considers the following issues:
  - 3.1) Acknowledges the strategy and operational plan of the important projects of the Company, considers and approves the resource allocation as stipulated by the Company's regulations, follows up the operation and important decision making about the projects to make sure that such projects are successful
  - 3.2) Acknowledge new product releases/new services/new operational processes
  - 3.3) Approve important resource allocation plans of the Company (such as office space usage)
  - 3.4) Screen all types of work that have not been screened by any management committee or Chief Executive Officer in order to present to the Executive Board
- 4) Report and exchange ideas on various important issues

### (8) Damage Examination Committee

As of 31 December 2019, the Damage Examination Committee of the Company comprises of 4 members, where Head of Compliance Department serves as the secretary to the Damage Examination Committee.

	Full Name	Position
1.	Chief Executive Officer	Chairman
2.	Chief Operating Officer	Director
3.	Head of Compliance Department	Director
4.	Head of Human Resource Department	Director

The Company sets out the roles and responsibilities of the Damage Examination Committee, namely, damage examination of various cases for the relevant department to implement.

### (9) Complaint Consideration Committee

As of 31 December 2019, the Complaint Consideration Committee of the Company comprises of 5 members, where Head of Compliance Department serves as the secretary to the Complaint Consideration Committee.

	Full Name	Position
1.	Chief Executive Officer	Chairman
2.	Chief Operating Officer	Director
3.	Head of Compliance Department	Director
4.	Head of Human Resource Department	Director
5.	Executive Director of Brokerage Business *	Director

Remark: \* Executive Director of Brokerage Business will be reselected in accordance with types of complaint.

The Complaint Consideration Committee serves a role in receipt of complaints proposed by the compliance department or internal audit department to seek preliminary resolution prior to proposing to the Damage Examination Committee or the Board of Directors for further proceeding. The roles and responsibilities of the Complaint Consideration Committee are as follows:

- 1) Ensures that the Company has protocols and procedures to manage the stakeholders' complaints
- 2) Ensures the establishment of the compliant channel
- 3) Establishes the clear policy and procedures for whistleblowing
- 4) Ensures that the Company has the appropriate protective measure for whistleblowers who act in good faith

### (10) Purchase Committee

As of 31 December 2019, the Purchase Committee of the Company comprises of 6 members, where Ms. Supatra Pattanakijgaroon serves as the secretary to the Purchase Committee.

	Full Name	Position
1.	Mrs. Pornpring Suksantisuwan	Chairman
2.	Chief Operating Officer	Director
3.	Chief Technology Officer	Director
4.	Ms. Supatra Pattanakijgaroon	Director
5.	Mrs. Varinphat Dumrongyingsupap	Director
6.	Ms. Kaewjai Punthawanun	Director

The Purchase Committee serves a role in policies establishment and approval of procedures for purchasing, leasing and inspecting the Company's properties, including other investments and property insurance to ensure that they are complied with good internal control, namely:

- 1) Set approval limits according to type of assets and propose to the Board of Directors for approval;
- 2) Ensure that each department complies with the guidelines and procedures of the Company strictly;
- 3) Consider the proposals of dealers and vendors offering products or services appropriately in order to achieve the utmost benefit for the Company.

#### **(11) Brokerage Business Committee**

As of 31 December 2019, the Brokerage Business Committee of the Company comprises of 8 members, where Ms. Warunnich Phongphoemmas serves as the secretary to the Brokerage Business Committee.

	Full Name	Position
1.	Head of Brokerage Business	Chairman
2.	Delegated director from the Executive Board	Director
3.	Chief Operating Officer	Director
4.	Head of Compliance Department	Director
5.	Chief Financial Officer	Director
6.	Chief Technology Officer	Director
7.	Executive Director of Retail Brokerage Segment and Executive Director of E-business Brokerage Segment	Director
8.	Head of Corporate Strategy Department	Director

The Brokerage Business Committee has a role to oversee the Company's securities trading business to be in line with the policies and goals of the Company. The Brokerage Business Committee has the duties and responsibilities as follows:

- 1) Determines the direction, strategy, and priority of improving the securities trading business
- 2) Solves problems and makes important decisions at the operational level to be in line with certain competitive conditions
- 3) Allocates resources for various projects in order to achieve the objectives of the securities trading
- 4) Monitors the progress of the operations of various securities business projects
- 5) Submitting opinions for consideration by the Management Committee and/or the Executive Board in the case that it exceeds the authority of the Brokerage Business Committee or when considering that the projects and/or operations have a high risk

#### **(12) Risk Management Committee**

As of 31 December 2019, the Risk Management Committee of the Company comprises of 4 members, where Mr. Kittipong Santisarun serves as the secretary to the Risk Management Committee.

	Full Name	Position
1.	Delegated director from the Executive Board	Chairman
2.	Chief Operating Officer	Director
3.	Chief Financial Officer	Director
4.	Executive Director of Brokerage Business *	Director

Remark: \* Executive Director of Brokerage Business will be reselected every quarter after finishing the terms.

The Risk Management Committee is responsible for risk management at the organization level, determination of policies and strategies to ensure that the Company has a good risk management process, namely, report when risks occur, risk assessment, risk control and monitoring in order to avoid concentration of risks beyond acceptable level. The Risk Management Committee has duties and responsibilities as follows:

- 1) Considers and approves the appropriateness of customers' credit limit according to the policy set by the Board of Directors
- 2) Monitors private fund operations and investment in ports to comply with regulations and policies set by the Board of Directors.
- 3) Considers and determines penalties in the case that fund managers violate the Company's rules and/or regulations set by the authorities.
- 4) Reviews the policies and operational guidelines related to various areas of risks to present to the Board of Directors for approval
- 5) Considers and approves product and/or new services availability before presenting to the Board of Directors for approval
- 6) Considers and approves the Company's Business Continuity Plan (BCP) and annual testing plan.
- 7) Considers and takes any actions related to compliance with official regulations
- 8) Carries out other actions related to corporate risk management as assigned by the Executive Board and/or the Board of Directors

### (13) Investment Committee

As of 31 December 2019, the Investment Committee of the Company comprises of 4 members, where Mr. Kittipong Santisarun serves as the secretary to the Investment Committee.

	Full Name	Position
1.	Chief Executive Officer	Chairman
2.	Head of Research Department	Director
3.	Head of Electronic Trading Department	Director
4.	Executive Director of Brokerage Business	Director

The Investment Committee has a role and responsibility in managing the investment risk of the Company, investment of customers' money, set policies and strategies for the Company to have a process for managing investment risks, namely, report when risks occur, risk assessment, and risk control and monitoring. Investment Committee has duties and responsibilities as follows:

- 1) Review the Company's investment strategy including
  - 1.1) Short-term and long-term investment strategies of the Company's investment portfolios, private fund, and customers' investment allocation plan
  - 1.2) Consider, select, and review the investment universe for various investment portfolios
  - 1.3) Consider and conduct product screening for sale to investors such as debt instruments, foreign products, foreign investment units, and other products
  - 1.4) Consider and endorse the strategies, targets, and annual work plans of the Derivative Warrant (DW) transactions proposed by the Equity Derivatives Department in order to present to the Board of Directors
  - 1.5) Supervise the operations of departments related to derivative warrants (DW) transactions to be in line with policies, strategies, goals, and operational plans, and consider their performance
  - 1.6) Consider, give opinions, and approve details and specifications of Derivative Warrant (DW) offered for sale
  - 1.7) Policy for investment risk control of the Company for both day trade and long-term investment, distribution of investment risks of the Company in accordance with the appropriate investment proportion
  - 1.8) Consider and approves investment limits in accordance with the policy stipulated by the Company
  - 1.9) Report the investment situation of the Company to the Board of Directors to be able to monitor the Company's investments effectively

1.10) Manage cash of the Company and customers for maximum benefit under the Company's policy and official rules set forth in that matter

1.11) Consider and approve any operations related to investments which are not as described above, except to set a limit for securities holding and accumulated deficit

2) Consider and review the policies and operational guidelines related to the Company's investments to present to the Board of Directors for approval

3) Consider and take any actions related to compliance with official regulations

4) Consider and approve the list of securities for Credit Balance Account

5) Conduct risk assessment of the concentration of Credit Balance portfolios

6) Carry out other matters related to investment risk management as assigned by the Executive Board and/or the Board of Directors

#### **(14) Private Fund Committee**

As of 31 December 2019, the Credit Committee of the Company comprises of 7 members, where Ms. Wanthani Chanmaniwong serves as the secretary to the Credit Committee.

	<b>Full Name</b>	<b>Position</b>
1.	Chief Executive Officer	Chairman
2.	Fund Manager	Director
3.	Assistant Fund Manager	Director

Remark: \* Private Fund Committee's meetings are held on a monthly basis.

The Company is committed to complying with the principles of good corporate governance and preventing conflicts of interest that may occur in the future. Private Fund Committee is, therefore, established to be responsible for conducting business relating to private fund. The Private Fund Committee has the duties and responsibilities as follows:

1) Ensure that the investment management system procedures before and after investment

2) Determine investment policy and strategy that are suitable for customers

3) Determine guidelines for selecting each asset and/or investment universe by ensuring that there is an appropriate investment analysis both quantitative and qualitative and that there is an analysis of expected returns, which is in line with the determined strategy, policy, and product due diligence

4) Determine guidelines for placing order for securities trading for clients with the most regard to clients' benefits and ensure that customers know that trading orders will be done through related affiliated companies or through other companies

5) Ensure fair allocation of fund for customers and funds

6) Assign fund managers to record reasons for investment decisions appropriately and efficiently

7) Supervise and inspect investments in accordance with investment policy and ratios agreed with customers, as well as follow up on fund performance tracking for investment adjustment or take other appropriate actions

8) Determine reasonable fees and charges made on customers as well as ensure that there is disclosure of fees and expenses

9) Establish a performance benchmark that is fair, accurate, and complete in accordance with international standards so that investors can assess the Company's investment capabilities. The benchmark must be consistent with the investment policy and calculated using total returns (if any)

10) Ensure clear principles regarding the acceptance and transfer of assets of the fund in various cases as agreed with the customers

- 11) Consider and approve the selection of partners, service providers in private fund management business, such as securities brokerage companies, custodian, and other departments related to private fund management business services, as well as consider and approve the service review of the aforementioned service providers
- 12) Consider and approve the exercise of voting rights of various agendas in shareholders' meetings in order to protect the interests of customers and to show the intention of participation in pushing listed companies to have good corporate governance principles
- 13) Report investment performance to the Executive Board

#### **(15) Risk of Private Fund Committee**

As of 31 December 2019, the Risk of Private Fund Committee of the Company comprises of 7 members, where Head of Risk Management Department serves as the secretary to the Risk of Private Fund Committee.

	Full Name	Position
1.	Delegated director from the Executive Board	Chairman
2.	Chief Operating Officer	Director
3.	Head of Risk Management Department	Director

Risk of Private Fund Committee has a role in managing and controlling risks in various areas relating to private fund business. The Risk of Private Fund Committee has the duties and responsibilities as follows:

- 1) Arrange for a risk management process and a policy to manage and control risks arising from business operations in various areas in accordance with the risk profile, as well as ensure awareness of risks and good corporate governance under a rapidly changing, complicated, and interrelated business environment; review, update, and establish process and policy to be up to date and in line with market conditions and certain significant changes, which shall also be approved by the Board of Directors
- 2) Ensure that there is investment risk management, which will be managed as follows: (Guidelines for investment risk management in accordance with the relevant official announcements)
  - (1) Market risk arising from price movements that may cause profits or losses from investment
  - (2) Liquidity risk arising from the inability to sell assets or the termination the futures contracts at market price due to lack of liquidity or the occurrence of any crises
  - (3) Credit risk arising from the issuer/counterparty not fulfilling obligations
  - (4) Operational risk caused by human error or inadequate system and operation control, as well as risks that cause damage and inability to conduct business
- 3) Ensure that there is a risk manager with knowledge, competence, and experience that can perform duties independently from risk takers and not causing conflicts of interest
- 4) Supervise investments of the Fund Manager to be in line with the risk management policy and practices
- 5) Follow up on the solutions and participate in decision making if there is an investment that is not in accordance with the risk management policy or risk limit
- 6) Report investment performance to the Executive Board

## Directors and Company Secretary Profiles



### Mr. Chatchaval Jiaravanon

Age: 58 years old

Nationality: Thai

#### Current positions

- Chairman of the Board of Directors
- Authorized Director



### Mr. Varah Sucharitakul

Age: 56 years old

Nationality: Thai

#### Current positions

- Deputy Chairman of the Board of Directors

#### Date of appointment

- 23 July 2002

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Date of appointment

- 19 June 2009

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Education

- Bachelor of Business Administration, University of Southern California, USA

#### Training

- Director Accreditation Program (DAP) 71/2008
- Corporate Governance for Capital Market Intermediaries (CGI) 13/2016
- Executive Course (9), Capital Market Academy, the Stock Exchange of Thailand

#### Positions in other listed companies

- Director and Member of the Audit Committee, Ticon Industrial Connection PLC
- Director, Aeon Thanasinsap (Thailand) PLC
- Director, SVI PLC
- Director and Managing Director Group Investment, True Corporation PLC
- Director, WP Energy PLC

#### Positions in non-listed companies/organizations

- Director, True Visions Group Co., Ltd.
- Managing Director and Chief Executive Officer, Telecom Holding Co., Ltd.
- Director, Zaap Party Co., Ltd.
- Director, True Media Solutions Co., Ltd.
- Director, True e-Logistics Co., Ltd.
- Director, Panther Entertainment Co., Ltd.
- Director, Satellite Service Co., Ltd.
- Director, Cineplex Co., Ltd.
- Director, The Ultra Wealth Group Co., Ltd.

#### Education

- Master of Business Administration, University of New Hampshire, USA

#### Training

- Director Certification Program (DCP) 21/2002
- Corporate Governance for Capital Market Intermediaries (CGI) 17/2016

#### Positions in other listed companies

- Executive Director, Finansa PLC

#### Positions in non-listed companies/organizations

- Executive Director, Finansa Securities Co., Ltd.
- Director, Finansa Capital Co., Ltd.
- Director, SBI Royal Securities PLC, Phnom Penh, Cambodia



## Mr. Chuangchai Nawongs

Age: 59 years old

Nationality: Thai

### Current positions

- Authorized Director
- Chief Executive Officer
- President



## Mr. Somphop Keerasuntonpong

Age: 53 years old

Nationality: Thai

### Current positions

- Authorized Director
- President

### Date of appointment

- 19 June 2009

### Holding of the Company's shares

- Direct: 100,000 shares
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Date of appointment

- 2 June 2003

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Master of Business Administration, Bangkok University

### Training

- Director Accreditation Program (DAP) 23/2004
- Corporate Governance for Capital Market Intermediaries (CGI) 2/2015

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- Director (Authorized), FSS International Investment Advisory Securities Co., Ltd.
- Director, SBI Royal Securities PLC, Phnom Penh, Cambodia

### Education

- MBA General Administration, Pittsburg State University, USA

### Training

- Director Accreditation Program (DAP) 16/2004
- Corporate Governance for Capital Market Intermediaries (CGI) 3/2015
- Executive Course (9), Capital Market Academy, the Stock Exchange of Thailand

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –



## Mrs. Pornpring Suksantisuwan

Age: 62 years old  
Nationality: Thai

### Current positions

- Authorized Director



## Mr. Yang Liu

Age: 42 years old  
Nationality: Chinese

### Current positions

- Director

### Date of appointment

- 16 October 2008

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Date of appointment

- 29 January 2018
- Holding of the Company's shares
- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Master of Business Administration, American University of Human Sciences
- Bachelor of Accountancy, Chulalongkorn University

### Training

- Director Accreditation Program (DAP) 48/2005
- Director Certification Program (DCP) 105/2228
- Corporate Governance for Capital Market Intermediaries (CGI) 2/2015
- Executive Course (7), Capital Market Academy, the Stock Exchange of Thailand

### Positions in other listed companies

- – None –

### Current positions in non-listed companies/organizations

- Director (Authorized), FSS International Investment Advisory Securities Co., Ltd.
- Sub-committee of Securities Investor Protection Fund, Securities Investor Protection Fund or SIPP
- Sub-committee of Derivatives Investor Protection Fund, Derivatives Investor Protection Fund or DIPF
- Independent Director, Blue Whale Asset Co., Ltd.
- Member of Finance and Property Committee, King Mongkut's Institute of technology Ladkrabang

### Education

- Master of Economics, Peking University

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- Executive Director and Deputy Managing Director, ICBC (Thai) PLC



## Pol. Lt. Gen. Visanu Prasattongsoth

Age: 58 years old

Nationality: Thai

### Current positions

- Independent Director
- Chairman of the Audit Committee



## Mr. Phaiboon Siripanoosatien

Age: 57 years old

Nationality: Thai

### Current positions

- Independent Director
- Member of the Audit Committee

### Date of appointment

- 16 September 2009

### Holding of the Company's shares

- Direct: 3,655,614 shares
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Date of appointment

- 28 February 2008

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Master of Business Administration, University of San Francisco, USA
- Master of Political Science, Sukhothai Thammathirat Open University

### Training

- Director Accreditation Program (DAP) 11/2004
- Audit Committee Program (ACP) 7/2005
- Financial Statement for Director (FND) 19/2005
- Advanced Audit Committee Program (AACP) 21/2015
- Corporate Governance for Capital Market Intermediaries (CGI) 3/2015
- Executive Course (2), Capital Market Academy, the Stock Exchange of Thailand

### Positions in other listed companies

- Director, Bangkok Airways PLC

### Positions in non-listed companies/organizations

- Assistant Commissioner-General, the Royal Thai Police
- Director, Krungthep Thanakom Co., Ltd.
- Director, Thai Co Poly Industry Co., Ltd.

### Education

- Master of Political Science, Sukhothai Thammathirat Open University

### Training

- Director Certificate Program (DCP) 105/2008
- Audit Committee Program (ACP) 28/2009
- Successful Formulation Executive of Strategy (SFE) 13/2011
- How to Develop a Risk Management Plan (HRP) 4/2013
- Corporate Governance for Capital Market Intermediaries (CGI) 5/2015

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- Director, Provincial Electricity Authority
- Executive Director, GEO-Informatics and Space Technology Development Agency (Public Organization), Ministry of Science and Technology



## Mr. Kittisak Bencharit

Age: 70 years old

Nationality: Thai

### Current positions

- Independent Director
- Member of the Audit Committee

### Date of appointment

- 22 October 2009

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Bachelor of Economics, University of Wisconsin, USA

### Training

- Director Certificate Program (DCP) 70/2006
- Audit Committee Program (ACP) 32/2010
- Corporate Governance for Capital Market Intermediaries (CGI) 0/2014
- Advanced Audit Committee Program (AAP) 19/2015
- Board that Make a Difference (BMD) 5/2017

### Positions in other listed companies

- Independent Director and member of the Audit Committee, Thonburi Medical Centre PLC
- Independent Director and member of the Audit Committee, Exotic Food PLC
- Advisor of CEO and Directors, Premier Enterprise PLC
- Positions in non-listed companies/organizations
- Director, Premier Capital (2000) Co., Ltd.
- Director, Premier Brokerage Co., Ltd.

## Ms. Phatra Kanchanapraphat

Nationality: Thai

### Current positions

- Company Secretary

### Date of appointment

- 1 October 2015

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Master of Business Administration, National Institute of Development Administration

### Training

- Financial Advisors Course, Association of Thai Securities Companies
- Successful Formulation and Execution Strategy Course (SFE) 25/2015
- Company Secretary Program Course (CSP) 68/2016
- Board Reporting Program (BRP) 19/2016
- Effective Minute Taking (EMT) 34/2016
- Company Reporting Program (CRP) 14/2016

### Experience

- Vice President, Corporate Finance Department, ACL Securities Co., Ltd.

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –

## Executive Profiles



### Ms. Supin Suravichai

Age: 54 years old

Nationality: Thai

#### Current positions

- Chief Operating Officer



### Mr. Kosit Thammatada

Age: 48 years old

Nationality: Thai

#### Current positions

- Chief Technology Officer
- Executive Director of E-Business\_ Technical Department

#### Date of appointment

- 1 December 2017

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Date of appointment

- 21 November 2016

#### Holding of the Company's shares

- Direct: 100 shares
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Education

- Master Degree, Association of Chartered Certified Accountants London School of Accountancy

#### Experience

- RHB Securities PLC

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –

#### Education

- Bachelor Degree, Faculty of Science, King Mongkut's University of Technology Thonburi

#### Experience

- Managing Director, AEC Securities PLC
- Executive Vice President, Finansia Syrus Securities PLC

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –



## Mr. Somchai Keawjaroenpisan

Age: 56 years old

Nationality: Thai

### Current positions

- Deputy Head of Brokerage Business and Executive Director of Brokerage Business Unit 5



## Mrs. Nusara Rooncharoen

Age: 53 years old

Nationality: Thai

### Current positions

- Deputy Head of Brokerage Business and Executive Director of E-Business Marketing Sales Department

### Date of appointment

- 20 February 2014

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Date of appointment

- 1 August 2018

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Master of Business Administration (Finance), Kasetsart University

### Experience

- Senior Executive Vice President, Finansia Syrus Securities PLC
- Senior Executive Vice President, Finansa Securities Co., Ltd.

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –

### Education

- Master of Business Administration, Siam University

### Experience

- Executive Director, Finansia Syrus Securities PLC
- Senior Executive Vice President, Finansia Syrus Securities PLC
- Executive Vice President, Finansa Securities Co., Ltd.

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –



## Mr. Kuntra Ladavalaya Na Ayudhya

Age: 51 years old

Nationality: Thai

### Current positions

- Executive Director of Brokerage Business Unit 1



## Mr. Chatchai Chumsiri

Age: 59 years old

Nationality: Thai

### Current positions

- Executive Director of Brokerage Business Unit 2

### Date of appointment

- 21 February 2005

### Holding of the Company's shares

- Direct: 205,185 shares
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Date of appointment

- 1 September 2008

### Holding of the Company's shares

- Direct: 25,029 shares
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Master of Finance, University of La Verne, USA

### Training

- Executive Course (21), Capital Market Academy, the Stock Exchange of Thailand
- Top Executive Program in Commerce and Trade (10)

### Experience

- Senior Executive Vice President, Syrus Securities PLC

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –

### Education

- Bachelor of Marketing, Bangkok University

### Experience

- Senior Executive Vice President, Syrus Securities PLC

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –



### Mr. Nithivat Dhambhirasing

Age: 59 years old

Nationality: Thai

#### Current positions

- Executive Director of Brokerage Business Unit 3



### Mr. Pothorn Choemvarachart

- Age: 62 years old

- Nationality: Thai

#### Current positions

- Executive Director of Brokerage Business Unit 4

#### Date of appointment

- 19 February 2010

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Date of appointment

- 19 February 2010

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Education

- Executive MBA Sasin, Chulalongkorn University (EMBA)

#### Training

- Diploma in National Defence for the Joint State-Private Sector Course 2012, Thailand National Defence College
- Advanced Certificate Course in Public Economics Managed for Executives
- Diploma of Capital Market Academy
- Diploma of Environmental Governance for Executive Officer
- Experience
- Managing Director, Finansa Securities Co., Ltd.

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –

#### Education

- Master of Management and Human Relation, Abilene Christian University, Texas, USA

#### Experience

- Managing Director, Finansa Securities Co., Ltd.

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –



## Ms. Ubonrut Sripunyawitch

Age: 53 years old

Nationality: Thai

### Current positions

- Executive Director of Brokerage Business Unit 7



## Ms. Kanoknapat Sithivaraporn

Age: 48 years old

Nationality: Thai

### Current positions

- Executive Director of Brokerage Business Unit 8

### Date of appointment

- 1 February 2018

### Holding of the Company's shares

- Direct: 41 shares
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Date of appointment

- 1 August 2015

### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

### Relationship with directors/executives

- – None –

### Education

- Bachelor of Laws, Ramkhamhaeng University

### Experience

- Senior Vice President, Finasia Syrus Securities PLC

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –

### Education

- Master of Business Administration (International Business), The George Washington University, Washington D. C, USA

### Training

- Executive Development Program (EDP) 8/2011,
- Thai Listed Companies Association

### Experience

- Senior Executive Vice President,

### Finasia Syrus Securities PLC

- Executive Vice President Retail Sales Department,

### Far East Securities Co., Ltd.

- Asset Manager, Special Asset Management, Tisco Financial PLC

### Positions in other listed companies

- – None –

### Positions in non-listed companies/organizations

- – None –



### Mr. Pannatat Samitthisakda

Age: 55 years old

Nationality: Thai

#### Current positions

- Executive Director of Brokerage Business Unit 10



### Mr. Somyot Kittisukcharoen

Age: 45 years old

Nationality: Thai

#### Current positions

- Executive Director of Brokerage Business Unit 12 and 15

#### Date of appointment

- 1 July 2013

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Date of appointment

- 1 January 2017

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Education

- Master of Public and Private Management, National Institute of Development Administration

#### Experience

- Senior Executive Vice President, Finasia Syrus Securities PLC
- Assistant Managing Director, Globlex Securities Co., Ltd.
- Senior Executive Vice President (Securities), KGI Securities (Thailand) PLC

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –

#### Education

- Master of Finance, Bangkok University

#### Experience

- Senior Executive Vice President, Finasia Syrus Securities PLC

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –



### **Ms. Raveewan Chaiyakit**

Age: 49 years old  
Nationality: Thai

#### **Current positions**

- Executive Director of Brokerage Business Unit 16



### **Mrs. Manida Sithseree**

Age: 51 years old  
Nationality: Thai

#### **Current positions**

- Executive Director of
- Local Institution Department

#### **Date of appointment**

- 1 March 2018

#### **Holding of the Company's shares**

- Direct: None
- Spouse and minor child: None

#### **Relationship with directors/executives**

- – None –

#### **Date of appointment**

- 1 May 2018

#### **Holding of the Company's shares**

- Direct: None
- Spouse and minor child: None

#### **Relationship with directors/executives**

- – None –

#### **Education**

- Master of Science Program in Applied Statistics, National Institute of Development Administration

#### **Experience**

- Senior Executive Vice President, Finansia Syrus Securities PLC

#### **Positions in other listed companies**

- – None –

#### **Positions in non-listed companies/organizations**

- – None –

#### **Education**

- Master of Business Administration, University of Southern California

#### **Experience**

- Head of Local Institution Department,
- CIMB Securities (Thailand) Co., Ltd.

#### **Positions in other listed companies**

- – None –

#### **Positions in non-listed companies/organizations**

- – None –



## **Mr. Pitsanu Wathanawanapong**

Age: 48 years old

Nationality: Thai

### **Current positions**

- Executive Director of Wealth Management Department

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### **Date of appointment**

- 16 July 2018

### **Holding of the Company's shares**

- Direct: None
- Spouse and minor child: None

### **Relationship with directors/executives**

- – None –

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### **Education**

- Master of Business Administration,
- Srinakharinwirot University

### **Positions in other listed companies**

- – None –

### **Positions in non-listed companies/organizations**

- – None –

## Chief Financial Officer and Chief Accountant Profiles



### Ms. Chorpetch Riamdee

Age: 44 years  
Nationality: Thai

#### Current positions

- Chief Financial Officer



### Ms. Supatra Pattanakijaroon

Age: 54 years  
Nationality: Thai

#### Current positions

- Chief Accountant

#### Date of appointment

- 15 August 2017

#### Holding of the Company's shares

- Direct: None
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Date of appointment

- 8 July 2009

#### Holding of the Company's shares

- Direct: 95 shares
- Spouse and minor child: None

#### Relationship with directors/executives

- – None –

#### Education

- Master of Business Administration, Ramkhamhaeng University

#### Training

- Training course focus on TFRS 9, TFRS 15, and TFRS 16: Summary, impact, practice, and case study conducted by the Stock Exchange of Thailand
- New TFRS conducted by NYC Management Co., Ltd.

#### Experience

- Vice president of Accounting and Finance Department, Asia Plus Group Holdings PLC
- Vice president of Accounting and Finance Department, Land and Houses Securities PLC

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –

#### Education

- Master Degree, Faculty of Commerce and Accountancy, Chulalongkorn University

#### Training

- Workshop – consolidated financial statement conducted by EY Office Limited (13 hours)

#### Positions in other listed companies

- – None –

#### Positions in non-listed companies/organizations

- – None –

## Positions of Directors and Executives in Subsidiary, Associate, and Related Company

Company Lists	Subsidiary	Associate	Related Company						
Full Name	FSS International Investment Advisory Securities Co., Ltd.	SBI Royal Securities PLC	Finansa PLC	Finansa Securities Co., Ltd.	ICBC (Thai) PLC	True Corporation PLC	True Vision Group Co., Ltd.	Zaap Party Co., Ltd.	Director, The Ultra Wealth Co., Ltd.
1. Mr. Chatchaval Jiaravanon						✓	✓	✓	✓
2. Mr. Varah Sucharitakul		✓	✓	✓					
3. Mr. Chuangchai Nawongs	✓	✓							
4. Mr. Somphop Keerasuntonpong									
5. Mrs. Pornpring Suksantisuwan	✓								
6. Mr. Yang Liu					✓				
7. Pol. Lt. Gen. Visanu Prasattongsoth									
8. Mr. Phaiboon Siripanoosatien									
9. Mr. Kittisak Bencharit									
10. Ms. Supin Suravichai									
11. Mr. Kosit Thammatada									
12. Ms. Chorpetch Riamdee									
13. Mr. Somchai Keawjaroenpisan									
14. Mrs. Nusara Rooncharoen									
15. Mr. Kuntra Ladavalya Na Ayudhya									
16. Mr. Chatchai Chumsiri									
17. Mr. Nithivat Dhambhirasing									
18. Mr. Pothorn Choemvarachart									
19. Ms. Ubonrut Sripunyawitch									
20. Ms. Kanoknapat Sithivaraporn									
21. Mr. Pannatat Samitthisakda									
22. Mr. Somyot Kittisukcharoen									
23. Ms. Raveewan Chaiyakit									
24. Mrs. Manida Sithseree									
25. Mr. Pitsanu Wathanawanapong									

Remark: ✓ means Director

## Changes in Securities Holding of directors and executives as of 31 December 2019

Full Name	Position	Number of shares		
		31 December 2019	31 December 2018	Increase (Decrease)
1. Mr. Chatchaval Jiaravanon	Chairman of the Board of Directors	-	-	-
2. Mr. Varah Sucharitakul	Deputy Chairman of the Board of Directors	-	-	-
3. Mr. Chuangchai Nawongs	Chief Executive Officer and President	100,000	100,000	-
4. Mr. Somphop Keerasuntonpong	President	-	-	-
5. Mrs. Pornpring Suksantisawan	President	-	-	-
6. Mr. Yang Liu	Director	-	-	-
7. Pol. Lt. Gen. Visanu Prasattongosoth	Independent Director and Chairman of the Audit Committee	3,655,614	3,655,614	-
8. Mr. Phaiboon Siripanoosatien	Independent Director and Audit Committee	-	-	-
9. Mr. Kittisak Bencharit	Independent Director and Audit Committee	-	-	-
10. Ms. Supin Suravichai	Chief Operating Officer	-	-	-
11. Mr. Kosit Thammatada	Chief Technology Officer and Executive Director E-Business Technical Department	100	-	-
12. Ms. Chorpetch Riamdee	Chief Financial Officer	-	-	-
13. Mr. Somchai Keawjaroenpisan	Deputy Head of Brokerage Business and Executive Director of Brokerage Business Unit 5	-	-	-
14. Mrs. Nusara Rooncharoen	Deputy Head of Brokerage Business and Executive Director of E-Business Marketing Sales Department	-	-	-
15. Mr. Kuntra Ladavalya Na Ayudhya	Executive Director of Brokerage Business Unit 1	205,185	205,185	-
16. Mr. Chatchai Chumsiri	Executive Director of Brokerage Business Unit 2	25,029	25,029	-
17. Mr. Nithivat Dhambhirasing	Executive Director of Brokerage Business Unit 3	-	-	-
18. Mr. Pothorn Choemvarachart	Executive Director of Brokerage Business Unit 4	-	-	-
19. Ms. Ubonrut Sripunyawitch	Executive Director of Brokerage Business Unit 7	41	41	-
20. Ms. Kanoknapat Sithivaraporn	Executive Director of Brokerage Business Unit 8	-	-	-
21. Mr. Pannatat Samitthisakda	Executive Director of Brokerage Business Unit 10	-	-	-
22. Mr. Somyot Kittisukcharoen	Executive Director of Brokerage Business Unit 12 and 15	-	-	-
23. Ms. Raveewan Chaiyakit	Executive Director of Brokerage Business Unit 16	-	-	-
24. Mrs. Manida Sithseree	Executive Director of Local Institution Department	-	-	-
25. Mr. Pitsanu Wathanawanapong	Executive Director of Wealth Management Department	-	-	-

# Corporate Governance

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The Board of Directors values the systematic management and corporate governance practice by establishing the Company's corporate governance policy to build confidence among shareholders, investors and stakeholders. The Company aims to strictly implement the Corporate Governance Code 2017 and relevant guidelines which set out by the SET and the SEC; and ensures that Company's corporate governance policy is reviewed and improved at least once per year to be in line with the continual development and changing situation.

In this regard, the Company has disclosed the corporate governance policy on the Company's website at [www.fnsyrus.com](http://www.fnsyrus.com).

## Corporate Governance Policy

### **Principle 1: Establish clear leadership role and responsibilities of the Board**

- (1.1) The Company specifies that the Board shall be responsible for determining the direction of the organization; defining clear objectives and goals; determining strategies, business plan, budget both financial and non-financial; communicating them to relevant employees for understanding and practices in the same direction; as well as monitoring, evaluating, and reporting on performance.
- (1.2) The Company specifies that the Board shall be responsible for encouraging sustainable corporate culture; monitoring and ensuring that impacts on stakeholders are taken into account fairly and ethically when conducting business; improving competitiveness and performance with long-term perspective; and communicating them to all the employees for understanding and practices in the same direction.
- (1.3) The Company specifies in the Board of Directors' Charter that the Board should perform their responsibilities in compliance with their 4 types of fiduciary duties as follows:

#### ➤ **Duty of Care**

Prudently consider business options and make a reasonable decision based on the information after proper due diligence has been applied to the situation

#### ➤ **Duty of Loyalty**

Act responsibly for the Company at all times and to always act in the best interests of the Company rather than oneself to prevent conflicts of interest

#### ➤ **Duty of Obedience**

Act in accordance with the law, objectives, regulations of the Company, resolutions of the Board of Directors, resolutions of shareholders' meetings, and good corporate governance principles

#### ➤ **Duty of Disclosure**

Disclose the accurate, adequate, complete information to relevant authorities in a timely manner  
Moreover, the Board should perform their responsibilities in accordance with the relevant law, principles, and regulations in order to build credibility and encourage sustainable growth.

In addition to the Board of Directors' Charter, which is review on an annual basis, the Company specifies that the Board is responsible for considering and authorizing in writing the Management to act on behalf of the Board within the framework as the Board deems appropriate; monitoring and ensuring that the Management fulfills its duties; and reviewing the distribution of duties regularly.

## **Principle 2: Define objectives that promote sustainable value creation**

- (2.1) The Company specifies duties and responsibilities of the Board in the Board of Directors' Charter that the Board shall be responsible for defining clear objectives and goals; communicating them to all the employees for understanding and practices in the same direction, and monitoring and ensuring that impacts on stakeholders are taken into account fairly and ethically when conducting business.
- (2.2) The Company specifies that the Board shall be responsible for determining the direction of the organization; defining clear objectives and goals; determining strategies, business plan, budget both financial and non-financial; communicating them to relevant employees for understanding and practices in the same direction. The Board shall analyze the environment, factors, risks; assess the impact on stakeholders; and take care of stakeholders appropriately, ethically, and legally. Also, the Board shall encourage the use of innovation and technology in improving competitiveness and business value; allocating significant resources for business operation. In addition, the Board shall monitor, review, and oversee the performance in order to achieve sustainable growth.

## **Principle 3: Strengthen Board effectiveness**

- (3.1) The Company specifies duties and responsibilities of the Board in the Board of Directors' Charter that the Board shall be responsible for determining and reviewing the Board structure, in terms of qualifications, size, and composition; as well as disclosure such information in the annual reports and the Company's website.
- (3.2) The Company specifies duties and responsibilities of Chairman of the Board and Chief Executive Officer in the Board of Directors' Charter so that none will have absolute power and that there is a system of checks and balances between the Board and the Management. Besides, the Board of Directors' Charter specifies that the Board shall be able to establish sub-committees to consider specific issues, examine information, and propose guidelines for considering and reaching mutual resolutions. Also, the Board shall disclose responsibilities, meeting attendance, and performance of sub-committees.
- (3.3) Even though the Company does not have Nomination Committee, the Company ensures that the policy and procedures for the selection and nomination of directors are transparent by disclosing in advance on the Company's website the opportunity for shareholders to nominate qualified and trustworthy persons for election as directors. In the case that no one is nominated as director, the Board shall consider profiles and qualifications, which are reviewed on a regular basis, and nominate such persons to be elected as directors by shareholders' approval.
- (3.4) The Board established the Remuneration Committee, responsible for considering whether the remuneration structure is appropriate for the directors' respective roles and responsibilities; disclosing policy and procedures in determining directors' remuneration, which is linked to the Company's performance and size, directors' roles and responsibilities, and compared to that of companies with similar performance, size and in the same industry, for further shareholders' approval.
- (3.5) The Company specifies duties and responsibilities of the Board in the Board of Directors' Charter that the Board performs their responsibilities in compliance with their fiduciary duties, and that the Board shall director position in no more than 5 listed companies, as disclosed in the annual report, in order to allocate sufficient time to discharge their duties and responsibilities effectively. Moreover, directors shall participate in more than 75% of the meetings held in a year since their appointment. While voting, two third of the total number of directors shall be present. With regard to directors or executives who have interest, the Company specifies that directors are responsible for preventing conflicts of interest, use of inside information, providing anti-corruption guidelines, which will be informed to shareholders as appropriate.

- (3.6) The Company specifies duties and responsibilities of the Board that the Board shall ensure that the Company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate; determine scope of duties and responsibilities of the persons appointed as the representatives of the Company; oversee and ensure that the internal control system of the subsidiaries is appropriate and sufficient; ensure disclosure of financial status and business operating results; conduct significant transactions in accordance with the relevant laws and regulations; enter into contracts or agreements for clear authority in management and decision-making.
- (3.7) The Company conducts a formal annual performance evaluation of the Board, the Audit Committee, and the Chief Executive Officer. The Company adapted Board Evaluation Form of the Stock Exchange of Thailand, which comprises of evaluation of the whole committee and individual director, both self-assessment and cross assessment. The criteria and results of which are disclosed in the annual report and are informed to the Board to be used to strengthen the effectiveness of the Board.
- (3.8) The Company is aware of the importance of participation in training courses offered by the Thai Institute of Directors (IOD) and/or specified by the Securities and Exchange Commission to update and refresh the Board's and the Management's skills and knowledge necessary for effective performance and adhering to the principles of corporate governance. Besides, the Company has applied a membership of the Thai IOD for all directors for news and additional knowledge. If the Company is informed about training opportunities or receives training materials related to the Board, the Company will send the information to the Board for acknowledgement and further study. The information about each director's trainings are disclosed in the annual report (56-2) and form 56-1. In the case that there is a newly appointed director, the Company will provide director orientation to create understanding about organizational structure, nature of business, duties and responsibilities, relevant rules and regulations for effective performance.
- (3.9) The Company specifies the regulations regarding the Board meetings in the Board of Directors' Charter that the meetings shall be held at least 6 times per year, scheduled and informed the Board in advance since the last Board meeting of each year for directors to allocate time to attend the meetings. For the committees not having meeting every month, the Management shall also report the results of those months not having a meeting to the Board. Besides, the Board should ensure that the Board and the Management are free to propose any issue beneficial to the Company to be included as an agenda and encourage the Management to attend Board meetings as the persons directly related to the issues and to be familiar with them for succession planning in the future. Moreover, the Board is responsible for appointing a Company Secretary with necessary knowledge and experience to support the Board in performing its duties. The Board shall also ensure that Company Secretary give advice related to laws and regulations that are necessary, prepare meeting materials and other important documents, give advice on the Board's activities, and communicating to relevant persons to act in accordance with the Board's resolutions. The Company Secretary should be knowledgeable and trained in certified training courses.

#### **Principle 4: Ensure effective CEO and people management**

- (4.1) Even though the Company does not have Nomination Committee, the Board has developed succession plans for the Chief Executive Officer, Presidents, and key executives. Internal or external employees who possess appropriate qualifications can apply for the positions to prepare for the event that the Chief Executive Officer or executives cannot fulfill their responsibilities. The succession plans are as follows:
- Positions that need succession plans are the Chief Executive Officer, Presidents, and Executive Directors of each department.

- The Board will establish the criteria for knowledge and experience and the urgency of each position.
  - The Board will determine the qualified executives for each available positions.
  - The Board will consider the qualifications of each executive to determine the individual development plan.
  - The Board may assign the Chief Executive Officer and Presidents to be responsible for training the qualified executives.
  - The Board may determine rotation of responsibilities of qualified executives and assign the Senior Executive Vice Presidents to attend the Board meetings for understanding, experience, readiness in management of the Company.
  - The Board may discuss about the performance and individual development plan of qualified executives in the Board meetings.
  - The Board may assign the Chief Executive Officer to report the status of succession plans on an annual basis.
- (4.2) The Remuneration Committee should consist of at least 1 independent director. The Board should ensure that the compensation structure rewards individual performance, incentivizes the chief executive officer, key executives, employees and staff at all levels to act in support of the Company's objectives and values, and fosters long-term commitment by aligning incentives with future company performance.
- (4.3) The Board should understand the Company's shareholder structure and ensure that it does not affect the Board's exercise of its duties and responsibilities. The Board should also oversee that information is properly disclosed when there are any conditions that have an impact on the control over the Company. In this regards, the Company has director orientation to create understanding of such issues.
- (4.4) The Board should ensure that the Company is properly staffed and that human resources management aligns with the company's objectives, which includes encouraging employees to save money to prepare for retirement. The Company has continual employee development plan which is employee orientation starting from the first day of employment to create understanding about the Company's structure, nature of business, and relevant work system. The Company also encourages employees to participate in training courses related to securities and financial business and new products. For employees working in branches, they will participate in training courses in the head office before working in their branches. Training courses are also available during employment.

#### **Principle 5: Nurture innovation and responsible business**

(5.1) The Company prioritizes and promote a corporate culture that embraces innovation that creates benefits for the Company, customers, society and environment and also stakeholders under the laws and ethics; which is planned, regularly reviewed, and supervised.

(5.2) The Company operates business with fairness, respecting the rules and regulations of the society; complying with the rules, regulations, and laws strictly in order to prevent damage that may occur to stakeholders; and providing opportunities for various stakeholder groups to participate in the business operation.

#### **➤ Employees**

The Company values all of its employees indiscriminately and equally by focusing on the safety supervision, welfare and employee benefit. The Company also supports and values the development of competencies and work efficiency by encouraging them to participate in training courses and seminars. In addition, the Company focuses on team working and builds a positive attitude toward the Company.

➤ **Customers**

The Company values all of its customers indiscriminately and equally, and aware of the importance of the customers' information. Therefore, it established the safeguard to prevent the uses or disclosures of the customers' information to ensure that the supervision of the customers' information is efficient and safe. For the public relations and sales promotion, the Company mainly focuses on the customers' understanding. It, therefore, advertise the products and services precisely and not exaggerated. In addition, the Company has conducted the survey and implemented the customers' feedback to improve and develop the products and services with the aim to achieve the highest level of customers' satisfaction.

➤ **Trading partners**

The Company values the selection of suitable trading partners and treats them fairly under the trading conditions and agreements without receiving or paying any interests which considered unfaithful to its trading partners. The Company shall consider each trading partner based on its stable and transparent financial record; not having prohibited characteristics concerning corruptions; compliance with the laws; having awareness of human rights, society and environment; having capability of manufacturing; and delivering quality goods and services according to the Company's demand with impressive after-sales service. Moreover, the Company has discussed with its trading partners to develop each other's business on a sustainable basis.

➤ **Creditors**

The Company determines to preserve sustainable relationship and strictly comply with contracts; arrangements and conditions entered into with the creditors i.e. objectives of loans, repayment, fund management and retention of collateral by reporting accurate financial status and financial information on a regular basis. If the Company fails to comply with any discussed obligations or the loan default is likely to occur, the Company shall immediately inform the creditor to mutually seek for a solution. However, the Company has conducted capital management and maintained net capital, and constantly monitors them to ensure that the Company possess adequate liquidity and comply with the regulations of the relevant authority.

➤ **Community and Society**

The Company has supported various activities to help community and society where appropriate for the purpose to build the employees' conscious towards community and society e. g. donation for disadvantaged people and victims by donating money or goods to various foundation or charities., conducting lectures for students or investors, or conducting the internship program for university students, etc.

➤ **Environment**

The Company encourages its employees to protect environment, utilize limited energy and resources in the most efficient manner by encouraging the employees to save energy in the workplace e. g. water and electricity saving, use of environment-friendly office supplies, reducing paper usage by electronic systems and reusing non-confidential documents, etc.

➤ **Competitors**

The Company intends to develop its business to grow steadily and be comparable to its competitors of the same business. The company never set out any policies to destroy its competitors and treat them based on international standard under the antitrust law. In addition, it never fraudulently obtains any confidential information or trade secrets of its competitors and always adheres to the transparent business conduct.

## ➤ **Anti-Corruption**

The Company prioritizes business operation with honesty, transparency, morality, and responsibility to society according to the good corporate governance principles and is aware of the harmful effect and the obstacles to development of an organization caused by corruption. The Company, therefore, has participated in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 27 August 2014 to show its intention of anti-corruption.

- (5.3) The Board should ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives and ensure that management continuously reviews, adapts, and develops the Company's use and optimization of resources for sustainable development.
- (5.4) The Board established the IT Security Committee responsible for determining policies and procedures regarding operational control and information security, review the policies and procedures as appropriate and in line with the changes of risks that may affect information security. This includes providing information security system to ensure secret security, trustworthiness, and data availability; preventing misuse of information, change of information without permission; and supervising the use of information technology in accordance with relevant laws, regulations, and standards.

## **Principle 6: Strengthen effective risk management and internal control**

- (6.1) The Company prioritizes operational control system, internal control and audit; and established risk management policies in order to regularly conduct risk assessment which may affect the business; determined measures to prevent risks from the use of inside information, conflicts of interest, and various risks in accordance with good internal control principles; established a clear management structure, separating responsibilities in order for check and balance.
- (6.2) The Company specifies that the Board shall establish the Audit Committee, which comprise of at least 3 independent directors who possess qualifications in accordance with the regulations of the Office of SEC. The Audit Committee is responsible for ensuring that there is appropriate risk management and internal control system, establishing internal audit department that is independent, and disclosing their opinions of the issues in the annual report. The duties and responsibilities of the Audit Committee are written in the Board of Directors' Charter.
- (6.3) The Company has the policy regarding the wrongful use of inside information by directors, executives, and employees for their own and one's benefits as follows:
- Directors are responsible for notifying the trading of the Company's shares to the Board at least 1 day in advance and the change of their interests to the Board meeting. Employees are responsible for notifying the trading of the Company's shares in accordance with the Company's policy.
  - Executives and employees related to accounting and financial information that has not been made public are prohibited from trading shares since the date specified by the Company and illegally sharing information to others. Directors are prohibited from trading the Company's shares since the date of receipt Board materials related to quarterly and annual financial statements. The trading shall be done after such information is made public after 1-2 days.
  - In the event that the Company is aware of the issue of certain security, the trade of the aforementioned security can be done in 3 business days after such security has been registered.

- Front office employees or investment consultants must not trade securities on behalf of customers to prevent front-running and must not take care of their own or related persons' trading accounts. Employees related to stock analysis must not trade stocks that are in the process of being analyzed until the analyses are made public.
- (6.4) The Company specifies anti-corruption policy which is to be complied with by directors, executives, and all employees. They must not offer, solicit, or receive any benefit or bribe implying a wrongful act which may damage the Company. Also, they must not offer benefit to third parties in order to motivate them to do or refrain from doing their responsibilities.
- (6.5) The Company established a Complaint Consideration Committee which assigned the Compliance Department to receive complaints from customers or shareholders. The complaints can be sent through 4 channels as follows:
- Send to Compliance Department at  
Finansia Syrus Securities Public Company Limited  
999/9 The Offices at Central World, 18th Floor,  
Rama I Road, Pathumwan, Bangkok 10330
  - Tel. : 02 658 9001-8 or Fax: 02 658-9009
  - Email: [compliance@fnsyrus.com](mailto:compliance@fnsyrus.com)
  - The Company's website: [www.fnsyrus.com](http://www.fnsyrus.com)
- The Complaint Consideration Committee is responsible for ensuring appropriate protective measures for whistleblowers who act in good faith.

#### **Principle 7: Ensure disclosure and financial integrity**

- (7.1) The Board prioritizes disclosure integrity both finance-related and non-finance-related as well as other information to show transparency. The Company ensures timely disclosure of information in line with regulations of the SEC and the SET as follows:
- Form 56-1
  - Annual report
  - Financial statements and management discussion and analysis
  - Financial reports including adequacy of the internal control system; auditors' opinion on the internal control system; auditors' observation regarding the internal control system; auditors' opinion through other channels (if any); the Audit Committee's opinion; consistency with objectives, strategies, and policies.
  - Information which may cause conflicts of interest
- (7.2) The Board assigned the Management to monitor the Company's financial status and report to the Board regularly; as well as ensure that no transaction would affect the Company's business continuity, liquidity, or solvency.
- (7.3) The Board should ensure that business operation is done carefully and in accordance with regulations regarding information disclosure. Moreover, the Board ensures that there are mitigation plans for financial difficulties, taking into account stakeholders ethically, and that there is a regular report on the issue.
- (7.4) The Company disclosed its Corporate Governance Policy, Anti-corruption Policy, and Code of Conduct, which includes fair treatment towards employees and stakeholders, respect for human rights, and social and environmental responsibilities.

(7.5) The Company discloses information through appropriate channels, being cautious about information which may affect securities prices. The Company assigned clear responsibility for the issue. However, Policy for dealing with information which may affect securities prices are being reviewed for more clearness.

(7.6) The Company disclosed the following information on the Company's website:

- Vision, mission, and corporate value
- Nature of business
- Directors and executives
- Financial statements and Report on financial status and operating results
- Form 56-1 and annual report
- Shareholding structure
- Group structure
- Notice to shareholders' meetings
- Articles of Association
- Corporate Governance Policy
- Board of Directors' Charter
- Code of Conduct
- Contact information

#### **Principle 8: Ensure engagement and communication with shareholders**

(8.1) The Company prioritizes the rights of shareholders, thus promoting the rights of shareholders which includes shareholders who are institutional investors. The Company allows shareholders to study information before the date of the shareholders' meeting by complying with the rules prescribed by law. In organizing the Annual General Meeting of Shareholders, the Company proceeded as follows:

- 1) According to Articles of Association, the following matters that may have an impact on the operations direction are included in the agenda of the shareholders' meeting and passed the consideration and/or approval from the shareholders
  - Report of the Board showing the Company's business
  - To approve balance sheet and profit and loss account
  - To approve appropriation of net profits and dividend payment
  - Re-election of directors to replace those who are due to retire by rotation and directors' remuneration
  - Appointment of auditors and audit fees
  - Other businesses
- 2) The Company gives rights to shareholders and minority shareholders to propose matters to be included in the meeting agenda and to nominate directors in advance by disclosing through the channels of the Stock Exchange of Thailand and through the Company's website at [www.fnsyrus.com](http://www.fnsyrus.com). The qualifications of the shareholders to propose the meeting agenda must comply with Section 89/28 of the Securities and Exchange Act 1992 and the Notification of the Securities and Exchange Commission, which is, shareholders of the Company, one or more shareholders, holding shares and having voting rights combined not less than 5% of the total voting shares of the Company. Regarding the proposal of the meeting agenda, the Company has specified the following criteria:

- Matters that will not be considered as a meeting agenda
  - Matters prescribed in Section 89/28 of the Securities and Exchange Act B. E.2535, and amendment, namely:
    - 1) Matters not in accordance with the criteria specified in no.2) (Qualifications of shareholders: one or more shareholders, holding shares and having voting rights combined not less than 5 percent of the total voting shares of the Company)
    - 2) Matters related to normal business operations of the Company. And the facts referred by the shareholders Did not show reasonable grounds for suspicion
    - 3) Matters beyond the Company's authority
    - 4) Matters that have been proposed to the shareholders' meeting for consideration in the past 12 months and the said matter is supported by a vote of less than 12 percent of the total voting rights of the Company unless the facts have changed significantly from the facts presented to the previous shareholders' meeting.
    - 5) Any other cases as specified by the Capital Market Supervisory Board
      - Matters that are contrary to the laws, notifications, and regulations of governmental organizations or the Company's regulators, or contrary to the objectives, regulations, and resolutions of the shareholders' meeting and good corporate governance of the Company
      - Matters that have been completed by the Company
      - Matters in which shareholders provide incomplete or incorrect information or cannot be contacted or do not comply with the rules specified by the Company
      - Matters that are for the benefit of a particular person or group of people
      - Matters that are under the authority of the Board unless it could cause significant damage to shareholders as a whole
- Qualified shareholders must fill out the "Proposal of Agenda for the Annual General Meeting of Shareholders" of Finasia Syrus Securities Public Limited Company ("Agenda Proposal Form") along with the required documents and send to the Company Secretary at [companysecretary@fnsyrus.com](mailto:companysecretary@fnsyrus.com) for the Executive Committee to consider and scrutinize before proposing to the Board of Directors. However, shareholders must submit the original forms and sign as evidence in a timely manner at the address as follows:
  - Office of the Company Secretary and Shareholder Engagement
  - Finasia Syrus Securities Public Limited Company
  - 999/9 The Offices at Central World,18th Floor,
  - Rama I Road, Pathumwan, Bangkok 10330

In the event that several shareholders combine to propose the agenda for the Annual General Meeting of Shareholders, the shareholders must fill out the agenda proposal form, signed as evidence, and send in one package.
- Matters that have been approved by the Board of Directors will be included in the meeting agenda and informing in the Notice that the agenda is proposed by shareholders.
- Matters that does not pass the opinion of the Board of Directors will be included as an agenda for acknowledgement and explain the reason in the Annual General Meeting of Shareholders. The Board's opinion is final.

The Company has set the criteria for nominating a person to be considered as a director as follows

- Shareholders who will nominate candidates to be elected as directors must meet all of the above qualifications
- Qualified shareholders must fill out the "Nomination form proposing a person for election as a director ( " Nomination form" ) with required documents and send to the company secretary at companysecretary@fnsyrus. com for submission to the Board of Directors. Shareholders must submit the original form and sign as evidence as well as showing the required documents to the Company within the time frame at the address as follows:

Office of the Company Secretary and Shareholder Engagement

Finansia Syrus Securities Public Limited Company

999/9 The Offices at Central World,18th Floor, Rama I Road, Pathumwan, Bangkok 10330

In the event that several shareholders combine to propose the agenda for the Annual General Meeting of Shareholders, the shareholders must fill out the agenda proposal form, signed as evidence, and send in one package.

- Persons who are nominated as directors must qualify the following criteria:
  - Possess the right qualifications and not possess any prohibited qualifications under the Public Limited Company Act 1992, the Securities and Exchange Act 2008 and the Capital Market Supervisory Board
  - Possess knowledge and qualifications that are beneficial to the Company
  - Do not own positions in more than 4 listed companies
- Persons approved by the Board of Directors will be included in the agenda of the Annual General Meeting of Shareholders and announced as persons proposed by shareholders in the Notice of the Annual General Meeting of Shareholders.

3) These following information is included in the Notice of the Annual General Meeting of Shareholders:

- Date, time, and venue
- Agendas of the meeting, which are separated as for acknowledgement or approval. Re-election of directors and remuneration of directors are separate agendas.
- Purpose and reason for each agenda, which are separated as for acknowledgement or approval, together information for consideration
  - Dividend payment - The Company has specified the dividend payment policy and the proposed dividend payment rate for both the year proposed and historical comparison data.
  - Re-election of directors - The Company gives the shareholders the opportunity to vote for the election of individual directors. Directors' information such as name, age, education, experience, number of positions held in listed companies, recruitment criteria and methods, type of director proposed, including the attendance of the meeting in the previous year and the date of appointment as a director in the case that the current directors shall assume their positions.
  - Remuneration of directors - The Company has specified criteria for determining remuneration for directors and compensation, both monetary and other benefits, in both the proposed year and the previous year.
  - Appointment of auditors and audit fees - The Company specified the names of the auditors, company, duration and experience, period of being the auditor for the Company, independence of the auditors, and the remuneration of the auditors which consists of audit fees and non-audit fees of both the proposed year and the previous year.

- Proxy form A and B (form C will be available on the Company's website)
  - Other information regarding the Annual General Meeting of Shareholders such as guidelines for vote casting, profiles of independent director to be appointed as proxy, lists of documents to be presented for registration, map of meeting venue etc.
- 4) The Company assigned the Thailand Securities Depository Co., Ltd. which is the share registrar of the Company to deliver the Notice and relevant documents of the meeting to shareholders within no less than 21 days before the meeting date while also notifying through the news system of the Stock Exchange of Thailand that the Notice of the meeting was published on the Company's website as an additional way to access information no less than 30 days before the meeting in both Thai and English languages.
- 5) The Company gives opportunity to shareholders to submit questions relating to the agenda of the shareholders' meeting to the Board in advance. The questions can be sent to the Company. The Company has set and published the criteria for sending questions in advance on the Company's website.
- Shareholders shall be send questions together shareholders' information as follows:
    - Name, address, phone number/fax, and email
    - Questions, agenda to inquire, and supporting information (if any)
  - Channel to receive questions
    - Fax: 02 658 9110
  - Time frame to receive questions
    - Shareholders can send questions related to meeting agendas no less than 14 days prior to the meeting.
  - Company Secretary will gather questions and send to Chief Executive Officer for consideration.
  - The Company will answer questions received in advance on the meeting date.
- 6) The Company give opportunity to shareholders who cannot attend the meeting in person to vote by assigning proxy or giving authority to independent directors to vote on their behalf.
- (8.2) In order for the shareholders to participate and take the time to study and make important decisions, the Company gives opportunity to the shareholders to propose the meeting agenda and nominate a person to be elected as a director to replace those who are due to retire at least 3 months in advance. The right has been announced through the news system of the Stock Exchange of Thailand and on the Company's website in order to prevent additional agenda.

The Company sets the date, time, and meeting venue taking into consideration the convenience of the shareholders and specifies the documents or evidence that must be presented before attending the meeting at an appropriate in order not to limit the opportunity for shareholders to attend the meeting. However, in the event that shareholders cannot attend the meeting in person, the shareholders can assign proxy to attend on their behalf. In this regard, the Company provides proxy forms together with the Notice of the meeting and nominate independent directors as proxies in the event that shareholders cannot attend the meeting in person, giving shareholders the right to vote by allowing the independent directors to vote on their behalf.

Before the meeting, the Company notifies shareholders of the number and proportion of shareholders attending the meeting in person and by proxy. In addition, the directors and executives who attend the meeting were also introduced, as well as rules for meetings and voting. As for vote counting, the Company will inform before voting in each agenda because there may be different voting methods for each agenda.

In order to comply with Section 105 of the Public Limited Companies Act B. E. 2535 (and amendments), the Chairman of the meeting has the duty to control the meeting in accordance with the regulations of the Company, laws, and regulations and gives shareholders the opportunity to ask questions or express opinions on various issues related to the Company.

The Company has appointed auditors and legal advisors to oversee the shareholders' meeting to be transparent, legally, and in accordance with the Company's regulations. The Company provides seats for representatives of shareholders and legal advisors to observe and check the transparency of the vote counting, the results of which are disclosed to the meeting immediately after each agenda ends and in the minutes of the meeting.

As for the appointment of directors to replace those who are due to retire by rotation or agendas which consist of many items, the Company gives shareholders the right to appoint individual director or to vote separately on each item.

In order for the meeting to be more accurate and transparent, the Company has use a barcode system to facilitate the meeting, reduce the time use in the registration process, vote counting, and increase the efficiency of showing results to the meeting.

- (8.3) The Company notifies the resolutions of the shareholders' meeting through the news system of the Stock Exchange of Thailand within the date of the meeting by specifying the details in each agenda, including the result of the resolution, the method of vote counting and voting results for each category (agree, disagree, abstain, and invalid ballot) which shows in the form of shares and percentage. Regarding the preparation of the meeting minutes, the Company recorded the names of the directors and executives who attended the meeting, proportion of directors attending and not attending the meeting, voting and vote counting methods, voting results, resolutions from the meeting, as well as names and issues of shareholders who have questions and explanations of the Company in each agenda correctly and completely. The said documents are sent to the Stock Exchange of Thailand and published on the Company's website within 14 days from the date of the shareholders' meeting.

# Code of Conduct

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The Company values and determines to operate and manage its business with honesty, transparency, morality and social responsibility in compliance with the good governance and corporate governance, along with resource allocation in order to carry out both internal and external activities of the organization to gain the utmost benefit by considering the impact on the organization, social and environment to strive towards sustainable growth.

## **Anti-Corruption**

The Company has participated in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 27 August 2014 to show its intention to encourage all level of officers to be aware of the harmful effect and the obstacles to development of an organization caused by corruption, and to have good conscience towards prevention of such harm. In this regard, officers shall not offer or demand compensation, bribe, arrangement or other benefits which lead to direct or indirect inducement for an unlawful action or inaction. In addition, the officers shall carry out their duties with care to prevent themselves or the Company from being used as the opportunity or medium to carry out any acts which may induce corruption. In 2015, the Company's Anti-Corruption progress indicator from Thaipat Institute is in the level of 4 – certified, namely, the Company has shown the implementation and review to ensure the adequacy of the procedure by the Audit Committee or the auditor approved by the SEC. The Company has been certified as the member of Thailand's Private Sector Collective Action Coalition Against Corruption and has been independently audited to ensure its compliance with the anti-corruption policy from the external authorization.

In addition, if there is any knowledge of fraud and corruption related to the Company, the persons must not ignore and must inform the responsible persons through the complaint channel, as well as cooperate in the investigation of facts.

## **Conflict of Interest**

The Company operates its business by taking into account the benefit of the organization and stakeholders and regards thereof as the important policy, thus it sets out the practice to show its intention to operate its business with transparency and accountability and then sets out the duties and responsibilities for its employees in all level to avoid any acts that may cause damage to the Company or obtain less benefits than it should by taking unfair advantage for themselves or commercially related persons of the Company, for example, customers, business partners, etc. Moreover, the employees shall not hold the competitors' shares. If employees acquire such shares before becoming the Company's employees, or before the Company started operating the same business as the competitor's, or inherit such shares; they will be obligated to report to their superior so that the responsible department will be able to supervise such matters to ensure the transparency and clarity.

## **Respect for Human Rights**

The Company determines to create and preserve the organizational culture which adheres to the respect for human rights by respecting and treats every person fairly in conformity with the human right principles, and shall not discriminate on the basis of gender, race, nationality, religion, language, age, skin color, education, social status, or other differences.

### **Giving or Receiving Gifts, Anything of Value, or Other Benefits**

It is possible to give or receive gifts, anything of value or other benefits such as giving or receiving of hospitality, participation in activities, domestic or international travel, including income and expense in relation to the Company's stakeholders. However, such benefits shall only be given or received in a transparent manner and under an appropriate circumstance, or during the festival season and tradition. Employees shall not, in any way, demand or receive anything which is unconventional or inappropriate. In addition, such benefits shall not have inappropriately excessive value and shall not be cash or anything equivalent. For other cases, employees are obligated to report to their superior.

### **Use of Intellectual Property and Technology**

The intellectual property and technology is the important factor that promotes the efficiency of business operation. Therefore, it is the roles and responsibilities of employees to protect the Company's intellectual properties and technologies from deterioration, loss or unlawfully use. Employees shall use the intellectual property and technology cautiously and carefully subject to relevant laws, rules and obligations; and shall not infringe any intellectual property rights, or use other person's technologies in an unlawful manner.

### **Trading in the Company's Stock and Use of Inside Information**

The Company is a listed company in the Stock Exchange of Thailand and adheres to fair and indiscriminate disclosure of information to all shareholders. The roles and responsibilities of employees are not to disclose any nonpublic information for the purpose to exploit such information directly or indirectly. This shall include tipping off to the third parties as to whether they will receive any benefits therefrom, and protection of the Company's confidential information from leakage or release to unrelated individuals. In addition, employees shall not

buy or sell the Company's shares before the disclosure of financial statement or financial status as well as other important information. They shall wait at least 1-2 days after the public disclosure. In this regard, employees shall notify the Company of the purchase or sale of the Company's shares according to the regulations specified by the Company, namely, conduct the written report and deliver a copy of transaction document to Compliance Department within the fifteenth day of the next month, in case of trading activities, or every 6 months, in case of inactivity, to ensure the transparency and clarity; and to prevent the inside information or important information from being unlawfully used which may affect the stock's price or cause damage to the Company.

Since the Company operates securities business which is regulated by the SEC, the SET, and other related authorizations, there is additional requirement for the employees who works in the front office and customer's decision-making unit, or responsible for the Company's investment fund which prohibits them to send orders for their accounts to prevent the front-running activity, and to act as the account officers of their own accounts or any persons related to them. The employees who are responsible for preparation of the stock analysis shall not buy any stocks which are being analyzed within the period specified by the Company.

### **Possession and Dissemination of Innovation**

Since the technology has played more roles in facilitating everyday life, the Company determines to implement technology as the key factor in business operation. Therefore, it has developed the online trading system called "Finansia HERO" to increase convenience for the customer to execute transactions on mobile phones or other portability devices as well as computers, regardless of times and places, with more variety of features to support the demand of each type of investors. The investors can choose their application screen to match their uses or customize their screen. As this is the new development, the Company has conducted the trainings and seminars of the system usage and investment for the interested investors who

are customers and noncustomers, and expand to university students, in order to efficiently utilize their knowledge and instruction in the investment at their own wishes. This system was created and designed to support and satisfy every aspect of investment based on the information safety and customer's convenient so as to provide good experience and create customer satisfaction in all investment opportunities.

### **Internal Control and Internal Audit System, Risk Management and Financial Report**

The Company determines to sustainably increase value and stability in its business. Therefore, it established the policy on internal control, internal audit,

risk management and financial report to be in line with the corporate governance with the efficient and effective internal control and internal audit following to the international standards. The Company also manages all risks to be in an appropriate level, consistently follows up and review the working system and sets out the roles and responsibilities of the management to supervise the conducting of financial report to ensure that it will be accurate, complete and timely in accordance with acceptable accounting standard so as to build trust among shareholders, investors and all groups of stakeholders

## **Stakeholder Engagement**

The Company aware and encourages the cooperation between the Company and the different groups of stakeholders, and focus on the sufficient disclosure of the relevant information. In this regard, the Company has carried out the following acts so that the stakeholders can participate efficiently:

### **Shareholders**

The Company operates the business to create satisfaction and benefit to shareholders in a long term, and also ensure that the information disclosure is inclusive and trustworthy. All shareholders hold equitable rights to vote except for those who have vested interests in such matter unless it is the case of voting on the election of directors.

### **Employees**

The Company values all of its employees indiscriminately and equally by focusing on the safety supervision, welfare and employee benefit. The Company also supports and values the development of competencies and work efficiency by encouraging them to participate in training courses and seminars. In addition, the Company focuses on team working and builds a positive attitude toward the Company.

### **Customers**

The Company values all of its customers indiscriminately and equally, and aware of the importance of the customers' information. Therefore, it established the safeguard to prevent the uses or disclosures of the customers' information to ensure that the supervision of the customers' information is efficient and safe. For the public relations and sales promotion, the Company mainly focuses on the customers' understanding. It, therefore, advertise the products and services precisely and not exaggerated. In addition, the Company has conducted the survey and implemented the customers' feedback to improve and develop the products and services with the aim to achieve the highest level of customers' satisfaction.

### **Trading partners**

The Company values the selection of suitable trading partners and treats them fairly under the trading conditions and agreements without receiving or paying any interests which considered unfaithful to its trading partners. The Company shall consider each trading

partner based on its stable and transparent financial record; not having prohibited characteristics concerning corruptions; compliance with the laws; having awareness of human rights, society and environment; having capability of manufacturing; and delivering quality goods and services according to the Company' s demand with impressive after- sales service. Moreover, the Company has discussed with its trading partners to develop each other' s business on a sustainable basis.

### **Creditors**

The Company determines to preserve sustainable relationship and strictly comply with contracts; arrangements and conditions entered into with the creditors i. e. objectives of loans, repayment, fund management and retention of collateral by reporting accurate financial status and financial information on a regular basis. If the Company fails to comply with any discussed obligations or the loan default is likely to occur, the Company shall immediately inform the creditor to mutually seek for a solution. However, the Company has conducted capital management and maintained net capital, and constantly monitors them to ensure that the Company possess adequate liquidity and comply with the regulations of the relevant authority.

### **Community and Society**

The Company has supported various activities to help community and society where appropriate for the purpose to build the employees' conscious towards community and society e. g. donation for disadvantaged people and victims by donating money or goods to various foundation or charities., conducting lectures for students or investors, or conducting the internship program for university students, etc.

### **Environment**

The Company encourages its employees to protect environment, utilize limited energy and resources in the most efficient manner by encouraging the employees to save energy in the workplace e. g. water and electricity saving, use of environment- friendly office supplies, reducing paper usage by electronic systems and reusing non-confidential documents, etc.

### **Competitors**

The Company intends to develop its business to grow steadily and be comparable to its competitors of the same business. The company never set out any policies to destroy its competitors and treat them based on international standard under the antitrust law. In addition, it never fraudulently obtains any confidential information or trade secrets of its competitors and always adheres to the transparent business conduct.

## Corporate Governance in other areas

### Board of Directors' meetings

(1) Board of Directors

The Board of Directors set its meeting schedule to be 9 times in total. The details of directors' attendance are as follows:

Name	Attendance/Total meeting per year
1. Mr. Chatchaval Jiaravanon	7/9
2. Mr. Varah Sucharitakul	7/9
3. Mr. Chuangchai Nawongs	9/9
4. Mr. Somphop Keerasuntonpong	7/9
5. Mrs. Pornpring Suksantisuwan	9/9
6. Mr. Yang Liu	5/9
7. Pol. Lt. Gen. Visanu Prasattongosoth	6/9
8. Mr. Phaiboon Siripanoosatien	9/9
9. Mr. Kittisak Bencharit	9/9

Ms. Phatra Kanchanaprapat acts as the Company Secretary.

Remark: 1) Some of the directors were unable to attend all meetings since they traveled abroad.

(2) Audit Committee

The Audit Committee set its meeting schedule to be 8 times in total. The details of directors' attendance are as follows:

Name	Attendance/Total meeting per year
1. Pol. Lt. Gen. Visanu Prasattongosoth	6/8
2. Mr. Phaiboon Siripanoosatien	8/8
3. Mr. Kittisak Bencharit	8/8

Mrs. Parichart Khantasima acts as the Secretary of the Audit Committee.

### Development of directors and executives

The Company aware and values the importance of encouraging the directors and executives to attend the training courses held by the Thai Institute of Directors and/or other courses specified by the SEC for the purpose to improve their knowledge and competency which is useful for carrying out their duties as directors and executives and perform their duties efficiently and in accordance with the corporate governance.

All directors have been registered as the member of the Thai Institute of Directors (IOD) by the Company in order to receive news and knowledge and if the Company received the training information or training documents relating to the Board of Directors, the Company will send such information to the directors to acknowledge and study accordingly. The details of the directors' attendance in training course are as follows:

Name	DCP	DAP	ACP	CSP	FND	SFE	HRP	CGI	AACP	BMD
1. Mr. Chatchaval Jiaravanon	-	2008	-	-	-	-	-	2016	-	-
2. Mr. Varah Sucharitakul	2002		-	2008	-	-	-	2016	-	-
3. Mr. Chuangchai Nawongs	-	2004	-	-	-	-	-	2015	-	-
4. Mr. Somphop Keerasuntonpong	-	2004	-	-	-	-	-	2015	-	-
5. Mrs. Pornpring Suksantisuwan	2008	2005	-	-	-	-	-	2015	-	-
6. Mr. Yang Liu	-	-	-	-	-	-	-	-	-	-
7. Pol. Lt. Gen. Visanu Prasattongsoth	-	2004	2005	-	2005	-	-	2015	2015	-
8. Mr. Phaiboon Siripanoosatien	2008	-	2009	-	-	2011	2013	2015	-	-
9. Mr. Kittisak Bencharit	2006	-	2010	-	-	-	-	2014	2015	2017

Remark:

1) In 2019, the Company did not send any director to participate the training course.

2) Courses:

DCP: Director Certification Program

DAP: Director Accreditation Program

ACP: Audit Committee and Continuing Development Program

CSP: Company Secretary Program

FND: Finance for Non finance Director Program

SFE: Successful Formulation & Execution of Strategy

HRP: How to Develop a Risk Management Plan

CGI: Corporate Governance for Capital Market Intermediaries

AACP: Audit Committee and Continuing Development Program (Audit Committee Program)

BMD: Board that Make a Difference

## **Assessment of Performance**

The Board of Directors' Meeting No.9/2019 approved the assessment of the performance of the Board of Directors, the Audit Committee and the Chief Executive Officer to make them aware of their responsibilities, to review their functions, and to develop their performances. The implemented evaluation forms are developed from the assessment forms of the SET. The content of which was adjusted to fit and be in line with the structure of the Company and the Office of the Company Secretary and Shareholder Engagement is responsible for delivering such evaluation forms to all directors, then all evaluation forms will be collected and calculated the results in order to propose to the Board of Directors accordingly. The Company's assessment forms are divided into 5 parts, namely:

### 1) Board of Directors Assessment Form

The individual director of the Company will conduct an assessment of the performance of the Board of Directors in overall aspect using assessment criteria, namely, (1) Structure and Characteristics of the Board of Directors, (2) Roles, Duties and Responsibilities of the Board of Directors, (3) the Board of Directors' Meetings, (4) Performance of Board of Directors' Duties, (5) Relationship with the Management and (6) Personal Development of Directors and Executives.

### 2) Individual Director Assessment Form

The individual director of the Company will conduct an assessment of the performance of other director using assessment criteria, namely, (1) Structure and Characteristics of the Board of Directors, (2) the Board of Directors' Meetings and (3) Roles, Duties, and Responsibilities of the Board of Directors.

### 3) Audit Committee Assessment Form

The individual member of the Audit Committee will conduct an assessment of the performance of the Audit Committee in overall aspect using assessment criteria, namely, (1) Structure and Characteristics of the Audit Committee, (2) the Board of Directors' Meetings, (3) Roles, Duties and Responsibilities of the Audit Committee and (4) Other matters, i.e., self-development of directors and development of executives.

### 4) Individual Member of the Audit Committee Assessment Form

The individual member of the Audit Committee will conduct an assessment of the performance of other director using assessment criteria, namely, (1) Structure and Characteristics of the Board of Directors, (2) the Board of Directors' Meetings and (3) Roles, Duties and Responsibilities of the Board of Directors.

### 5) Chief Executive Officer Assessment Form

The individual director of the Company will conduct an assessment of the performance of the Chief Executive Officer in overall aspect using assessment criteria, namely, (1) Leadership, (2) Strategy Formulation, (3) Strategy Implementation, (4) Financial Planning and Performance, (5) Relationships with the Board of Directors, (6) External Relations, (7) Human Resources Management and Relations, (8) Succession, (9) Product and Service Knowledge and (10) Personal Qualities. In addition, there is a section for comment and recommendation section to develop the Chief Executive Officer.

The rating system consists of 5 levels, namely:

0 = Strongly disagree or there has been no implementation of the matter;

1 = Disagree of there has been little implementation of the matter

2 = Agree or there has been initial implementation of the matter

3 = Agree to a certain extent or there has been progressive implementation of the matter

4 = Strongly agree or there has been complete implementation of the matter

## Assessment Results

### 1) The Board of Directors

- The average score result was 3.66 from the total of 4.00 or equivalent to 91.50 percent.
- The overall performance of the Board of Director is excellent.

### 2) Individual Director of the Company

- The average score result was 3.56 from the total of 4.00 or equivalent to 89.00 percent.
- The performances of most directors are very good.

### 3) The Audit Committee

- The average score result was 3.93 from the total of 4.00 or equivalent to 98.25 percent.
- The overall performance of the Audit Committee is excellent.

### 4) The Individual Member of the Audit Committee

- The average score result was 4.00 from the total of 4.00 or equivalent to 100 percent.
- The performances of most members of the Audit Committee are excellent.

### 5) Chief Executive Officer

- The average score result was 3.96 from the total of 4.00 or equivalent to 99.00 percent.
- The performance of the Chief Executive Officer is excellent.

## Directors and Executives Remuneration

### 1) Financial Remuneration

#### ➤ Board of Directors and Audit Committee

Unit: THB

Full Name	2019		2018	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
1. Mr. Chatchaval Jiaravanon	350,000	-	500,000	-
2. Mr. Varah Sucharitakul	210,000	-	330,000	-
3. Mr. Chuangchai Nawongs	-	-	-	-
4. Mr. Somphop Keerasuntonpong	-	-	-	-
5. Mrs. Pornpring Suksantisuwan	160,000	-	-	-
6. Mr. Yang Liu	100,000	-	120,000	-
7. Pol. Lt. Gen. Visanu Prasattongsoth	320,000	1,000,000	680,000	1,000,000
8. Mr. Phaiboon Siripanoosatien	340,000	500,000	460,000	500,000
9. Mr. Kittisak Bencharit	340,000	500,000	500,000	500,000
<b>Total</b>	<b>1,820,000</b>	<b>2,000,000</b>	<b>2,590,000</b>	<b>2,000,000</b>

Remark: Directors who are executives shall not receive remuneration.

➤ Executive Board

Unit: THB

Full Name	2019		2018	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
1. Mr. Varah Sucharitakul	360,000	-	-	-
2. Mr. Chuangchai Nawongs	-	-	-	-
3. Mr. Somphop Keerasuntonpong	-	-	-	-
4. Mrs. Pornpring Suksantisuwan	160,000	-	-	-
<b>Total</b>	<b>520,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

➤ IT Security Committee

Unit: THB

Full Name	2019		2018	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
1. Mrs. Pornpring Suksantisuwan	400,000	-	-	-
2. Chief Operating Officer	-	-	-	-
3. Chief Technology Officer	-	-	-	-
4. Head of E-Business_Technical Department	-	-	-	-
<b>Total</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Remark: Directors who are executives shall not receive remuneration.

➤ Credit Committee

Unit: THB

Full Name	2019		2018	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
1. Mr. Chuangchai Nawongs	-	-	-	-
2. Mrs. Pornpring Suksantisuwan	80,000	-	-	-
3. Chief Operating Officer	-	-	-	-
4. Chief Financial Officer	-	-	-	-
5. Head of Risk Management Department	-	-	-	-
6. Executive Director of Brokerage Business	-	-	-	-
<b>Total</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Remark: Directors who are executives shall not receive remuneration.

➤ **Risk and Investment Committee**

Unit: THB

Full Name	2019		2018	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
1. Mr. Chuangchai Nawongs	-	-	-	-
2. Mrs. Pornpring Suksantisuwan	80,000	-	-	-
3. Chief Financial Officer	-	-	-	-
4. Chief Operating Officer	-	-	-	-
5. Head of Business Development Department	-	-	-	-
<b>Total</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Remark: Directors who are executives shall not receive remuneration.

➤ **Executives**

In 2019, The Company paid remunerations, which comprise of salary, bonus, and others, to executives totaling THB 177,204,807.

➤ **Other committees**

The Company did not pay any financial remuneration to members of the following committees:

- 1) Remuneration Committee
- 2) Risk and Investment Committee \*
- 3) Credit Committee \*
- 4) Management Committee
- 5) Damage Examination Committee
- 6) Complaints Consideration Committee
- 7) Purchase Committee
- 8) Brokerage Business Committee
- 9) Risk Management Committee
- 10) Investment Committee
- 11) Private Fund Committee
- 12) Risk of Private Fund Committee

Remark: \* The Board of Directors' Meeting No.8/2019, held on 12 November 2019, considered and approved the restructuring of management committees by collapsing Risk and Investment Committee and Credit Committee, and establishing Risk Management Committee and Investment Committee.

➤ **Board of Directors' of subsidiary**

Unit: THB

Full Name	FSS International Investment Advisory Securities Co., Ltd.			
	2019		2018	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
1. Mr. Chuangchai Nawongs	-	-	-	-
2. Mrs. Pornpring Suksantisuwan	30,000			
3. Mrs. Chutima Woramontri	-	-	-	-
<b>SJU</b>	<b>30,000</b>			

2) Other remuneration

➤ **Board of Directors**

– None –

➤ **Executives**

The Company has provident fund which the Company also paid 5-7% of the salary each month. In 2019, the Company paid the provident fund totaling THB 5,383,837. In addition, the Company also provides insurance which covers damage occurring from management in the amount of THB 543,780.

**Remuneration of auditor**

1) Audit fees

The Company and its subsidiary paid the audit fees to the auditor of the Company, namely, EY Office Limited as follows:

Unit: THB

	2019	2018	Change
Finansia Syrus Securities PLC	1,800,000	1,560,000	+240,000
FSS International Investment Advisory Securities Co., Ltd.	400,000	400,000	-
<b>Total</b>	<b>2,200,000</b>	<b>1,960,000</b>	<b>+240,000</b>

2) Non-Audit Fee

– None –

**Whistleblowing and complaint policy**

The Company provides whistleblowing channels for employees to report suspected violation of corporate governance policy, code of conduct, and other rules and regulations, where information will be inspected. If the information is deemed verisimilar, the report will be proposed to the Audit Committee and the Board of Directors for establishing a committee to investigate facts and determine penalty. The Company also specifies measures to protect whistleblowers and those who cooperate in fact finding.

## **Corporate Governance Practices that have not been adopted**

1. The board should ensure that the company's annual and medium-term (for example, 3 - 5 years) objectives, goals, strategies, and plans correlate and align with the company's long-term objectives, while considering the business environment, opportunities, and the company's risk appetite. The board should ensure that the company's medium-term objectives, goals, strategies, and plans are annually reviewed and updated as appropriate.

Explanation: The Company is in the process of considering adopting the Stock Exchange of Thailand's sustainable development guidelines into the Company's policies and strategies.

2. The board should ensure that the company's strategies and plans take into account all relevant factors influencing the value chain, including the company's ecosystem, risks, resources, competitiveness, and stakeholders. The board should ensure that a mechanism for stakeholder engagement is in place.

Explanation: The Company has stakeholder engagement, yet unclear. The Company is in the process of considering adopting the Stock Exchange of Thailand's sustainable development guidelines into the Company's policies and strategies to make stakeholder engagement clearer.

3. The chairman of the board should be an independent director.

Explanation: Although the Chairman of the Board is not an independent director, the Board has considered that Chairman has fulfilled his duties and responsibilities appropriately. Giving opinions and determining objectives of the Company are mutual agreement of the Board, which is without interference. Also, the Chairman has always supported the business. In addition, the qualifications of the Chairman are in accordance with the regulations of the Office of the Securities and Exchange Commission and must also be approved by shareholders.

4. If the roles and responsibilities of the chairman and the chief executive officer are not clearly separated, for instance, when the chairman and the chief executive officer are the same person, the chairman is not an independent director, the chairman and the chief executive officer are family members, or the chairman is a member of the management team or has been assigned a management role, the board should ensure the balance of power and authority of the board and between the board and management by:

- (1) having the board comprise a majority of independent directors, or
- (2) appointing a designated independent director to participate in setting the board meeting agenda.

Explanation: That the composition of the Board of Directors should consist of more than half of the independent directors has been considered by the Board. The Board agreed that the performance of duties and the opinions of the directors are independent from the Management. And although the proportion of independent directors does not meet the criteria of the Thai Institute of Directors (IOD), it still complies with the Public Limited Company Act, which stipulates that the proportion of independent directors should not be less than one-third of the total number of directors. Therefore, the Company has maintained the said structure. In addition, directors' term of office should not exceed 3 consecutive terms unless any director is suitable to hold the position longer. The Board will consider the independence and efficiency of the said director, as well as explain the reasons and performance to shareholders.

5. The Board should establish a Nomination Committee. The majority of its members and the Chairman should be independent directors.

Explanation: Even though the Company does not have Nomination Committee, the Company ensures that the policy and procedures for the selection and nomination of directors are transparent by disclosing in advance on the Company's website the opportunity for shareholders to nominate qualified and trustworthy persons for election as directors. In the

case that no one is nominated as director, the Board shall consider profiles and qualifications, which are reviewed on a regular basis, and nominate such persons to be elected as directors by shareholders' approval.

6. The board should establish a remuneration committee with the majority of its members and the chairman being independent directors. The remuneration committee is responsible for setting the remuneration policy.

Explanation: The Company has established the Remuneration Committee even though the Chairman is not an independent director. The Company has considered and resolved that the Chairman of the Board, who is the leader of the organization, is responsible for the performance of the Company and, therefore, is appropriate to be appointed as the Chairman of the Remuneration Committee.

7. The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.

Explanation: The Board deemed the guideline appropriate and will adopt it when ready.

8. Meeting documents should be sent to each director at least five business days before the meeting.

Explanation: The Company has regulations regarding sending meeting notices and meeting documents to the directors no less than 7 days before the meeting date. Since there may be the use of data from other organizations, this can cause the delay. While the 5 working days before the meeting date specified by the SEC is an appropriate corporate governance principle, the Board has considered and deemed the aforementioned period not different from the Company's existing practices and, therefore, agreed to maintain the existing practices.

9. Non-executive directors should be able to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meeting to the company's chief executive officer.

Explanation: The Company is in the process of considering adopting the guideline to enhance independence and performance of the Board.

10. The board should ensure that management sets clear directions for and supports the Investor Relations function (such as through a code of conduct), and clearly defines the roles and responsibilities of the Investor Relations function, so as to ensure effective communication between the company, the financial community and other stakeholders.

Explanation: The policy regarding management of information that affects stock prices has been reconsidered to enhance clearness.

11. The board should ensure that the company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the company's website by the next business day.

Explanation: The Company notifies the resolutions of shareholders' meetings through the SET's electronic company information disclosure but not on the Company's website. However, the Company has assigned the relevant department to prepare the Company's website for such disclosures.

## Social Responsibility Activities

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# Warmness & Education Chance 2019 by Finansia



### **Finansia Syrus Securities Public Company Limited**

recognizes the importance of underprivileged children in remote areas. Therefore, the Company collected donations from executives and employees to fund education and development of quality of life at Tha Song Yang District, Tak Province, on 15 December 2019.

# Report of the Audit Committee

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## Composition of the Audit Committee

The Audit Committee of Finasia Syrus Securities PLC comprises 3 independent directors and the Company's executive vice president of Compliance Department served as the coordinator and secretary.

## Roles and Responsibilities of the Audit Committee

The Audit Committee is empowered by the Board of Directors to review all matters relation to the financial reporting, internal and external audits by the certified public accountant. In a meantime, the Audit Committee also encourage and promote the Company to comply with the good practices of listed companies to ensure that the company has good corporate governance practices; provide advice on good internal control system to executives; and discuss other activities relating to rules and regulations of the Stock Exchange of Thailand.

The Audit Committee met independently with the management and the internal and external auditors of the Company to review and evaluate the accounting policies and principles, procedures relating to the accounting and finance the internal control, and the audit plan. The Audit Committee also verified and certified financial report for every quarter and provided assessments and recommendations to the Board of Directors. The Audit Committee has its duties to ensure that the weakness in internal controls will be corrected and prevented timely and efficiently. The Board of Directors and the Audit Committee approved the policy and reports for related party transactions.

The duties of the Internal Audit and Compliance of the Company are to evaluate weakness in the internal and external rules and regulations of the Company systematically. The internal audit reports were submitted to the Audit Committee regularly.

The Internal Audit and Compliance of the Company also serves as a facilitator and a promoter of an improvement of good corporate governance of the Company and its compliance through internal audit processes, post-audit follow up; provides advice on prevention of corruption to internal department of the Company; and work closely with the Human Resource Department to encourage the compliance with the existing Code of Conduct and to promote the Company's comprehensive good corporate governance.

## The Audit Committee's Activities during the Year

In 2019, the Audit Committee carried out the following activities:

- 1) Approved the quarterly financial statements and reviewed the annual financial statement, and provided assessments and recommendations to the Board of Directors;
- 2) Reviewed the revision of the Internal Audit of the Company to be in line with business expansion, and proposed for the Board Approval;
- 3) Reviewed and approved Internal Audit plan and reviews the results of internal audit reports and the revision thereof.

The Audit Committee's opinions according to the aforementioned activities are as following:

- 1) The Company's 2019 financial reports are accurate, complete and accountable;
- 2) The Company complied with the securities and exchange law, the regulations of the stock exchange, and other laws relating to the Company's business;
- 3) The Company's Internal Audit and Compliance Department performed its duty appropriately and effectively;
- 4) EY Office Limited, the Company's auditor, provided audit services appropriately;

- 5) The related transactions arising in 2019 were rational and contributed optimal benefits of the Company;
- 6) For the year 2019, the Audit Committee held 8 meetings to review the Company's financial report which had been verified by the certified public accountant and internal audit results, and corrective actions. The attendance of meetings by each committee member was as follows:

Full Name	Attendance/Total Meetings in the Year 2019
1. Pol. Lt. Gen. Visanu Prasattongosoth	6/8
2. Mr. Phaiboon Siripanoosatien	8/8
3. Mr. Kittisak Bencharit	8/8

- 7) The Audit Committee performed its duties approved by the Board of Directors.

The Audit Committee proposed the Board of Directors to appoint EY Office Limited as the Company's auditor for the fiscal year ending 31 December 2020. The appointment of the auditor and the determination of the audit fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 29 April 2020.



**Pol. Lt. Gen. Visanu Prasattongosoth**  
Chairman of the Audit Committee

# Internal Control and Risk Management

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The Company is aware and values the importance of supervision, monitoring, and internal audit. Therefore, the Company assesses business risks which regularly affect business operations, monitors and establishes policies regarding risks from inside information, conflict of interest and risks according to good internal control. The Company sets out the explicit management structure and segregation of duties to ensure the effective check and balances.

## Comments from Audit Committee

The duties of the Company's Audit Committee are to consider and review the adequacy of the internal control system to suit the changing environment. The Company assigns the Internal Audit Department which is an independent department to audit and report directly to the Audit Committee.

The Audit Committee has reviewed the internal control system and risk management by considering the monthly audit reports and summary of annual audit prepared by the Internal Audit Department to propose to the Audit Committee to consider the overall system and determine which system shall be emphasized. Moreover, the Audit Committee provides advice to the internal audit department regarding the improvement on the internal control procedures and systems emphasizing on segregation of authority, the clear line of the authority and to monitor the continual improvement of any weakness from the audit results, and the problem solving in a correct and timely manner to prevent any breach against related laws, rules and regulations. At the Board of Directors Meeting No. 1/2019 on 12 February 2019, 3 members of the Audit Committee conducted the internal control system sufficiency evaluation dividing into 5 areas which are (1) internal control (2) risk assessment (3) supervision of operation (4) information and communication, and ( 5 ) Monitoring system. In addition, the Audit

Committee also evaluated the adequacy of personnel; monitored and supervised the operation whether it is able to prevent the property of the Company or its subsidiary from the unlawful or unauthorized use by directors or executives; and evaluated weakness in the internal control system and review the improvement status and the rationale.

The Audit Committee concluded that the Company's 5 major areas of internal control system including the internal control system related to major shareholders' transaction, executives' transaction or any related persons were adequate. Apart from that, the other topics of the internal control system were adequate as well.

## Head of the Company's Internal Audit and Compliance

Mrs. Parichart Khantasima serves as head of Internal Audit and Compliance Officer responsible for controlling, monitoring and managing both departments. According to her work experiences, knowledge and skills, the Audit Committee consider and viewed that she is regarded as the suitable person to discharge her duties efficiently and most beneficial for the Company.

In this regard, the appointment, dismissal and transfer the Chief Risk and Compliance Officer will be subject to approval of the Audit Committee and the Board of Directors.

# Shareholder Structure

Top 10 Major Shareholders as of 31 December 2019

Name of Shareholder	Number of Share	Shareholding Proportion (%)
1) Finansa Fund Management Limited	170,269,978	29.29
2) Morgan Stanley&CO. International PLC	67,383,222	11.59
3) ICBC (Thai) PLC	58,140,302	10.00*
4) Thai NVDR Co., Ltd. **	49,278,473	8.48
5) KIM ENG SECURITIES (HONG KONG)	44,511,760	7.66
6) Mrs. Suporn Wattanavekin	15,671,944	2.70
7) Mr. Anucha Sihanatkathakul	15,418,599	2.65
8) Mr. Paitoon Manasilp	7,300,021	1.26
9) Mr. Kittichai Kraikorkij	6,700,000	1.15
10) Mr. Jumroen Rungwatanaseth	5,500,000	0.95
Others	141,235,526	24.28
<b>Total</b>	<b>581,403,025</b>	<b>100</b>

Remark: \* ICBC (Thai) PLC holds 58,140,302 shares, which are accounted for 9.9999999%

\*\*The shareholders of Thai NVDR Co., Ltd. in No. 4, who holds Non-Voting Depository Receipts are not entitled to vote in the shareholders' meeting, except for the right to vote for the delisting from the Stock Exchange.

The shareholder of Finansa Fund Management Limited ("FFM"), the No. 1 shareholder of the Company, operates the investment business in the form of venture capital to invest in Thailand, Vietnam, Myanmar and Cambodia, is Finansa PLC ("FNS"), holding 100% shares. As of 14 March 2019, the shareholders of FNS comprise of Mr. Vorasit Pokachaiyapat, holding 34.64% shares, Mr. Kobkhun Thianpreecha, holding 9.49% shares, Deutsche Bank Ag Singapore- Pwm holding 4.77% shares, Morgan Stanley&CO. International PLC, holding 3.98% shares and other shareholders, holding 47.12% shares.

# Dividend Payment Policy

The Company has policy to pay dividend at the rate of not less than 40 percent of net profit after the deduction of every reserves determined by the Company. However, the dividend payment shall be changed taking into account the Company's investment plan, necessity and other appropriateness in the future. In 2019, the Company incurred net loss of THB 29,420,366. However, since the Company still had unappropriated retained profit from past business operation, the Meeting approved dividend payment from unappropriated retained profit at THB 0.06 per share totaling THB 34,884,181.50 to shareholders whose names are included in shareholder registrar on the record date on 28 February 2019. Dividend payment date was on 3 May 2019.

## Share Price

**1.59**

## Dividend per Share

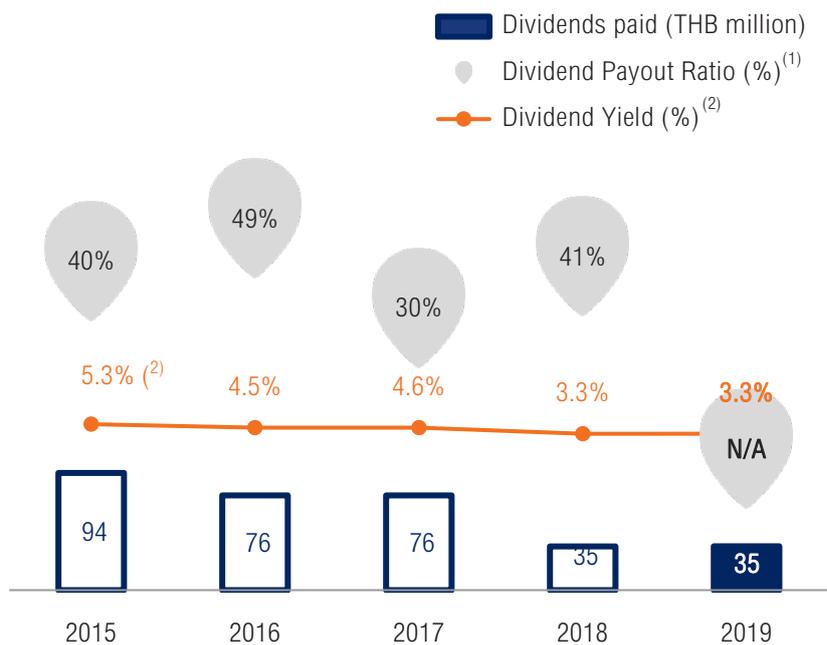
**0.06**

**0.06**

## Earnings per Share

**(0.24)**

**(0.24)**



### Remark:

- (1) Dividend payout ratio was calculated from dividend paid divided by the Company's net profit after the deduction of 5 percent of net profit as a statutory reserve according to cash basis.
- (2) Dividend yield was calculated from dividend paid divided by total ordinary shares as of the year end and divided by the share price as of the year end.

# General Information

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## (A) Corporate Information

Company Name (TH)	: บริษัทหลักทรัพย์ ฟินันเซีย ไซรัส จำกัด (มหาชน)
Company Name (EN)	: Finansia Syrus Securities Public Company Limited
Stock Code	: FSS
Registered Number	: 0107547000079
Member Lists	: Member of SET No. 24 Member of the Thai Bond Dealing Center Member of Association of Thai Securities Companies (ASCO)
Company Website	: <a href="https://www.fnsyrus.com">https://www.fnsyrus.com</a>
Issued and Paid-Up Share Capital	: THB 930,244,840 (Par Value THB 1.60 per share, 581,403,025 ordinary shares)
Head Office	: 18 <sup>th</sup> , 25 <sup>th</sup> Floor, The Offices at Central World 999/9, Rama I Road, Pathumwan, Bangkok 10330 Tel: 02 658 9000, 02 658 9500 Fax: 02 658 9110
Back Office	: 15 <sup>th</sup> Floor, MBK Tower 444 Phayathai Road, Wangmai, Pathumwan, Bangkok, 10330 Tel: 02 680 0700, 02 680 0777; Fax: 02 680 0769
Branches	: 27 Branches

## Bangkok Metropolitan Area

### 1) Alma Link Office

9<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup> Floor, Alma Link Building  
25 Soi Chidlom, Ploenchit Road,  
Lumpini, Pathumwan, Bangkok 10330  
Tel: 02 646 9999, 02 646 9600  
Fax: 02 646 9888

### 2) Amarin Tower Office

20<sup>th</sup> Floor, Amarin Tower  
496-502 Ploenchit Road,  
Lumpini, Pathumwan, Bangkok 10330  
Tel: 02 660 5000, 02 264 6000  
Fax: 02 660 5010

### 3) Central Pinklao 1 Branch

16<sup>th</sup> Floor, Room 21601/1, 1404, Central Tower A  
Pinklao  
7/129-221 Baromratchachonanee Road,  
Arunamarin, Bangkok Noi, Bangkok 10700  
Tel: 02 878 5999; Fax: 02 878 5998

### 4) Bangkapi Branch

3rd Floor, Room A3 R02, N-Mark Building  
3105 Ladprao Road,  
Klongchan, Bangkapi, Bangkok 10240  
Tel: 02 378 4545; Fax: 02 378 4544

### 5) Bang Na Branch

19<sup>th</sup> Floor, 589/105,  
Tower 1 Office Building  
589 Moo 12, Bang Na Trad Road,  
Bang Na, Bangkok 10260  
Tel: 02 740 7100; Fax: 02 740 7199

**6) Sindhorn 1 Branch**

2<sup>nd</sup> Floor, Sindhorn Tower 1  
130-132 Wireless Road, Lumpini,  
Pathumwan, Bangkok 10330  
Tel: 02 690 4100; Fax: 02 690 4101

**7) Kian Gwan**

18<sup>th</sup> Floor, Kian Gwan House II  
140/1 Wireless Road,  
Lumpini, Pathumwan, Bangkok, 10330  
Tel: 02 254 1717 Fax: 02 254 1718

**8) Ladprao Branch**

11<sup>th</sup> Floor, Unit 1106, Rasa Tower 2  
555 Phaholyothin Road,  
Jatujak, Bangkok 10900  
Tel: 02 513-7477; Fax: 02 513 7430

**9) Prachachuen Branch**

4th Floor, B Building  
105/1, Tessaban Songkroh Road,  
Ladyao, Jatujak, Bangkok 10900  
Tel: 02 580 9130; Fax: 02 580 9138

**10) Rattanathibet Branch**

576, Rattanathibet Road,  
Bang Krasor, Nonthaburi 11000  
Tel: 02 831 8300  
Fax: 02 831 8388, 02 969 9117

**11) Samutsakhon Branch**

813/30, Norasing Road, Mahachai,  
Samutsakhon, Samutsakhon, 74000  
Tel: 034 428 045; Fax: 034 428 044

**12) Rangsit Branch**

2, 2.5, 3 Floor, 1/832 Moo 17  
Kukod, Lamlookka, Pathumthani 12130  
Tel: 02 993 8180; Fax: 02 993 8179

**13) Chaeng Wattana Branch**

22<sup>nd</sup> Floor, Room 2203, Central Plaza  
Chaengwattana Office Tower, 99, 99/9 Moo 2, Bang  
Talat, Pakkred, Nonthaburi 40000  
Tel: 02 005-4193; Fax: 02 005-4703

**Provincial****1) Khon Kaen I Branch**

2<sup>nd</sup> Floor, 311/16 Klang Muang Road,  
Nai Muang, Khon Kaen 40000  
Tel: 043 224 504; Fax: 043 224 506

**2) Khon Kaen III Branch**

311/11 Klang Muang Road,  
Nai Muang, Khon Kaen 40000  
Tel: 043 058 925; Fax: 043 058 927

**3) Hadyai Branch**

106 New Season Hotel, Prachathipat Road,  
Hadyai, Songkla 90110  
Tel: 074 243 777; Fax: 074 353 329, 074 244 955

**4) Chiang Mai I Branch**

308 Chiang Mai Land, Changklan Road,  
Changklan, Muang Chiang Mai, Chiang Mai 50100  
Tel: 053 204 711  
Fax: 053 235 880, 053 272 369

**5) Chiang Mai II Branch**

310 Chiang Mai Land, Changklan Road,  
Changklan, Muang Chiang Mai, Chiang Mai 50100  
Tel: 053 235 889, 053 204 909  
Fax: 053 235 890, 053 204 910

**6) Chiang Mai III Branch**

1st Floor, Mali Place Building Room B1-1, B1-2  
32/4 Moo2, Mali Place Building, Mae Hia,  
Muang Chiang Mai, Chiang Mai 50100  
Tel: 053 805 388; Fax: 053 805 390

**7) Surat Thani Branch**

173/83-84 Moo 1, Wat Pho-Bang Yai Road,  
Makham Tia, Muang Surat Thani,  
Surat Thani 84000  
Tel: 077 222 595; Fax: 077 222 596

**8) Mae Sai Branch**

119 Moo 10,  
Mae Sai, Chiang Rai 57130  
Tel: 053 640 599; Fax: 053 733 819

**12) Chiang Rai Branch**

353/15 Moo 4, Rimkok,  
Muang Chiang Rai, Chiang Rai 57100  
Tel: 053 750 120; Fax: 053 750 127

**9) Phuket Online Branch**

22/18 Luang Phor Wat Chalong Road,  
Talad Yai, Muang Phuket, Phuket 83000  
Tel: 076 210 499; Fax: 076 210 498

**13) Udonthani Branch**

197/29, 213/3, Udondusadee Road,  
Mak Khaeng, Muang, Udonthani 41000  
Tel: 042 245 589; Fax: 042 324 146

**10) Trang Branch**

59/28 Huayyod, Tubtieng,  
Muang Trang, Trang 92000  
Tel: 075 211 219; Fax: 075 212 400

**14) Nakhon Ratchasima Branch**

198/1 Trok Samorai, Nai Muang, Muang,  
Nakhon Ratchasima 30000  
Tel: 044 288 700; Fax: 044 288 700 Ext.109

**11) Pattani Branch**

300/69-70 Moo 4, Roo Samilea,  
Muang Pattani, Pattani 94000  
Tel: 073 350 140-4; Fax: 073 350 014

**(B) Information of companies that the Company holds more than 10% shareholding**

Company Name (TH)	:	บริษัทหลักทรัพย์ที่ปรึกษาการลงทุน เอฟเอสเอส อินเตอร์เนชั่นแนล จำกัด
Company Name (EN)	:	<b>FSS International Investment Advisory Securities Company Limited</b>
Business Type	:	Investment Advisory
Address	:	25 Alma Link Building, 14 <sup>th</sup> Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel: 02 611 3550; Fax: 02 611 3551
%Shareholding	:	96.25
Issued and Paid-Up Share Capital	:	THB 8 million
Par Value	:	THB 100
No. of Ordinary Shares	:	80,000 shares

**Company Name** : **SBI Royal Securities Public Company Limited**  
**Business Type** : Securities Business (registered under Cambodian law)  
**Address** : Phnom Penh Tower, No. 445,  
Preah Monivong Blvd, Sangkat Boeung Pralit,  
Khan 7makara, Phnom Penh  
**%Shareholding** : 20.01  
**Issued and Paid-Up Share Capital** : USD 15.99 million  
**Par Value** : USD 25  
**No. of Ordinary Shares** : 63,960,000 shares

**(C) Information of References**

**Company Registrar** : Thailand Securities Depository Company Limited  
14<sup>th</sup> Floor, The Stock Exchange of Thailand  
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand  
Tel: 02 009 9000; Fax: 02 009 9991

**Company's Auditor** : Ms. Ratana Jala Certified Auditor Number 3734 and/or  
Ms. Somjai Khunpasut Certified Auditor Number 4499 and/or  
Mrs. Nonglak Pumnoi Certified Auditor Number 4172  
EY Office Limited  
33<sup>rd</sup> Floor, Lake Rachada Office Complex  
193/136-137, New Ratchadaphisek Road, Klongtoey, Bangkok 10110  
Tel: 02 264 0777; Fax: 02 264 0789-90







**Finansia Syrus Securities Public Company Limited**

18<sup>th</sup>, 25<sup>th</sup> Floor, The Offices at Central World  
999/9 Rama I Road, Pathumwan, Bangkok 10330

 0 2658 9000, 0 2658 9500  0 2658 9110

 <https://www.fnsyrus.com>

