

Business Nature

Consolidated revenue breakdown of Trinity Watthana Plc. and its subsidiaries in 2017 - 2019

Revenue	Generated By	Share-holding (%)	2017		2018		2019	
			MB	%	MB	%	MB	%
Advisory fees	Trinity Advisory 2001 Co., Ltd. and Trinity Securities Co., Ltd.	99.99	14.25	2.51	17.61	2.83	43.87	6.50
Income from securities business	Trinity Securities Co., Ltd.	99.99	513.84	90.62	449.56	72.19	494.95	73.32
Income from Derivatives business	Trinity Securities Co., Ltd.	99.99	14.35	2.53	19.73	3.17	18.82	2.79
Gain (Loss) from Proprietary Trading, Equity/ Futures	Trinity Securities Co., Ltd. And Trinity Watthana Plc.	99.99	(8.86)	(1.56)	77.97	12.52	38.93	5.76
Interest and dividend	Trinity Watthana Plc. And Trinity Securities Co., Ltd.	99.99	28.20	4.97	45.26	7.27	68.61	10.16
Other income	Trinity Watthana Plc. Trinity Securities Co., Ltd. and Trinity Advisory 2001 Co., Ltd.	99.99	5.25	0.93	12.56	2.02	9.90	1.47
Total			567.03	100.00	622.67	100.00	675.08	100.00

Revenue breakdown of Trinity Securities Co., Ltd. in 2017 – 2019

Revenue	2017		2018		2019		
	MB	%	MB	%	MB	%	
Brokerage fees	341.60	57.18	313.41	54.12	209.69	54.12	
Fees and services	59.16	9.90	73.35	12.67	237.57	12.67	
Gain (loss) from securities trading	(44.38)	(7.43)	(22.43)	(3.87)	(25.65)	(3.87)	
Gain (loss) from derivatives trading	55.21	9.24	40.23	6.95	43.01	6.95	
Interest and dividend	32.82	5.49	28.03	4.84	43.04	4.84	
Interest on margin loans	144.56	24.20	123.02	21.24	98.08	21.24	
Other income	8.50	1.42	23.48	4.05	8.36	4.05	
Total		597.46	100.00	579.09	100.00	614.10	100.00

Business Nature

1) Trinity Watthana Public Company Limited

Trinity Watthana Public Company Limited (“Company”) is a holding company making direct investment in its 4 subsidiaries, namely Trinity Securities Co., Ltd. Trinity Advisory 2001 Co., Ltd. Trinity Intelligence Plus Co.,Ltd. And Trinity One Co.,Ltd. In performing this business, the Company’s Board of Directors is responsible for formulating business operation policies of the subsidiaries, and these policies will be implemented by the subsidiaries’ boards of directors.

In addition to making direct investment in its subsidiaries, the Company invests in its affiliate, i.e. Asset Backed Holdings Co., Ltd. by holding 49.95% of the total shares therein. Asset Backed Holdings Co., Ltd. is principally incorporated to invest in the entities which are established as special purpose vehicles for securitization of assets. The Company also has investment in trading and available-for-sale securities.

From 2014, the Company has lending business that has listed securities pledged as collaterals, which has longer terms period than the margin loan for purchasing of securities of Trinity Securities Company limited. The Company has set policies to accept customers, the approval of the customers, and policies to control and follow strictly, which operates by Trinity Securities Company Limited. As of December 31, 2019, the Company had other loans amounting to Baht 1,224 million.

On July 1, 2019, the company entered into a shareholder agreement of Tree Money Holding Company Limited with an individual in order to invest in the company for 215,000 newly issued ordinary shares, with a par value of 100 baht per share, totaling investment of 21.5 million baht. The shareholding proportion of the company is 30.07 percent of the issued and paid-up shares of the company after the capital increase. The company considers that under the conditions in the shareholder agreement, Tree Money Holding Company Limited is an enterprise in which the company and the individual jointly controlled, providing retail loans for provincial businesses.

Company’s Investment Policy

It is the Company’s policy to make short-term investments in listed securities with high liquidity and medium-term investments in listed securities with good foundations and operating results as indicated by analytical research. As for long-term investments, the Company will invest in non-listed companies which have high growth potential or any other businesses which can support the businesses of the Company’s affiliates or subsidiaries. The Company’s long-term investments are made to spread risk relating to income source, to mitigate the impacts from the fluctuation within SET and to allow the Company to enjoy profit share throughout the holding period of such companies or businesses. In addition, Trinity Securities Co., Ltd., the Company’s subsidiary, has a policy to make short-term investments in listed securities and derivatives which are listed for trading, including debt instruments for trading and available for sale which are other investment alternatives for financial management.

Investment Monitoring Policy

Investment in Listed Securities and Derivatives for Trading and Available for Sale

In general, the Company’s Board of Directors is in charge of approving an investment limit and risk management policy governing the securities or derivatives investment made by the Company and its subsidiaries while the Company’s Proprietary Committee is responsible for (i) formulating policy for selection of group of securities for investment, (ii) setting measures to manage risks attached to each type of securities/instruments or proprietary accounts, e.g. investment limit allotment, stop loss limit, returns on investment report and (iii) prescribing actions to be taken when loss from investment incurs.

In addition, the Proprietary Committee is in charge of evaluating and following up the performance of each securities or derivatives investment made by the Company or its subsidiary for further report to the Company's Board of Directors. In this regard, the Risk and Information Management Department will help monitor and ensure that each investment is in line with the governing policy as well as take corrective actions in case where any investment is not in line with the governing policy.

As of December 31, 2019, the Company has trading securities at a market value of Baht 120.22 million and available -for-sale listed securities investment at a market value of Baht 57 million.

Stop Loss Limit

Stop loss limit for each proprietary account is different from one another, depending on risk attached to each investment type and invested securities. Some examples of stop loss limit were set out below.

- Unrealized loss limit per security e.g. up to 15% of cost of each security
- Unrealized loss limit per portfolio e.g. up to 15% of total investment in a portfolio
- Investment limit for any particular securities e.g. up to Baht 15 million

Investment in Debt Securities/Instruments

In general, the Company's Board of Directors is in charge of approving an investment limit and risk management policy governing the debt securities investment made by the Company and its subsidiaries while the Company's Proprietary Committee is responsible for (i) formulating policy for selection of debt securities for investment, (ii) approving an investment in debt securities within its approval scope and (iii) setting measures or rules for risk management e.g. stop loss limit and procedures for reporting the returns on investment, including (iv) prescribing actions to be taken when loss from investment incurs. In addition, the Proprietary Committee is in charge of evaluating and following up the performance of each debt securities investment made by the Company or its subsidiary for further report to the Company's Board of Directors.

Other Investments

An investment in any company which does not fall within the scopes of investments stated above must be approved by the committee(s) in charge of investment. Also, such investment must be proposed to the Board of Directors of Trinity Watthana Plc. for consideration and approval. Additionally, the responsible person(s) for such investment must be designated so that they can follow up and report the performance of such investment to the committee(s).

As of December 31, 2019, the Company has long-term investment in other securities of Baht 107.80 million.

Investment in Affiliated Company

Asset Backed Holdings Co., Ltd. is principally incorporated as a holding company to invest in the entities which are established as special purpose vehicles for securitization of assets, i.e. entities/companies issuing securities from securitization for sale to investors and securitization management companies (details of this investment are set out in Policy for Investment in Affiliates and Subsidiaries).

Presently, Asset Backed Holdings Co., Ltd. has only one subsidiary, Conduit Management Services Co., Ltd. which is a securitization management company.

Investment in a joint venture

Tree Money Holding Company Limited's main objective is to invest in companies that operate retail loans at the provincial level under the supervision (Pico Finance) and other related businesses. At present, the joint venture has a subsidiary that has obtained a license to operate Pico Finance business and has started its operations in 12 companies. There are 6 new subsidiary companies that are in the process of applying for a license and one subsidiary company that provides related services. Conducting retail lending business at the provincial level under supervision must obtain a business license and be under the supervision of the Ministry of Finance and must comply with the rules and conditions for doing business in accordance with the announcement of the Ministry of Finance and the relevant Office of the Fiscal Policy Office.

Policy Concerning Provision of Allowance for Impairment of Investment

Trinity Watthana Plc. presents its investments in trading and available-for-sale securities at their fair values. Any change in the value of the trading securities will be recorded as profit or loss in the Company's financial statements while any change in the value of available-for-sale securities will be separately recorded under the shareholders' equity. Loss on impairment (if any) of investments in available-for-sale securities are included in profit or loss.

2) Trinity Securities Company Limited

Trinity Securities Company Limited engages in various types of securities business which can be classified as follows:

1. Securities Brokerage Business

Trinity Securities Co., Ltd. has been the 22nd member of the Stock Exchange of Thailand (SET) and has provided securities brokerage service since March 2002. The company's turnovers in both SET and MAI during the period from 2017, 2018 and 2019 were shown below.

Turnovers	2017	2018	2019
SET and MAI (MB)	12,227,748	14,130,078	12,978,854
Trinity Securities Co., Ltd.'s turnovers (MB)	339,800	411,935	302,093
Trinity Securities Co., Ltd.'s market share (%)	1.55	1.66	1.35

Source: Stock Exchange of Thailand

Presently, Trinity Securities Co., Ltd. provides securities brokerage service to a wide variety of clients ranging from individual, corporate to institutional clients. As at the end of 2019, the number of clients for this service was 18,675. In providing this service, the company has established and implemented various supervisory policies primarily concerning (i) client acceptance consideration, (ii) approval and adjustment of credit line for clients' securities trading and (iii) control and monitor of clients' securities and derivative trading. Details of these policies are set out below.

Client Acceptance and Credit Line Approval Policy

Trinity Securities Co., Ltd. has a policy to accept quality clients with good financial records. The company's criteria for accepting and approving credit lines for securities trading to its clients are as follows :

Individual client	Criteria for individual client acceptance include the client's employment stability, income adequacy, and ability to settle the approved credit line. Documents in support of consideration include copy of identification card or passport, copy of household registration, copy of passbook or bank statement or any other documents evidencing the individual's financial conditions.
Corporate / institutional client	Criteria for corporate/institutional client acceptance include the client's financial position, shareholders, management, business wealth and operating results. Documents in support of consideration include copies of identification cards or passports of authorized signatories, copy of corporate/institution affidavit, past financial statements or bank statements.

After investment consultants verify the supporting documents and the client's identity, assessing the client's money-laundering risk, the company's investment consultants will propose his/her opinions and the suggested credit line to his/her supervisor and an operation officer in charge of credit line consideration. The operation officer will then examine the completeness of the documents required for trading account opening and the client's information to assess the client's money-laundering risk, the company's investment consultants will propose his/her opinions and the suggested credit line to his/her supervisor and an operation officer in charge of credit line consideration. The operation officer will then examine the completeness of the documents required for trading account opening and the client's information to assess the client's money-laundering risk again before providing his/her opinions for the suggested credit line. After that, the operation officer's opinions will be forwarded to his/her line manager for consideration and approval. (See details in the Credit Committee section).

Apart from the above procedures for accepting and approving credit line to the client, the company assesses the credit line of each client and keeps updating the clients' information at least once a year. Also, the client's information is reviewed on a regular basis to assess the client's money-laundering risk whereby the review's intensity will be commensurate with the client's risk level. During the year, if any client requests for an increase in his/her/its credit line, the officer in charge will consider the request in light of the clients' record of payments, trading volume and other relevant information. Then, the officer's opinions for the increase will be proposed to the personnel with approval authority in the same process as earlier described.

Policy for Controlling and Monitoring Clients' Securities and Derivatives Trading

To ensure that the rules of the Stock Exchange of Thailand, Thailand Futures Exchange Plc., and the Office of Securities and Exchange Commission are correctly and properly complied with, the company has implemented various measures to strictly control and monitor the securities and derivatives trading of its clients. These measures include a strict control of securities/derivatives trading system users; supervisory rules applicable to licensed officers, investment consultants and other related persons; rules for approval of proper credit lines to clients; stipulation of approval authority for online securities/derivatives trading; a review of clients' transactions to prevent money laundering, a provision of system and channel for clients to lodge complaints in case where the company's officer fails to perform their work properly; and a provision of solutions and corrections in case where mistake/error is found in the clients' transactions.

In addition, the company has put in place various internal rules and regulations to monitor the securities/derivatives trading and payments made by its clients so as to prevent itself from being exposed to undesirable risks. Examples of these rules and regulations are a prohibition of additional trading when late payment occurs, a demand for additional fund when the stop loss limit is reached and the existing fund is insufficient, including a reduction of credit line and a closing of trading account when the client fails to make payment.

Besides, the Compliance and Internal Audit Department will audit the trading transactions made by the company's clients and the work performed by the company's officers to ensure that the company's audit plan is strictly adhered to. The audit results will be directly reported to the company's chief executive officer, presidents, board of directors and the audit committee in accordance with the prescribed rules.

2. Provision of Margin Loans with Credit Balance Account

Trinity Securities Co., Ltd. has prescribed and ensured that its policies and procedures for approval of margin loan are stringent and consistent with the existing investment situations including the rules and regulations relating to margin loans provision. These policies and procedures can be summarized as follows :

Margin Loan Provision Policy

The company has a policy that a margin loan provided to each client shall not exceed 25% of the company's capital fund and the total margin loans provided to all clients shall not exceed 5 times the company's capital fund.

The company's criteria for accepting clients for this transaction of margin loan provision include an analysis of client's financial position (credit scoring) and his/her understanding of risk and procedures involving in a margin loan request. In this regard, the company appoints the Credit Committee to consider securities selection for margin loan. Selection criteria of securities for margin loan include trading liquidity, price volatility and fundamental factors of selected securities. Additionally, the Credit Committee is responsible for prescribing margin rate of the securities as per the securities' risk in order to request for collateral from the client to protect the company against any risk from the margin loan provision. In case where the total value of margin loans provided to all clients is densely clustered within any particular securities, the company will prohibit an additional loan to such securities.

Policy for Client Acceptance and Margin Loan Approval

After a client expresses his/her intention to request for a margin loan with credit balance account, an investment consultant must prepare the client's information as required by the company's regulations. The investment consultant must also clarify the following issues to the client: an investment which can be made through margin loan with credit balance account, his/her investment record, and his/her margin loan request record, as well as ensure that the client fully understands and is ready to comply with all rules, regulations and requirements concerning margin loan request. Then, the investment consultant must have the client sign the clarification form for opening a credit balance account. This form together with other supporting documents will then be submitted for approval, following the procedures for opening a credit balance account. In this regard, the company will consider all limits that the company has provided to the client under all accounts opened with the company.

Policy for Controlling and Monitoring of Collateral Placement and Debt Payment by Client

The company's policy for controlling and monitoring of collateral placement and debt payment by its clients were set out below.

1. Collateral placement, additional required collateral and debt payment enforcement

The company accepts only cash and listed securities as collateral for margin loan. Additionally, the company requires the investment consultant and operation officer to review an adequacy of the client's collateral on a daily basis by using the latest trading price of the securities. In case where debt payment enforcement is necessary and if the investment consultant does not perform a forced sale of the collateral according to the company's requirement, the company authorizes the operation department to perform a forced sale of such collateral.

2. Custody of client's collateral and assets

The company prepares a list of its clients' collaterals and assets in segregation of its account and treats the clients' collaterals and assets in accordance with the notification of the Securities and Exchange Commission.

Policy Concerning Asset Classification and Provision of Allowance for Doubtful Debts

Trinity Securities Co., Ltd. strictly complies with the notification of the Office of the Securities and Exchange Commission re: Bookkeeping of sub-standard debtors of securities companies. In so doing, the company will assess each client's financial position to ascertain risk pertaining to default payment and deficiencies of the collateral(s) placed by the client. In general, the company will set an allowance for doubtful debt when the collateral is not adequate and/or there is a chance that the company will not receive full repayment.

Revenue Recognition Suspension Policy

It is the policy of both the Company and its subsidiaries that revenue shall be recognized on accrual basis. The Company and its subsidiaries do not recognize revenue on accrual basis in case of certain loans having characteristics as stipulated by the notification of the Office of the Securities and Exchange Commission re: Bookkeeping of sub-standard debtors of securities companies.

3) Securities and Derivative Trading Business

Trinity Securities Co., Ltd. invests in both short-term fixed income instruments whose term is not longer than 90 days and long-term fixed income instruments such as government bonds and debentures, including listed securities for trading and derivatives.

In 2019, the company generated income from its investment in equity instruments, derivatives and fixed income in the total of Baht 60.39 million which already included trading gain and loss, interest income and dividend from the investments.

As of 31 December 2019, the company's investment in fixed income for trading and available for sale was Baht 390.98 million while the company's investment in equity instruments and mutual funds stood at 290.09 Baht million and Baht 4.22 million, respectively. Also, the off-balance sheet fair values of derivatives for long position and for short position were Baht 14 million and Baht 156 million, respectively.

The Company's investment policy

The company's investment in and trade of securities and derivatives can be classified by type of instruments as follows:

1. To invest in deposit, bills issued by financial institutions, treasury bills, government bonds or state enterprise bonds which can be redeemed within 3 years from the date of investment.
2. To invest in fixed income issued by private sectors or investment units.
3. To invest in government bonds, state enterprise bonds or instruments of debt guaranteed by the government which can be redeemed within 3 years from the date of investment.
4. To invest in listed securities / derivatives.
5. To invest in non-listed securities.
6. To invest in other securities in addition to the aforesaid securities.

The company has a policy to invest in and trade the securities and derivatives having high liquidity. Before making any investment or trading, the company will conduct a study to select securities with good foundations and operating results and/or the securities that can provide good yields based on the market condition. Generally, the company's decision for investment and trading of securities/derivatives depends on the market condition.

Long-term investments, which are considered as available-for-sale investments, are operated and monitored by the Long-term Investment Committee. The long-term investment committee will consider making the investment or selling the investment from the information presented by the investment division. It will consider investment universe using the investment criteria and guidelines that take into account of the appropriate rate of return and risk in each investment. The investment can be invested in ordinary shares or convertible securities as well as derivatives to protect the risk for long-term investments that have already been invested. The committee can invest both in and outside the stock market, including investment both at home and abroad, and set investment period for 1-5 years. The investment will be invested in companies that operate interesting businesses with a high growth rate of revenue and profit potentials and have executives and management structures in accordance with the business management principles and good corporate governance principles. The investment will also be choosing to invest with the lower value comparing its fundamental factors (undervalued).

Investment Supervision Policy

The Board of Directors of Trinity Watthana Plc. is in charge of approving investment limit of the Company and other companies in the Group including rules and procedures for management of risks arising from investment. In addition, the Board has appointed the Proprietary Committee to supervise and ensure that all long term investments made by the Company and its subsidiaries are in line with the approved rules and procedures and that the investment risks are properly managed. Apart from that, the Proprietary Committee is responsible for approving the investments made under the Company's proprietary account (See Proprietary Committee for more information) (Please see details in section 2, 9.2 the long term investment committee) and establishing Risk and Information Management Department to monitor, report and provide corrections when any investment is made in violation of the approved rules and procedures.

For long-term investment, after investing in the business, the investment division or the person assigned will monitor, review the status of the investments to be in accordance with the specified investment framework, and report periodically on progress or significant changes to the long-term investment committee.

Policy Concerning Provision of Allowance for impairment of Investment

Trinity Securities Co., Ltd. has a policy to record its investments and set allowance for impairment of its investments in accordance with the rules prescribed by the Office of Securities and Exchange Commission and the rules of Trinity Watthana Plc.

4. Investment Advisory Service

Trinity Securities Co., Ltd. generally offers investment advisory service in parallel with its securities brokerage service by providing advice on securities that are suitable for investment to the clients. Presently, the company does not charge for this service despite the fact that the company's investment advisory service has been approved since 5 November 2003. With this approval, the company can fully provide investment advice through various channels as an investment advisor.

5. Securities Underwriting Service

Trinity Securities Co., Ltd. offers a securities underwriting service to various companies wishing to offer their securities in type of both debt and equity instruments. This service is provided by the company's staff who have been trained and approved to be financial advisors by the Office of Securities and Exchange Commission. These staff also possess qualifications necessary for supervising a securities underwriting service. Prior to accepting to be an underwriter of any securities, the company will thoroughly consider and analyze details of the securities, its offering price and market conditions as well as conduct a survey on needs of clients and investors. After that, a securities underwriting proposal will be proposed to those in line of command for approval e.g. department head, president and/or the Underwriting Committee

6. Securities Borrowing and Lending Service

In January, 2005, Trinity Securities Co., Ltd. was granted a license to engage in a securities borrowing and lending business whereby the business scope was limited to the borrowing and lending of securities for an over-allotment of any securities underwriting.

On 28 November 2008, the company was approved by the Office of the Securities and Exchange Commission to engage in the securities borrowing and lending business to the full extent under which the company is allowed to be an agent of a borrower and lender or to be a contractual party in the securities borrowing and lending contract made with its clients.

The company started engaging in the securities borrowing and lending business to the full extent in January 2009. Generally, before engaging in the borrowing and lending activities, the company will analyze counterparty's risk to ensure that the borrowing counterparty can meet contractual obligations and deliver securities to the company as required. Furthermore, the company must ensure that it will be able to meet collateral requirements to the lender at all times in accordance with the regulations of the Office of Securities and Exchange Commission as well as ensure timely delivery of securities to the lender as scheduled.

As at the end of 2019, there were 216 clients opening securities borrowing and lending accounts with the company.

7. Financial Advisory Service

Up to the present, Trinity Securities Co., Ltd. has been granted a license to engage in a financial advisory business within the scope outlined by the Office of Securities and Exchange Commission for 5 years, and this license will expire on 7 August 2022. Presently, the company has 15 staff having in-depth knowledge and profound experience in investment banking whereby 6 out of these 15 staff have qualifications which are necessary for a supervision of investment banking transactions.

Additionally, the company is registered with the Ministry of Finance as “Type “Kor” Advisor” in the Ministry’s pool of advisors responsible for providing financial advisory services to various agencies, both government and private sectors. Details of the financial advisory service can be found in section of Trinity Advisory 2001 Co., Ltd.

8. Private Fund Asset Management Service

Trinity Securities Co., Ltd. obtained a license to provide private fund asset management service in August 2005 and commenced this service in November 2005. To provide this service, the company has arranged for a sound working system and clearly segregates the duties and responsibilities of the fund manager and the operation team. That is, the operation team will be responsible for taking care and contacting custodian, including verifying the transactions, preparing report and reconciling the asset balance with the custodian. To manage and monitor the investment, the company’s board of directors assigned the Investment Committee to set up a reliable investment framework and to assess overall investment performance in order to provide proper advice on investment. (See details in Investment Committee) (Please see details in section investment committee)

As of 31 December 2019, the company has 103 clients using private fund management services, increasing from 93 clients at the end of 2018. Total assets increased from 3,090 million baht at the end of 2018 to 3,826 million baht by the end of 2019, representing an increase of 23.82%.

9. Investment Unit Selling Agent Business

Trinity Securities Co., Ltd. acts as a selling agent of investment units for 11 asset management companies, namely Kasikorn Asset Management Co., Ltd., Krungsri Asset Management Co., Ltd., Krung Thai Asset Management Co., Ltd., TISCO Asset Management Co., Ltd., One Asset Management Co., Ltd. and UOB Asset Management Co., Ltd. CIMB-Principal Asset Management, TMB Asset Management Co., Ltd. ,Asia Plus Fund management co.,Ltd., SCB Asset Management Co.,Ltd. and Talis Asset Management Co.,Ltd.

This business is regarded as a supplementary service provided to the clients. As a selling agent, the company can diversify its services, better assist its clients in managing their investments and spread risks more effectively. Additionally, this business serves as another channel for the clients to make investments in any assets more conveniently. Although at present, this business is considered a supplementary service, it has gained a lot of interest from the clients, resulting in that the service fee derived from this business is increasing every year and becoming a unit that can stably generate revenue.

10. Being a bondholder representative

Trinity Securities Company Limited received approval to conduct business as bondholders' representatives from Securities and Exchange Commission on April 29, 2019, beginning bond services of being bondholders' representatives in June 2019. In the year 2019, the company is the representative of the debenture holders to 2 debenture issuers.

11) Being an agent for derivatives trading

Trinity Securities Company Limited received a Derivatives Brokerage License on July 31, 2008 and commenced its business on December 1, 2008.

The company has market share and derivatives purchase values in 2018, 2019, and 2020 as follows:

Trinity Securities Co., Ltd.'s Trading Volumes in TFEX

Trading Volume (contracts)	2017	2018	2019
TFEX	78,990,574	104,422,200	104,521,995
Trinity Securities Co., Ltd.	1,590,848	1,508,728	1,299,525
Company's market share (%)	1.01	0.72	0.62

Source: Thailand Futures Exchange Plc.

Breakdown of TFEX Turnover Classified by Types of Products

Trading Volume (contracts)	2017		2018		2019	
	No. of contracts	%	No. of contracts	%	No. of contracts	%
Futures	77,908,893	98.63	103,059,680	98.70	102,844,672	98.40
- RSS3	10,613	0.00	34,482	0.03	54,565	0.05
- Oil	-	0.00	-	0.00	-	0.00
- Gold	3,749,555	4.75	4,356,424	4.17	7,568,699	7.24
- USD	346,890	0.44	685,847	0.66	673,060	0.64
- Single Stock	47,480,762	60.11	55,332,444	52.99	52,098,173	49.84
- SET50 Index	26,321,073	33.78	42,544,040	40.74	42,450,175	40.61
Options	1,081,681	1.37	1,362,520	1.30	1,677,323	1.60
- SET50 Index	1,081,681	1.37	1,362,520	1.30	1,677,323	1.60
Total (contracts)	78,990,574	100.00	104,422,200	100.00	104,521,995	100.00

In 2019, the Company's market share dropped from 0.72% in 2018 to 0.62%. In this year, the Company ranked 29rd in the total trading volume of TFEX due to a more intense competition in commission fee. This was quite contrary to the overall trading volume in TFEX which had significantly increased thanks to a continual growth of the trading in single stock future and SET50 Index Futures.

The company's derivatives brokerage business is mainly targeted at individual clients. In operating this business, the company has established and implemented policies concerning (i) client acceptance consideration, (ii) approval and adjustment of credit line for derivatives trading and (iii) control and monitor of clients' derivative trading. These policies are similar to those prescribed for securities brokerage business. However, due to the fact that the derivatives brokerage business has higher risk than that of securities brokerage business, the company provides an additional questionnaire for the investment consultant to use in collecting information from the clients and assessing their understanding of derivatives

business. The clients of derivative brokerage business are required to sign a clarification form for opening a derivatives trading account whereby the signing must be performed prior to proposing the credit line for approval. In this regard, the company will consider all limit that the company has provided to the client under all accounts opened with the company.

12. Provision of Support Service to Companies in the Group

Trinity Securities Co., Ltd. provides several support services, i.e. financial and accounting, auditing, computer, human resources, including other administrative services as well as internal audit and compliance to all companies in the Group. In providing these support services, Trinity Securities Co., Ltd. entered into the following agreements with the companies in the Group

Agreements between Trinity Securities Co., Ltd. and Trinity Advisory 2001 Co., Ltd.

Contractual Parties:	Trinity Securities Co., Ltd. as Service Provider Trinity Advisory 2001 Co., Ltd. as Customer
Service Agreement	Service scope: - To provide financial and accounting services - To provide internal audit and compliance services - To provide human resources and administrative services - To provide computer service The term of this agreement is 1 year and the term shall be automatically renewed for another year if there is no termination of the agreement. The total service fee in 2017 was Baht 600,000.
Lease Agreement	The annual rental fee was agreed at Baht 288,000.

Agreements between Trinity Securities Co., Ltd. and Trinity Watthana Plc.

Contractual Parties:	Trinity Securities Co., Ltd. as Service Provider Trinity Watthana Plc. as Customer
Service Agreement:	Service scope: - To provide financial and accounting services - To provide public relations and administrative services - To provide computer service - To provide internal audit and compliance services The term of this agreement is 1 year and the term shall be automatically renewed for another year if there is no termination of the agreement. The total service fee in 2018 was Baht 600,000.

Agreements between Trinity Securities Co., Ltd. and Trinity Intelligence Plus Co., Ltd.

Contractual Parties:	Trinity Securities Co., Ltd. as Service Provider Trinity Intelligence Plus Co., Ltd. as Customer
Service Agreement:	Service scope: - To provide financial and accounting services - To provide human resources and administrative services - To provide computer service The term of this agreement is 1 year if there is no termination of the agreement. The total service fee in 2018 was Baht 330,000.

3) Trinity Advisory 2001 Company Limited

Trinity Advisory 2001 Co., Ltd. engages in financial advisory and investment banking services. The company has been approved by the Office of the Securities and Exchange Commission to provide financial advisory services within the scope outlined by the Office of the Securities and Exchange Commission for a period of 5 years and such approval will expire on 21 May 2021. Presently, the company has one staff with in-depth knowledge and profound experience in investment banking business. This staff also has qualifications which are necessary for a supervision of investment banking transactions. In general, the company works with the Investment Banking Department of Trinity Securities Co., Ltd. to provide a variety of financial advisory services, i.e. being a financial advisor for an issue and offer of securities and a listing of securities on SET; being an advisor for business merger and acquisitions; being an advisor and intermediary in business joint venture arrangement; being a financial advisor for asset securitization schemes; being an advisor for business restructuring and fund raising; being an advisor for share appraisal; and being an advisor to provide advice concerning monetary market, capital market and overall industrial and economic conditions.

In this regard, the financial advisor services will focus on providing efficient services and offering the most beneficial services to customers. As well as creating opportunities in offering ongoing services to customers in order to maintain the customer base to use the company again in the future.

Additionally, the company is registered with the Ministry of Finance as “Type “Kor” Advisor consulting advisor to the Ministry of finance to provide financial advisory services to various departments Both government and private sector.

Market Conditions and Competition

1. Market conditions and competition in the securities industry

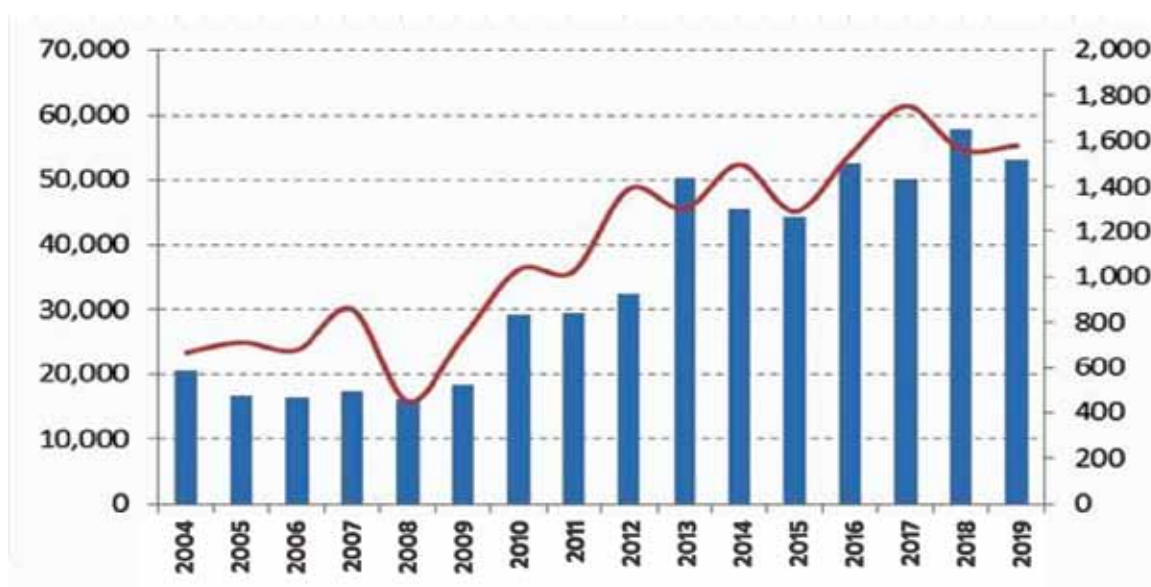
For Thai stock market in 2019, the SET Index increased by 1 percent while the SET50 Index increased 2.3 percent, and SET TRI Index increased by 4.3 percent. The important factors that occurred were :

1. Trade war between China and the United States continues to occur throughout the year, but the violence has decreased from the previous year due to various trade agreements between the two countries, resulting in manufacturers and buyers becoming more confident.

2. Various central banks around the world's policy eases are continued, such as 3 interest cuts and the end of the Fed's balance sheet size cut, the European Central Bank's QE, TLTRO (ECB) and the Bank of Thailand interest rate cuts.
3. The Thai baht appreciated throughout the year due to current account surplus and high level of international reserves, causing investors to want to hold more currencies amid the uncertainty of various factors
4. The Thai economy has slowed down significantly due to exports affected by the baht, causing manufacturers to reduce employment and increasing the pressure on domestic consumption
5. The company's earnings forecast for the Thai stock market has decreased, affecting the valuation of most stocks and the market as a whole
6. Crude oil prices have been well supported by OPEC + for ongoing production capacity reduction
7. Geopolitical risk for the Brexit case is extended for a period, making the risk of hard Brexit still not occurring

The industry group that has improved better than the overall stock market in 2019, such as food and beverages, information and communication technology, media and publications, transportation and logistics and energy industries. For industries with lower returns than the overall stock market, there are petrochemicals, construction services, agricultural business, electronics, commercial banks, property development, construction materials, commerce and medical industries.

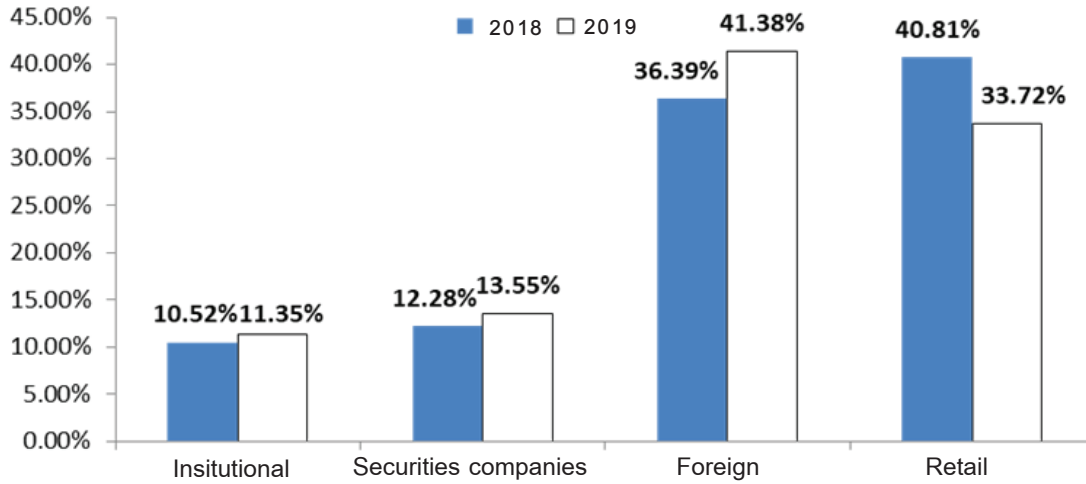
SET Index and the average daily trading value - Annually



Source: The Stock Exchange of Thailand

Considering the trading value of securities (including SET and MAI Index) classified by investor type, it was found that in 2019, retail investors played a significantly reduced role. The ratio of trading value of retail investors is 34% from 41% in 2018, while foreign investors have increased trading to 41% from 36% in 2017. As for other types of investors, such as securities company accounts and domestic institutional investors, they have similar trading ratios as shown in the diagram below

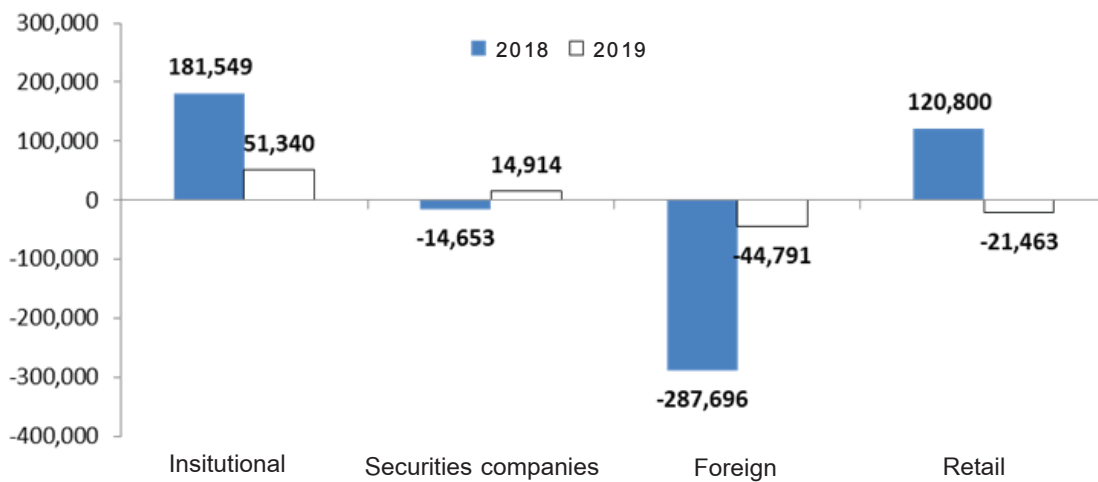
Trading proportion by each type of investors



Source: The Stock Exchange of Thailand

Overall, throughout the year 2019, domestic institutional investors have a net buy position of 51,340 million baht and a securities company account has a net buy status of 14,914 million baht, while foreign investors have a net sell position of a total of 44,791 million baht and retail investors have net sales status 21,463 million baht.

Trading value by each type of investors (million Baht)



Source: The Stock Exchange of Thailand

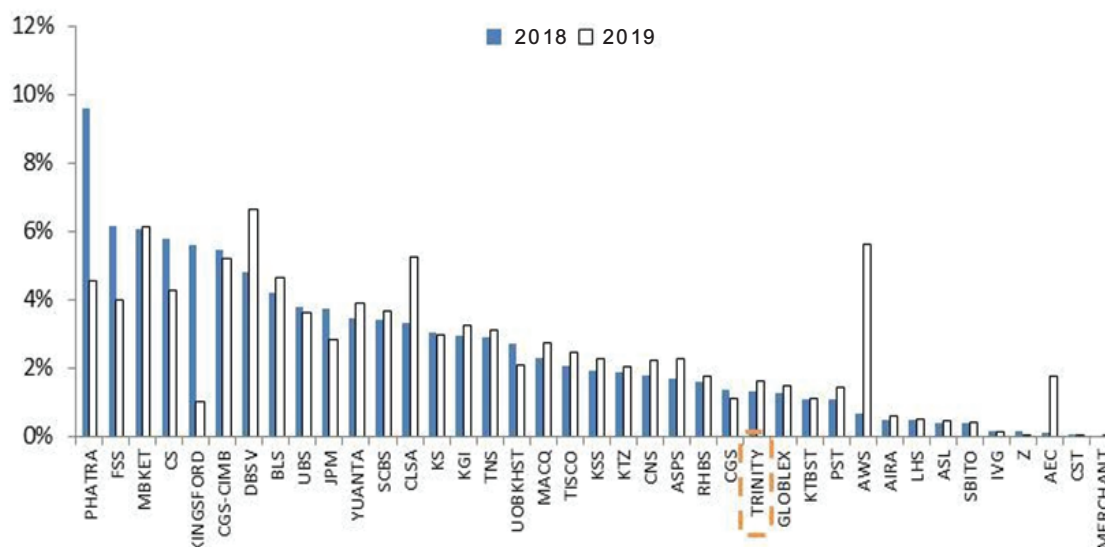
Summary of the Stock Exchange of Thailand in Years 2017, 2018 and 2019

Summary of the Stock Exchange of Thailand	2017	2018	2019
SET Index (points)	1,753.71	1,563.88	1,579.84
Market Capitalization (MB)	17,926,270	16,219,068	16,962,612
Total Turnover (MB)	12,227,748	14,130,078	12,978,854
Daily Average Turnover (MB)	50,114	57,674	53,192
Dividend Yield (%)	2.70	3.22	3.14
Price to Earnings Ratio (time)	19.06	14.75	19.40
Number of Listed Companies	688	704	725
Number of Newly-Listed Companies (IPO)*	39	19	30
Market Capitalization of New Listings (IPO) (MB)	412,463	127,050	362,860

* both in the Stock Exchange of Thailand and the Market for Alternative Investment (MAI)

Source: The Stock Exchange of Thailand

Market Share of Securities Companies in SET



Source: The Stock Exchange of Thailand

In the year 2019, there were 39 member companies that received brokerage licenses, in general, the majority of companies have a reduced market share. The companies with the most outstanding market share are PHATRA, FSS and KINGSFORD. The companies with significant market share declines are DBSV, CLSA, AWS and AEC.

For Trinity Securities Company Limited, whose target customers are individual customers and individuals and legal entities, in 2019, the market share has decreased from 1.66 percent in 2018 to 1.35 percent. The clients' trading value decreased slightly from 2018, representing 3.82 percent, and domestic institutional trading decreased 38.96 percent. The client will trade securities with cash, accounting for 97.55 percent and with a credit balance account of 2.45 percent. In the past, the company does not rely on any customer more than 10% of the total income.

Breakdown of Turnover Classified by Client

Unit : MB

Type of Client	2017		2018		2019	
	Turnover	%	Turnover	%	Turnover	%
Local Retail	296,097.15	87.14	369,119.43	89.61	369,119.43	93.11
Local Institution	42,776.53	12.59	42,268.54	10.26	42,268.54	6.77
Foreign	926.32	0.27	547.03	0.13	547.03	0.12
Total	339,800.00	100.00	411,935.00	100.00	411,935.00	100.00

Breakdown of Turnover Classified by Account

Unit: MB

Type of Account	2017		2018		2019	
	Turnover	%	Turnover	%	Turnover	%
Cash Account	319,355.74	93.98	395,275.14	95.96	395,275.14	97.55
Credit Balance Account	20,444.26	5.36	16,659.86	4.04	16,659.86	2.45
Total	339,800.00	100.00	411,935.00	100.00	411,935.00	100.00

Important achievements in underwriting and underwriting in 2018 and 2019 can be summarized as follows :

In the year 2018, the company was a lead underwriter of 1 IPO, which is SAAM Development Public Company Limited and participated in being the joint underwriter for 4 IPOs, namely Asia Biomass Public Company Limited, M Vision Public Company Limited, Northeast Rubber Public Company Limited and SISB Public Company Limited.

In addition, the company was a lead underwriter of 2 short-term and long-term debentures which are offered to institutional investors and / or large investors, consisting of 2 companies, Power Solution Technology Public Company Limited. and Absolute Clean Energy Public Company Limited and joined as a joint underwriter of debentures offered to institutional investors and / or large investors for 1 company, namely, SuperBlock Public Company Limited.

In 2019, Trinity Securities Company Limited is an underwriter for the IPO of Absolute Clean Energy Public Company Limited and the lead underwriter for the IPO of Bangkok Commercial Asset Management Public Company Limited and has joined as a joint underwriter of IPO of 5 companies, namely Kumwell Corporation Public Company Limited, Infraset Public Company Limited, R&B Food Supply Public Company Limited, The Practical Solution Public Company Limited, and Star Flex Public Company Limited.

In addition, the company is the underwriter of 2 short-term and long-term debentures offered to institutional investors and / or large investors, consisting of 2 companies, Power Solution Technology Public Company Limited and S11 Group Public Company Limited

For Private Fund Asset Management Business, The SEC has issued permits for a total of 59 fund management licenses. This business is returned to the attention of the operator, once again, since there was Deposit Protection Agency, with the aim that it is a business that offers potential investment alternatives and a variety of products to people than just saving money in banks. Investors have a better understanding of the investment, so there is more demand for the services; however, customers are mainly concentrated in the large financial institutions. Most companies' clients who come to use the service are usually their existing customers. Currently, there are 16 securities companies in this business.

The trend of the securities business in 2020

With the following important factors, the SET Index in 2020 is estimated at 1500-1700 points

- 1) The expected global economic growth remains low, same as inflation, which is partly a result of the outbreak of the Covid-19 virus. Therefore, there are factors to pressure the performance of various companies, and cause expectations for returns on the stock market to drop
- 2) Market liquidity may not be good, as it cannot expect the stimulus from the policymakers as in the year 2019 because the interest rate is very low, and level of public debt is higher.
- 3) The trade war between China and the United States, even after the peak of the problem, will continue to be a factor disrupting global economic growth. Looking at the US presidential election at the end of the year will not cause President Trump to reduce his aggressive stance on the issue.
- 4) The baht has a chance of appreciation to 30 baht per US dollar at any time of the year from the current account surplus that should continue to occur and the Bank of Thailand intervention that will be done less than before
- 5) The company expects Brent crude oil price to swing within the range of 60-70 US dollars per barrel throughout the year
- 6) The valuation of the Thai stock market is still at a high level, based on EPS projections that still do not have any signs of adjustment. However, the Bond Yield level is expected to be low continuously, and should make equity an investment that responds to low-interest investment conditions
- 7) Risk factors in the political situation in the country may have more chaos outside the parliament respectively
- 8) International risk factors such as the problems of states and geography in the Middle East, Argentina and Brexit etc.

Growth Rate of Net Earning Per Share in SET



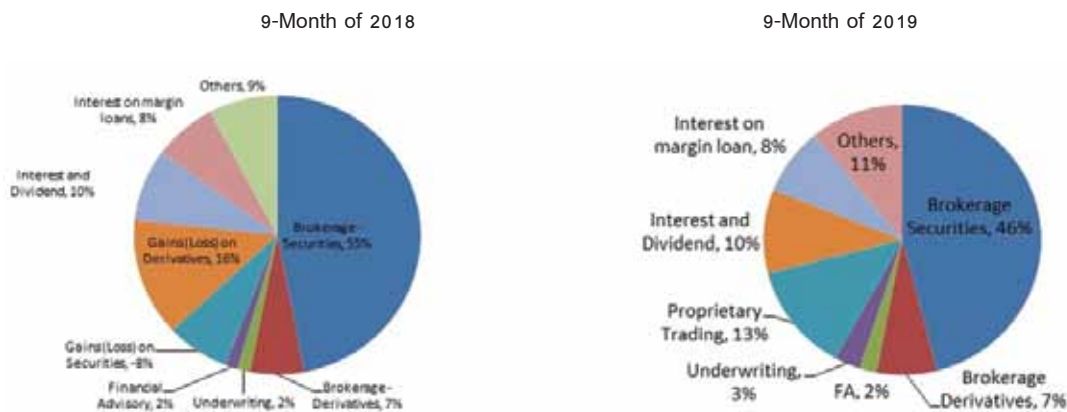
Source : Bloomberg Consensus

Competition Trends

With the competitive situation in the securities business that is still increasingly tougher. The average commission rate of the group (excluding trading of securities company accounts) continued to decline after the commission liberalization. In 2019, it was at 0.10 percent, and the 9 months of 2019 was 0.09 percent.. Each securities company must prepare to be ready to maintain the existing customer base and add new customers by focusing on service quality In terms of investment advice, providing quality securities analysis services, as well as expanding new financial products or services that customers should be interested in investing more broadly to increase investment opportunities and diversification, including increasing the return on investment for customers.

In addition, to reduce the risk of relying on brokerage fees, each securities company need to accelerate the distribution or increase other income, such as interest income from loans to buy securities, profit from investment income, income from investment banking business, and income from private fund management businesses, etc.

Growth Rate of Net Earning Per Share in SET



Source : Association of Thai Securities Companies

For the private fund management business, property under management has grown an average of 23.42% per year over the past 14 years. The return on investment of the previous year has greatly influenced the decision to use the services of investors, that is, the year 2019 is the year that has only fluctuations, while SET index rose the highest to 1,730 points in June, and continuously decreased until December. The return on investment is 0.93 percent while SETTRI returns are 4.29 percent.

For the year 2020, aside from being a year of technological change, will have a direct impact on the business sectors. The factor that has a big impact is trade negotiations between the United States and China. The negotiations will have a significant impact on the global economy.

In January 2020, the world still has chaos that started from the beginning of the year from the events of the assassination of General Kasem Sulaimani, a senior Iranian military officer, and Iran responded by firing a missile at a military base and the US Embassy in Iraq. The severity of global warming as a wildfire occurred in Australia may affect the migration of residences. The outbreak of the corona virus caused China to announce the closure of the city and stopped both inbound and outbound tours, affecting Thailand most severely because the tourism industry that is the only engine driving the Thai economy shut down. In 2020, Thailand will probably face a recession from significantly reduced consumption from store sales, even CPALL, BIGC and restaurants whose sales have decreased throughout the year. In addition, the change in the structure of the aging population will directly affect Thailand's economic structure. It is another year that the private fund business will have to face the challenge of creating returns that meet investors' expectations.

From the company perspective, The United States and Europe economies tend to be worsening. We, therefore, focus on investing in securities that provide consistent returns more than fast-growing securities.

Investment management is becoming increasingly difficult in an age where everyone is informed about the message as quickly as possible. Therefore, to invest for good returns, it depends on the selection of the correct securities. Investors are still more interested in using this service. For the principles of investment management of private funds, and risk management, the company will focus on security that will not damage the client's fund from loss of principal, and at the same time create consistent returns. As for the year 2020, we expect to create returns of around 9 percent.

The company has been operating this business for the 14th year, and the fund size is constantly growing. It is expected that assets under management this year will definitely achieve a goal of four billion baht.

Competition Strategy in securities business

The Company has policy to compete in securities business by determining competition strategy to increase revenues, planning to retain customers by offering a full range of services to clients and expand the customer, focusing on developing research reports to provide information on investment with good quality and timely manners, providing a system for clients to assess accurate, complete and timely information in the Company's website (www.trinityquicktrade.com) such as deposit and withdrawal of collateral, clearing amount, transaction confirmation. In addition, development of marketing personnel with expertise and good quality in presenting investment alternatives in asset classes.

In the year 2020, the company aims to increase customers through Trinity Smart Wealth services, which help customers to invest under the investment framework that they agree with in order to respond to customers who do not have time to closely monitor the market, including focusing on providing fast services, developing a system to enable various transactions conveniently through Trinity Member, presenting private funds that invest in foreign securities, as well as being an investment agent for funds established in Vietnam.

In addition, the Company continues to manage funds with good returns regularly. Investments are managed conservatively, not to seek maximum profit but essentially emphasized the safety and the ability to profit consistently, regardless of the investment conditions to be able to deliver a positive return for investors.

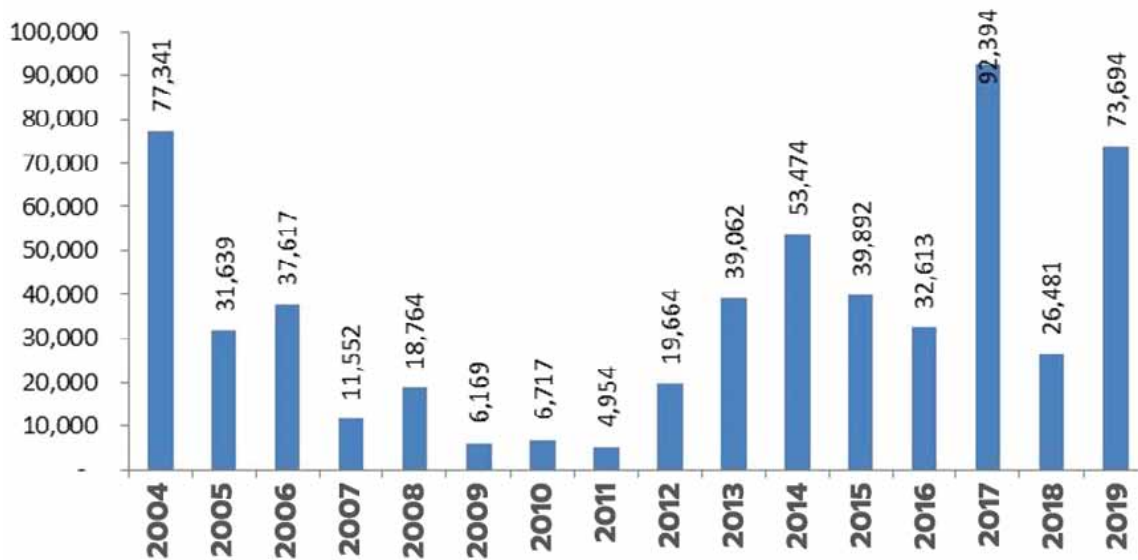
Competition in Financial Advisory Business

In 2018, there were 19 companies listed themselves on SET through IPOs (8 companies in SET and 11 companies in MAI). This number of the listed companies is less than that of year 2017 when there were only 39 companies listed themselves on SET via IPOs (22 companies in SET and 17 companies in MAI).

The value of fundraising in the primary market found in the year 2019 is from IPO, Real estate investment trust, and Infrastructure Fund of 383,749.07 million baht to the public by raising funds through the SET market of 365,158.35 million baht and through the MAI market of 18,590.72 million baht. Asset World Corp Public Company Limited is the company with the highest fundraising value in 2019, which is up to 41,742 million baht.

For the year 2020, the company expects fund-raising by offering ordinary IPO shares, real estate investment trust, and infrastructure funds to still be promising. Currently, there are 23 companies applying for IPO licenses.

Fund raising value of newly listed companies (million Baht)



Financial advisory achievements

In 2018, Trinity Advisory 2001 Company Limited and Investment Banking Department, Trinity Securities Company Limited acted as a financial advisor for listing companies in MAI, consisting of SAAM Development Public Company Limited, including being financial advisor for listing companies in SET and MAI, which are in the process of 7 companies. In addition, they are financial advisors for few listed companies in the Stock Exchange of Thailand.

In 2019, Trinity Advisory 2001 Company Limited and Investment Banking Department Trinity Securities Company Limited acted as a financial advisor to list two companies on the stock exchange, Absolute Clean Energy Public Company Limited and Bangkok Commercial Asset Management Public Company Limited, and is in the process of listing the companies on the Stock Exchange of Thailand for 6 companies. In addition, it is a M&A financial advisor for 4 companies and 1 independent financial advisor, and is a financial advisor for other issues for 3 companies.

Competition Trend

For the trend of competition in the financial advisory business, at present there are over 73 financial advisory business operators approved by the SEC and a number of independent contractors, resulting in high competition. Therefore, the Company focuses on service quality, experience and expertise of the team, relationship network, and initiatives to present new financial instruments.

Competitive strategy

Trinity Advisory 2001 Company Limited and Investment Banking Department of Trinity Securities Company Limited has a policy to focus on customer in a comprehensive manner by creating a relationship with customers in a corporate client manner, monitoring and providing advisory services continuously in all aspects, providing funding advisory services for both debt and equity instruments Issuing securities from securitization and merger and acquisition. The Company has a policy to study and research new products / services to become new financial instruments, such as derivatives, in the approach to reducing the risk of cost management of the company. The Company believes that with a quality team, experience and expertise in the business, the Company can compete and provide good services to customers.

Market conditions and competition in the derivatives brokerage business

Since the trading commencement in April 2006, trading conditions in the Thailand Futures Exchange (TFEX) are likely to continue growing, but in 2019 there are a total of 104,521,995 contracts or an average 428,369 contracts per day close to that of 2018 that the total trading volume is 104,422,200 contracts or an average of 426,213 contracts per day. For the last 3 years, the trading volume has a compound average annual (CAGR) of approximately 15.03%. In the year 2019, Single Stock Futures products are the most popular with a trading volume of 49.84 percent of the total contracts, The next is SET50 Index Futures, which has a trading volume of 40.61 percent of the total number of contracts. While the fluctuating global economy and concerns from geopolitical problems lead to higher demand for precious metals, Precious Metal Futures has traded up 3,212,275 contracts or 73.74%, the highest, when compared to other products

The main investors in the TFEX market are still retail investors in the country in the year 2019, the trading volume of the retail investors in the country is 48.95 percent. For domestic institutional investors and foreign investors, the proportion Trading was at 33.24 percent and 17.81 percent respectively.

In 2019, there were 41 companies that were members of the Thailand Futures Exchange (TFEX), which acted as derivatives trading agents. The company had 29th rank, which accounted for 0.62 percent of the total trading volume.

Summary of Derivatives Transaction

Derivatives Transaction	2017	2018	2019
Trading volume (contracts)	78,990,574	104,422,200	104,521,995
Pending (contracts)	2,813,036	2,440,223	3,330,230
No. of transactions (transactions)	7,441,779	12,722,636	14,737,353
Daily average trading volume (contracts)	324,217	426,213	428,369
Daily average no. of transactions (transactions)	30,594	51,929	60,399

Source: Thailand Futures Exchange Plc.

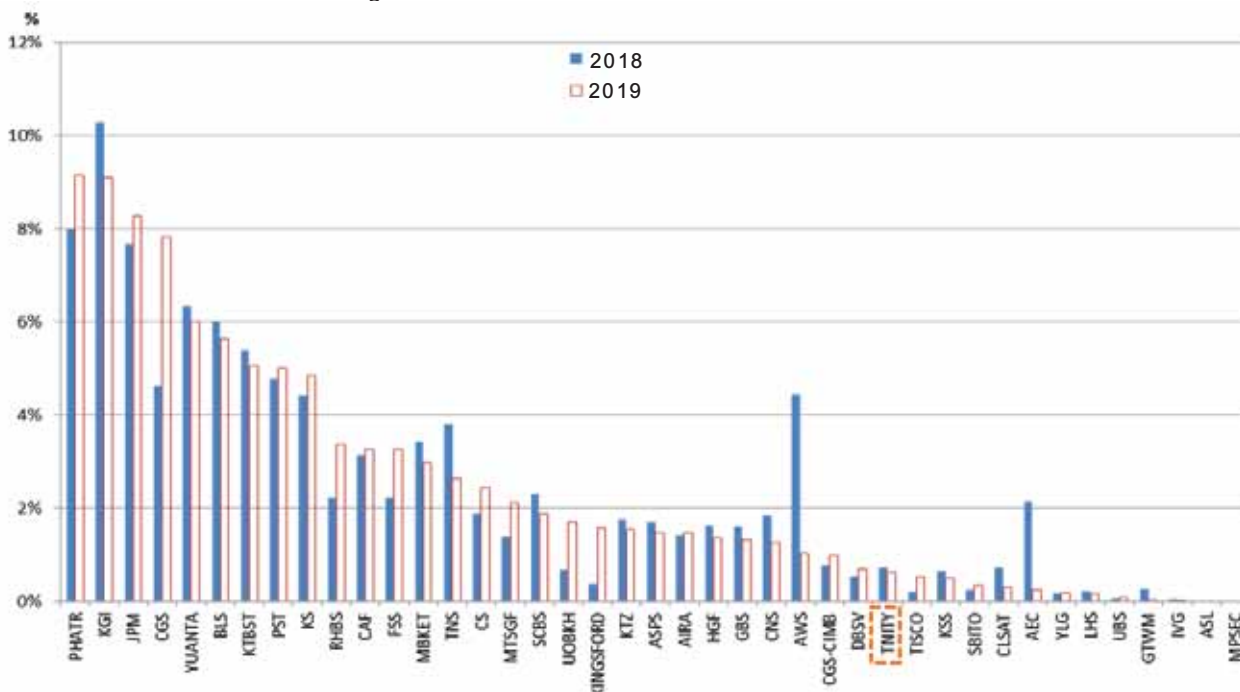
Breakdown of TFEX Trading Volume Classified by Investor

Unit : Contract

Type of Investor	2017		2018		2019	
	Number of Contract	%	Number of Contract	%	Number of Contract	%
Local retail	40,457,618	51.22	52,922,890	50.68	51,164,976	48.95
Local institutions	30,108,347	38.12	37,767,292	36.17	34,744,840	33.24
Foreign	8,424,609	10.66	13,732,018	13.15	18,612,179	17.81
Total	78,990,574	100.00	104,422,200	100.00	104,521,995	100.00

Source: Thailand Futures Exchange Plc.

Derivatives Trading Volume and Market Share of TFEX's Members in 2018 and 2019



Source : Thailand Futures Exchange Plc.

Trend of derivatives brokerage business year 2019

In 2019, the volume of trading in the TFEX market is expected to grow continuously. After the last 3 years, the average growth rate was 28.74% per year. The single stock futures and SET50 Index Futures are still expected to be popular when compared with other products under the volatile global market conditions.

Thailand Futures Exchange Public Company Limited (TFEX) plans in 2020 that TFEX will focus on improving products and services to better serve investors, coupled with the development of new products, such as the extension of trading hours for gold products at night until 03.00 am. of the following day in order to be in line with the movement of gold prices in the world market. It also provides daily dollar exchange for USD Futures traders, and studies the possibility of developing new products such as Futures based on foreign assets or other exchange rates. In addition, TFEX will focus on expanding its investor base by focusing on digital channels for education and marketing as well as collaborating with the industry to promote learning through various projects.

Competitive strategy

The company has a policy to penetrate the derivatives brokerage business by determining the competitive strategy in providing efficient trading systems, developing tools, including providing accurate, complete, fast, and prompt information services for customers of the Company to receive information for investment decisions and increase personnel efficiency in order to provide services and facilitate the Company's customers. The company will provide training for staff and customers in order to have knowledge and understanding of investing in new types of instruments.

Capital Arrangement

Source of Capital

As of 31 December 2019, Trinity Watthana Plc.'s capitals which were derived from the shareholders' equity and borrowings account for 35.83% and 54.84% of its liabilities and shareholders' equity, respectively. In this regard, the borrowings from other financial institutions were served as the Company's working capital and additional capital. In 2018, the Company issued and offered short-term bills of exchange and short-term debentures, including 1.5-2 years term debentures to institutional investors and its major investors in order to raise fund for the Company's and its subsidiaries' business operation. In so doing, the Company strictly followed its policy that any fund raising must be in accordance with the activities and spending purpose.

Funding or Loan Available from Related Persons of Management or Shareholders

Trinity Watthana Plc. provides business loans to companies within its Group only whereby interest on these loans is calculated based on the market rate. The Company does not lend or borrow any amounts to and from its management or shareholders.

Net Capital Rule (NCR)

Trinity Watthana Plc. has a policy which requires Trinity Securities Co., Ltd. to always maintain a net liquid capital in accordance with the policy of the Office of Securities and Exchange Commission.

In 2017, 2018 and 2019 Trinity Securities Co., Ltd.'s net capital ratios were 31-58 percent, 35-93 percent and 18-107percent, respectively.

As of 31 December 2019, Trinity Securities Co., Ltd.'s net capital ratio was 57.10 percent. This net capital ratio was consistent with the Office of Securities and Exchange Commission's rule that a net capital ratio must not be less than 7 percent of a company's general liabilities and net liquid capital must not be less than Baht 25 million.