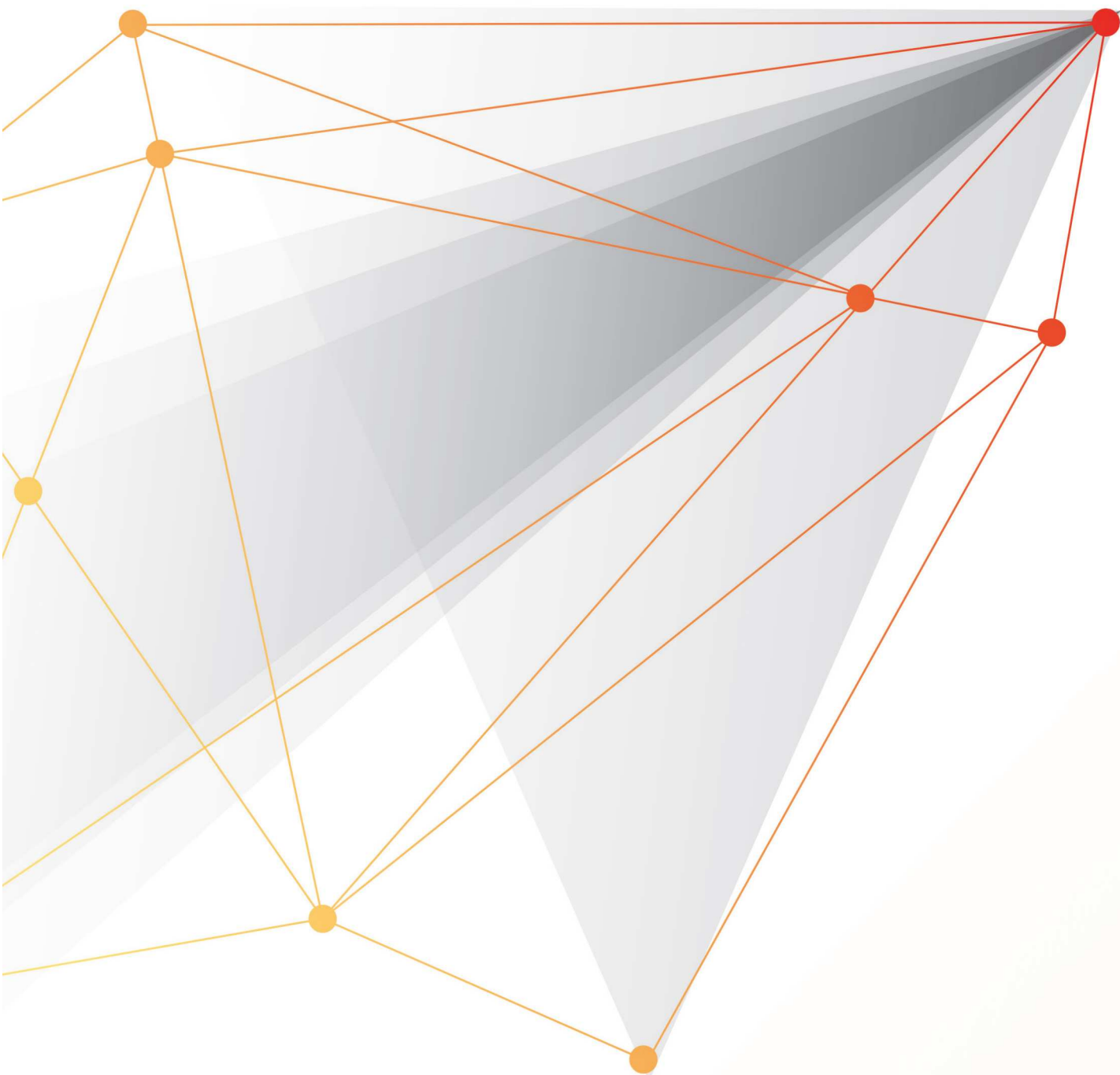


STABILITY AMIDST VOLATILITY

FORM 56-1 ONE-REPORT 2020

แบบแสดงรายการข้อมูลประจำปี / รายงานประจำปี 2563



บริษัทหลักทรัพย์ ยูโอบี เคย์ฮิอัน (ประเทศไทย) จำกัด (มหาชน)
UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

UOBKayHian
Your trusted financial partner

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1. Details of Directors, Executives, Authorized Controlling Persons, the highest responsibility assigned Person in accounting and finance, the direct responsibility assigned person for accounting supervision and Corporate Secretary
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MESSAGE FROM CHAIRMAN

Review of 2020

2020 was a challenging year not only for Thailand but for the world economy. In addition to the trade tensions between US and China, we witnessed the world economy and stock markets ravaged by the COVID-19 pandemic.

Thailand's 2020 GDP contracted 6.6% comparing to 2.4% growth in 2019, mainly due to the COVID-19 pandemic which caused a sharp decline in international tourist arrivals. Given that tourism is a key driver of Thailand's economic growth, the impact of the sudden disappearance of tourism receipts spilled over to many sectors. It adversely impacted the hospitality, food and beverage, aviation and retail sectors and also cast a cloud over the property and banking sectors.

Although economic growth tilted southwards, 2020 GDP contraction was less than what was initially feared when many sectors of the world economy went into full lockdown in the first half of 2020. This was mainly helped by decisive fiscal measures implemented by governments worldwide to alleviate the economic impact of the COVID-19 pandemic. The major central banks eased monetary policy to cushion the impact of the COVID-19 fallout.

Outlook for 2021

UOB Global Economics & Markets Research (GEMR) forecasts that Thailand's GDP growth will increase by 6.0% yoy as the economy recovers from the COVID-19 pandemic. To support the recovery, the government has launched sizeable stimulus packages for businesses and for the tourism industry, which contributes a significant proportion to Thailand's economy. It stands ready to implement additional measures if necessary.

Meanwhile, we see that the GDP growth still has downside risk as the recovery would remain highly uncertain and vulnerable amid the slow economic recovery. The new waves of domestic COVID-19 infections may drag down private consumption and severe measures to contain the infections will delay the reopening of the country to foreign tourists.

Whilst the recovery might be delayed due to the factors mentioned above, we are hopeful that the impressive progress made by the government in purchasing the vaccine and the planned roll-out of the vaccination program will boost the confidence of the economy and the opening up of the country to foreign tourists.

We anticipate that the Bank of Thailand (BOT) would continue to maintain accommodating monetary policy throughout 2021. To cope with the strengthening of the baht, the BOT has decided to relax capital outflow, rather than cut interest rates. Moreover, the BOT also has plans to increase the scrutiny of fund inflows into the local bond market. This may benefit Thailand's stock market as foreign investors may use equity rather than bond as a proxy to benefit from the fluctuation in the Thai Baht.

Stock Market Review for 2020

The SET Index experienced a roller coaster movement. It started with plunging 28.74% in the first quarter due to the impact from the COVID-19 pandemic, then rallying 28.73% for the next 9 months and ended the year with an 8.26% decline.

In terms of performance, the sector outperformers were electronics (379.1%), agriculture (61.5%), packaging (44.0%), paper & printing (19.0%) and steel (19.0%), which are mostly small-cap stocks that benefit from global demand. The worst performers were sectors which fundamentally deteriorated from the pandemic. They include REITs (-26.5%), banking (-24.0%), tourism (-19.0%), media (-18.5%) and transportation (-18.4%).

Foreign investors heavily sold Thailand stocks before becoming net buyers for the last three months of 2020. They were net sellers of equities worth US\$8.29b, which rose more than five times from US\$1.49b in 2019.

2020 Operating Performance

The volatility in the stock market caused by the pandemic have had a positive impact on our business. Turnover increased from 609,985 M. Baht in 2019 to 875,024 M. Baht in 2020. Net profit increased during the corresponding periods from 15,925,914 Baht to 239,646,211 Baht. In line with the Company's policy of paying a dividend equivalent to 20% of net profit after tax, a dividend of Baht 0.10 in respect of the financial year ended 31 December 2020 will be proposed for approval at the shareholder's meeting.

Stock Market and Business Outlook for 2021

We are optimistic about the stock market for 2021, due to: a) rollout of the vaccine and the resultant gradual normalization of business and travel activities, b) earnings recovery and positive business outlook, c) accommodating financial policies by governments supporting business recovery.

We expect to see growing trading momentum in 2021.

Our investment themes for 2021 are focused on: a) beneficiaries of the global economic growth recovery, such as energy and petrochemical stocks; b) recovery of international trade demand, which is positive for exporters such as the food industry; c) manufacturers moving out of China that benefits the industrial estate sector; and d) reopening the country, which will allow foreign visitors to enter Thailand.

Appreciation

Finally, I would like to, on behalf of the Board, thank our shareholders and clients for their continued trust and support in the Company and to our management team and colleagues for their dedication and contributions.

We look forward to your continuing support.



Mr. Tan Chek Teck

Chairman of the Board of Directors

UOB Kay Hian Securities (Thailand) Public Company Limited

Part 1 Business Operations and Performance

1. Company Group Structure and Operations

1.1 Policy and business overview

The Company has a policy, strategic planning and appropriate business plan which will be reviewed every year to keep up with the changing events committed to creating sustainable value for the Company, taking accountable in 1) having good performance and competitiveness 2) Respect and have responsibility to shareholders' rights and stakeholders conduct business ethically 3) benefit society reduce environmental impact, and 4) can adapt under the changes. Though, the Company may consider to maintain the vision and strategy when have no change.

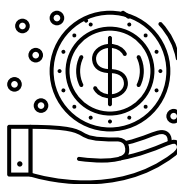
Preparing a business plan for a period of 3 years, the Company takes account in the economic and political environment both in the country and abroad including internal factors. The management will determine the organization's approach and develop a strategic plan in accordance with the organization's vision and values.

Vision, objectives, goals or operational strategies



Vision

**"YOUR TRUSTED FINANCIAL
PARTNER"**



Value

"STABILITY AMIDST VOLATILITY"



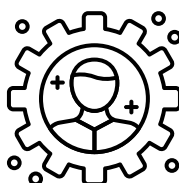
Mission

To provide continuous service for financial success to be the leader in securities business to make the stakeholders get maximum satisfaction.



Objectives and goals

- To provide the highest quality service.
- Contact with customers professionally, provide correct service on time
- Perform tasks quickly and develop continuously.
- Excellent service by well practice and trained staff
- Perform duties with social responsibility



Operation Strategy

The Company aims to provide a new internet trading service under the name UTRADE to facilitate the customers can use the service easily along with appropriate selected tools, stock reviews and training seminars to enable clients to optimize their profitability with easy-to-use tools. Clients can also gain more in-depth information on both market trends and investment opportunities from professional analysts through a diverse and international perspective, with the Company focused on enhancing knowledge and developing ideas, perspectives, possibilities in investment for clients and people who interested in investing. The Company has set a fair and appropriate fee rate along with providing tools, analysis and presentations of knowledge to investors.

Major changes and developments

UOB Kay Hian Securities (Thailand) Public Company Limited (“the Company”), previously known as “Ocean Securities Company Limited”, was established on July 2, 1998 with an initial registered capital of 250 million baht because the Separation of finance and securities business of Ocean Securities Company Limited. The Company accepts the transfer of assets and liabilities in securities business including the member of the Stock Exchange of Thailand No. 26 from Ocean Securities Finance Co., Ltd. and was approved by the Securities and Exchange Commission, Thailand (“SEC”), starting securities business since then.

In 2000, Ocean Securities Co., Ltd. sold its shares to United Investment Limited, a UOB group company in Singapore. And change the name to UOB Securities (Thailand) Co., Ltd. Subsequently, there was a business merger between UOB Group and Kay Hian Holdings Group as UOB-Kay Hian Holdings Limited. In 2001, the shareholding structure was restructured by United Investment Limited sold all of its shares to UOB-Kay Hian Holdings Limited allows UOB-Kay Hian Holdings Limited to hold 99.99 % of the total paid up shares and change the name to UOB Kay Hian Securities (Thailand) Company Limited. Later in the same year, the Company bought a retail business from BNP Paribas Peregrine Securities (Thailand) Company Limited by cash payment. Along with the transfer of debtors and marketing staff and on February 21, 2005 the Company transformed into a public company under the name UOB Kay Hian Securities (Thailand) Public Company Limited.

UOB-Kay Hian Holdings Limited which is the parent company, a listed securities company with the high market share in Singapore and it also has regional offices in Hong Kong, London, New York, Jakarta, Shanghai and Manila. We are also a subsidiary of United Overseas Bank, a large commercial bank in Singapore which has a branch in Thailand, United Overseas Bank (Thai) Public Company Limited. As a result of such extensive relationships and networks, the Company is able to expand its customer base both domestic and abroad widely.

In addition, the Company has continued to pass on knowledge, experience and assistance in conducting securities business from the group companies. We have entered into a Service Agreement with UOB Kay Hian Private Limited, a subsidiary of UOB-Kay Hian Holdings Limited offers a wide range of services (details of the Service Agreement and service fees can be found in topic “Connected transactions”) From the past to the present, the Company has received assistance under the service agreement, such as providing assistance in developing information technology systems to be linked to a single system within the UOB Kay Hian Group. Set up a securities trading and risk management system including developing various systems to be effective continuously.

Since 2005, the Company has received marketing support and the implementation of the Cross Selling Project, enabling the Company to expand its brokerage services to its clients from introducing clients through group companies. In addition, the Company benefits from sharing resources with group companies, for example using information together in securities analysis work including giving the Company ability to access overseas securities analyzing articles and market conditions prepared by group companies to develop our research.

In 2010, the Company has been transferred brokerage business from Merchant Partners Securities Public Company Limited, which transfer its’ assets and benefits. The Company has issued and allocated new ordinary shares to Merchant Partners Securities Public Company Limited in order to strengthen the Company’s business.

And in 2011 the Company has been transferred the shares of United Securities Public Company Limited (“United”), which includes benefits right to be derived, to hire or contract about the provision of services specifically for Investment

Consultant, any property, leasehold rights in connection with securities business property in cash receivables and other liabilities but excluding United's liabilities and obligations before transferring United assets ("Business Transfer"). On 25 October 2011, the Company received the securities brokerage and derivatives business transfer from United by receiving a specific transfer Loan receivable to purchase securities the net asset value of 247 million baht, which the Company has paid in cash in full. At the same time, the Company receive customer base transfers including the stocks deposited and deposits for all clients from United by allowing the Company being a custodian.

In 2013 the Company has a disposition of its investment in shares of United Securities Public Company Limited, a subsidiary of the Company to Mr. Prapol Milinthajinda as a result, made United Securities Public Company Limited status as a subsidiary of the Company came to the end.

In 2016, the Company expanded its retail business by entering into asset purchase agreements related to the operation of partial securities business for retail customers from Country Group Securities Public Company Limited, such assets including investment consultants and 21 branch offices.

In 2018, the Company entered into an asset purchase agreement related to the operation of certain retail securities business from AEC Securities Public Company Limited including 6 branch offices.

Major changes and developments in the past 3 years

In year 2020 the Company's trading value is 2.93 percent of the total trading turnover from the total brokers in Thailand, which is higher than the levels in 2019 and 2018 (2.72 and 2.12 percent, respectively). Amidst intensively competition the Company try to maintain its market share from 1) seminars on investment, 2) participate in the underwriting of shares initial public offering (IPO) and debt instruments to strengthen the marketing team and reach more retail customers and gain more market share.

On March 27, 2020, the Company launched UTRADE Plus Application via Android system. And on June 10, 2020, the Company received a license Business Type Securities Borrowing and lending from the Office of the Securities and Exchange Commission to be used for expanding our services to the retail clients.

As of December 31, 2020 the Company have (1) headquarter and (42) branches, in a total of 43 locations. Head office located at No. 130-132, Sindhorn Tower 1, 2nd, 3rd Floor, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok, in the year 2020 in order to manage the branch business in accordance with economic conditions and reduce company expenses the Company closed 3 branch offices, Suphanburi, Pinklao and Market Village Suvarnabhumi. And there was a reduction in the rental area of the branch offices by relocating a total of 6 branches, namely Chonburi, Phitsanulok, Khon Kaen, Fashion Island, Surin and Nakhon Sawan branches, however the Company opened 1 new branch, namely Kanchanaburi branch as a result the Company having 13 offices in Bangkok Metropolitan and 30 offices in upcountry.

Year 2019

- In order to manage branch operations in accordance with economic conditions and reduce costs, the Company closed 2 branch offices, namely Photharam and Sindhorn Tower 3, 15th Floor.
- There is a reduction in rental space of branch offices by relocating 10 branch offices, namely Sisaket, Lampang, Trang 2, Chiang Rai, Hat Yai (Niphat Uthit), Songkhla, Samrong, Chaengwattana, Yaowarat and Ubon Ratchathani.

Year 2018

- On January 8, 2018, the Company moved the ABAC (Hua Mak) branch office to ABAC (Suvarnabhumi).
- On May 15, 2018, the Company was approved to qualify as bondholders' representative according to the announcement of the Capital Market Supervisory Board No. Tor Chor. 37/2552 in accordance with the letter Chor. Tor. 178/2561 regarding the qualification of bondholders' representative as a channel to increase income for the Company.
- On December 6, 2018, reduce the size of rental space, Chiang Mai-Huay Kaew branch.
- On December 11, 2018, the Company expanded its retail business by entering into an asset purchase agreement relating to the operation of partial retail securities business from AEC Securities Public Company Limited the asset including investment consulting and 6 branch offices: Silom, Fashion Island, Nakhon Ratchasima, Chiang Mai (Mahidol), Chiang Mai (Chang Khlan) and Hat Yai (Jootee Anusorn).

Year 2017

- On August 8, 2017, the Company opened a branch office. Market Village Suvarnabhumi.
- The Company closed the Pinklao 2 Branch Office, Hat Yai Branch (Siam City) and Chaengwattana 3 - 4 branch to reduce costs because there is a branch office near the existing branch office.

Source of funds

Company's source of funds is from the shareholder's stock basis as at 31 December 2020, the Company has registered capital of 502.45 million baht, paid up capital 502.45 million baht, which is part of the shareholders 3,690.88 million baht.

Financing or lending through individuals involving management or major shareholders

Because the Company with better liquidity management, there is no outstanding loan balance from financial institutions as of December 31, 2020.

Maintaining a net liquid capital fund ratio

In the year 2018 - 2020 the Company maintain a ratio of net liquid capital higher than the minimum percentage according to the net liquidity capital requirement criteria set by the SEC, indicating that the Company has sufficient liquidity to conduct business in the year 2018 - 2020 ratio's in the range of 53.09 percent, 336.05 percent, 46.25 percent of 345.75 and a percentage of 40.00 percent, 264.35, respectively. In general, the net liquidity ratio changes due to factors such as the trading volume of clients' securities. Underwriting The securities that are not all underwritten guarantees must be transferred to the Company's investments, etc.

For the Company's net liquidity investment ratio will change mainly according to the trading volume of clients. If in any period the client has a large trading volume, it will cause the liquidity capital ratio to be reduced during the client settlement period or T +2.

GENERAL INFORMATION

The Company name	: UOB Kay Hian Securities (Thailand) Public Company Limited
Type of Business	: The Company has licenses are as follows; 1) Four securities business, which are Securities Brokerage, Securities Dealing, Investment Advisory and Underwriting. 2) Derivatives business license. 3) Financial Advisory business 4) Selling Agent as Sales Supporter in relation to Subscription, Redemption and Switching of Units 5) Bondholder Representative and 6) Securities Lending and Borrowing Business.
Head Office	: No. 130-132, Sindhorn Tower 1, 2 nd , 3 rd Floor, Wireless Road, Lumpini, Pathumwan, Bangkok, 10330.
Branch	: The Company has 42 branches which 12 branches are located in Bangkok Metropolitan area and 30 branches are in other provinces.
Issued and paid-up share capital	: 502,448,570 ordinary shares
The Company register No.	: 0107548000056
Homepage	: http://www.utrade.co.th
Telephone No.	: 02-659-8000
Facsimile No.	: 02-651-4338

Detail of the Branch address**Bangkok Metropolitan**

Branch	Location
1 Yaowaraj 1, 2 (2)	215, Grand China Building, 5th Floor, Room No. 505-509, Yaowaraj Road, Sampantawong, Sampantawong, Bangkok 10100
2 Bangkapi (5)	9, Happyland Plaza 1, 4th Floor., Ladprao Road, Klongchan, Bangkapi, Bangkok 10240
3 Bangkhae (6)	518, 7th Floor, Phet Kasem Road, North Bangkhae, Bangkhae, Bangkok 10160
4 Chaengwattana 1, 3, 4 (7)	339, UOB Bank PLC. Office Building., Muang Thong Thani Branch, 3rd Floor, Muang Thong Thani, Bond Street Road, Bangpood, Pak Kret, Nonthaburi 11120
5 Thanapoom (11)	1550 Thanapoom Tower, 4th Floor, New Petchaburi Road, Makkasan, Ratchathewi, Bangkok 10400
6 Future Park Rangsit (12)	94 Future Park Rangsit Shopping Center, G Floor, Room No. PLZ.G.SHP087C, Paholyothin Road, Prachathipat, Thanyaburi, Pathumthani 12130
7 Central World (14)	999/9 The Offices at Central World, 34th Floor, Unit MH3404-5, Rama 1 Road, Pathumwan, Bangkok 10330
8 Interchange (15)	399 Interchange Building, 25th Floor, Room No. 5A, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok 10110
9 ABAC (16)	88 Moo 8, ABAC Suvarnabhumi Campus, SG Building 1st Floor Room No. SG120, Theparat Road, Bangsaothong, Bangsaothong, Samuthprakarn 10540
10 Samrong (28)	999/99 UOB Bank PCL., Samrong Branch, 2nd Floor, Sukhumvit Road, Samrong Nua, Mueang, Samut Prakan, 10270
11 Silom 1, 2 (37)	323 United Center Tower, 5th Floor, Room No. 507-508, Silom Road, Silom, Bang Rak, Bangkok, 10500
12 Ram Intra (39)	22/7 Mooban Workplace 2, Ratchada-Ram Intra 2 Road, Ram Intra, Khan Na Yao, Bangkok 10230

Northern Region

Branch	Location
1 Chiang Mai Ragang 1, 2 (3)	144 Ragang Road, Chang Klan, Mueang Chiang Mai, Chiang Mai 50100
2 Phayao (25)	3/5 Chaykwan Road, Wiang, Mueang Phayao, Phayao 56000
3 Chiang Mai Huaykaew (30)	50/153-157 Hillside Plaza & Condotel, 4th Floor, Huaykaew Road, Chang Phueak, Mueang Chiang Mai, Chiang Mai 50300
4 Chiangrai 1, 2 (31)	356/7-9 Moo 15, Rajyotha Road Soi 3, Rob Wiang, Mueang Chiang Rai, Chiang Rai 57000
5 Lampang (33)	18 Chalerm Prakeat Road, Pra Bat, Mueang Lampang, Lampang 52000
6 Chiang Mai Chang Khlan 1, 2 (36)	215/2 @CURVE Community & Education Mall, 2nd Floor, Room No. B202 Chang Khlan Road, Chang Khlan, Mueang Chiang Mai, Chiang Mai 50100
7 Chiang Mai Mahidol 1-4 (38)	288/61-62, Mahidol Road, Chang Khlan, Mueang Chiang Mai, Chiang Mai 50100

Central Region

Branch	Location
1 Banpong (1)	266, 268, Songpol Road, Ban Pong, Ban Pong, Ratchaburi 70110
2 Saraburi 1, 2 (4)	116/27-28, Sut Banthat Road, Pak Phriao, Mueang Saraburi, Saraburi 18000
3 Ratchaburi (10)	44/33 Phetkasem Road, Na Mueang, Mueang, Ratchaburi 70000
4 Nakhon Pathom (13)	401 Tesa Road, Phra Praton, Mueang Nakhon Pathom, Nakhon Pathom 73000
5 Rayong(20)	115, Star Plaza, 1st Floor Room No. 1241-3, Soi Soonkarnkha Sai 4., Sukhumvit Road, Chong Nern, Mueang Rayong, Rayong 21000
6 Chon Buri (22)	112/16 Moo 1, Phaya Satcha Road, Samet, Muang Chon Buri, Chon Buri 20000
7 Nakhon Sawan (23)	605/64 1st Floor Room No. 5 Moo 10, Nakhon Sawan Tok, Muang Nakhon Sawan, Nakhon Sawan 60000
8 Phitsanulok (34)	218 Municipal ICT Learning Center 1st Floor, Khun Phirenthorathep Road, Nai Mueang, Mueang Phitsanulok, Phitsanulok 65000
9 Kanchanaburi (42)	303/23 1st Floor Sangchuto Road, Ban Nuea, Mueang Kanchanaburi, Kanchanaburi 71000

Northeast Region

Branch		Location
1	Surin (18)	201/13 Jitrbumrung Road, Nai Mueang, Mueang Surin, Surin 32000
2	Si Sa Ket (21)	858/9 Guang Heng Road, Mueang Tai, Mueang Si Sa Ket, Si Sa Ket 33000
3	Khon Kaen (24)	229/8 Sri Chant Road, Nai Mueang, Muang Khon Kaen, Khon Kaen 40000
4	Ubon Ratchathani (26)	104/1 Chavala Nai Road, Nai Mueang, Mueang Ubon Ratchathani, Ubon Ratchathani 34000
5	Buri Ram (35)	8/47-48 Palad Mueang Road, Nai Mueang, Mueang Buri Ram, Buri Ram 31000
6	Nakhon Ratchasima (40)	1195/57 Mittraphap Road., Nai Mueang, Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000

Southern Region

Branch		Location
1	Hat Yai Green View (8)	85/4 Hat Yai Green View Hotel Building, 1st Floor, Saeng Si Road, Hat Yai, Hat Yai, Songkhla 90110
2	Trang I (9)	59/71 Huay Yod Road., Thap Thieng, Mueng Trang, Trang 92000
3	Nakhon Si Thammarat 1, 2 (17)	62, 64, 66, 68 Wandi Kositkunphon Road, Nai Mueang, Mueang Nakhon Si Thammarat, Nakhon Si Thammarat 80000
4	Trang II (19)	59/55 Huay Yod Road, Thap Thieng, Mueng Trang, Trang 92000
5	Songkhla (27)	21/3 Saiburi Road, Bo Yang, Mueang Songkhla, Songkhla 90000
6	Hat Yai Juladis (29)	200/406 Juladis Hat Yai Plaza Building 4th Floor, Niphat Uthit 3 Road, Hat Yai, Hat Yai, Songkhla 90110
7	Phuket (32)	154/14-16 Phangnga Road, Talat Yai, Mueang Phuket, Phuket 83000
8	Hat Yai Jootee Anusorn (41)	59/10, 59/12 Jootee Anusorn Road, Hat Yai, Hat Yai, Songkhla 90110

1.2 Nature of business

UOB Kay Hian Securities (Thailand) Public Company Limited “The Company” is a member of the Stock Exchange of Thailand, number 26, has received 1) a license from the Ministry of Finance to operate 4 types of securities businesses: Securities brokerage, Securities trading, Underwriting and Investment advisor. 2) Derivatives Brokerage License from the SEC. 3) to act as its financial advisor. 4) being an agent to support the sale or redemption of investment units. 5) Qualified to act as bondholders’ representative, and 6) Securities lending and borrowing business license from the SEC on June 10, 2020. At present the Company still focusing on brokerage business as the main business for other businesses are to support the business of the Company to be diverse and to generate income another way.

1.2.1 Revenue structure

Most of the Company’s revenue comes from the securities brokerage business, which more than 70 % of the total revenue. The revenue structure is according to the financial statements for the year ended 2018 – 2020 are as follows:

Revenue (Million Baht)	2018		2019		2020	
		%		%		%
Brokerage fees from securities business	733.19	70.25	682.71	65.13	991.04	71.39
Brokerage fees from derivatives business	45.01	4.31	90.66	8.65	97.12	7.00
Brokerage fees from selling agent of unit trusts	2.65	0.25	2.59	0.25	1.85	0.13
Fees and service income	44.62	4.28	42.09	4.02	98.09	7.07
Gain and return on financial instruments	41.65	3.99	34.08	3.25	48.17	3.47
Interest and dividend income	53.90	5.16	81.19	7.75	60.35	4.35
Interest on margin loans	106.64	10.22	89.80	8.57	56.05	4.04
Other income	16.08	1.54	25.04	2.38	35.44	2.55
Total Revenues	1,043.74	100.00	1,048.16	100.00	1,388.11	100.00

1.2.2 Information about the service

The Company currently conduct a securities brokerage business, Underwriting, selling agent of unit trust, Financial advisory, Securities borrowing and lending business and a representative of bondholders.

From the COVID-19 outbreak in 2020 that affected the action plans but the Company continue to focus on educating in order to promote the potential of investors and interested parties by adjusting the pattern of conducting activities to be in line with the situation, including organizing seminars via online channels such as Facebook, Microsoft Team, and Webinar.

In addition, the Company has also participated in the customer base expansion activities under the Investnow project, including a virtual conference in the SET in The City 2020 project organized by the Stock Exchange of Thailand.

(1) NATURE OF SERVICE

- **Brokerage business**

Securities brokerage business is the main business of the Company. More than 71% of the total revenues come from this business. By the Company's customers there are both individual and institutional customers, both in the country and abroad, where the Company can take care of its customers into 2 main areas: retail business, individual customer care. And Institutional Clients Department, Institutional Clients Service Ratio: Institutional Clients in 2018 - 2020 are 66:34, 75:25 and 79:21, respectively. More than 75% of them are retail customers.

Trading value of the Company's securities (In both the stock market and the MAI) in 2020 was worth about 875,024 Million Baht, which holds a market share of 2.93 was ranked 13th, up from 2019 with a value of about 609,985 Million Baht, which dominate the market share of 2.72 ranked 17.

Table showing market share, trading value of the Company's securities Classified by customer type and account type

Total trading volume of the SET and MAI market (Unit: million baht)	2018	2019	2020
The Stock Exchange of Thailand and MAI Market	28,260,155	25,957,707	33,342,958
The Company	525,796	609,985	875,024
Market share (%)	2.12	2.72	2.93
Rank	22	17	13
Securities Trading Value Classified by Account Type			
Cash account	353,079	298,429	379,351
Cash Account - Internet	148,457	288,749	442,504
Credit balance account	17,198	15,904	21,889
Credit Balance-Internet Account	7,063	6,903	31,281

Total trading volume of the SET and MAI market (Unit: million baht)	2018	2019	2020
Securities Trading Value by Client Type			
- Institution customers			
Local	134,288	122,905	154,650
Foreign	33,865	26,284	29,944
- Individual customers			
Local	353,070	458,018	684,484
Foreign countries	4,573	2,778	5,947
Block Trade / Error Portfolio	773	542	4,016

Trading Account (Equity Account) is divided into 3 categories.

1. Cash (Cash Account) The account, which the customer must pay for the purchase of securities of the Company within 2 business days * from the date of purchase of securities, and the Company will deliver the money from the sale of securities to the customer who sales securities on the 2nd business day * count next to the sales order (* Amended the period from 3 working days to 2 working days in 2018) as well, which can be divided into 2 types:

1.1 Cash Account (Normal Cash) is an account that has set a limit to customers based on various data, such as employment income history as evidence of financial, etc. Customers can request an extension of the limits are subject to the policy. Consideration of approval of trading limits for the Company's securities in which the customer has to place collateral before purchasing any securities as specified by the Company set or criteria set by the SET currently set at the rate of 20% of the purchase amount of securities.

1.2 Full Colateral in Cash Account (Cash Balance) is trading now accounts that will change. Converted to the amount of money that the customer has deposited with the Company. Less the purchase value of securities that have not yet been paid.

The above account classification It is intended to provide tailored services to each customer. And can be used as a risk management tool, for example, in the case of non-resident foreign customers in Thailand, the Company will consider allowing customers to open a fully secured cash account or a customer who has a history of The payment of securities is not in accordance with the deadline, the Company will consider allowing customers to switch to a cash account with full collateral, etc.

In addition, according to the regulations of the SET Re: Rules and Procedures Regarding Cash Trading The new clients are individuals who open a trading account at the date of 1 November 2005 to pay the purchase price and the sales through automatic bank clearing system (ATS) or through the existing customers account with the Company for payment of securities price (Cash Balance).

2. Credit Balance Account is an account that customers can borrow money to buy any securities. The customer has to place cash and / or securities as collateral for the repayment at the minimum ratio set by the Company

which must not be less than 50 percent according to the announcement of the Stock Exchange of Thailand which customers will receive interest from the Company. If the amount of cash placed as collateral is higher than the debt amount (Except for customers with foreign residents, according to the Company's announcement) and will have to pay interest on the loan if the debt amount exceeds the collateralized cash.

Both above trading account customers can submit orders manually via the Internet in order to strengthen the transmission channel of customer orders. The customers can use services such as viewing information on the movement of securities prices in the stock market and other investment information including checking the balance items in the customer's account, etc.

3. Foreign Trading Account is a deposit account in advance in which the client has to deposit as collateral in advance before trading securities, not less than that specified by the Company, with the investment limit in foreign securities that the Company considers approving to clients in accordance with the amount allocated by the SEC. Currently, customers must communicate with the Investment Consultant to invest in foreign securities, inter alia, for the opening of this account the customer service officer will submit a list of persons intending to open an account for investing in foreign securities to the SEC for further approval of the Bank of Thailand (BOT) and the Company allows customers to place collateral in cash only.

Derivatives Account is a trading account of Futures and Options which customer can contact with the Investment Consultant to send orders to the Derivatives Futures Exchange market, or the customer is the sender by itself sending trading order through internet trading system. Investment Consultant is licensed to provide advice and information for the customer to make an investment decision in which the customer has to place a margin collateral before trading according to the Company's risk control policy which allows customers to place collateral in cash only.

The Company sets the approved limit for investing in derivatives based on information such as income, value of securities deposited with the Company or bank deposit. The process for credit approval and opening a derivatives account is similar to the opening of securities trading account. And the Company allow customer for the separation facility (Split) previously approved to the securities accounts of customers, if the customer wishes to invest in a derivative account in accordance with the Company's securities trading limit approval policy.

In addition, the Company has set policies and operating procedures in various fields clearly in line with the rules and regulations of the relevant departments such as SEC and SET regardless to the requirement for cash securities trading, the collateral must be maintained in the account at 20 % in accordance with the SET's rules, conditions and procedures for cash trading. The collateral that the Company receives from customers must be cash or securities or warrants which is listed on the stock exchange only.

Policy for consideration opening account and trading limits approval for clients

- **Cash Account**

The Company has a policy of accepting good customers who have knowledge and understanding of investment products and have the ability to pay for the transaction. Our checking will cover careers, history, credibility, social celebrity and financial statements, value of shareholders' equity, history of trading with other securities companies and the value of

the customer's assets deposited with the Company (In case the customer intends to open more account trading in other financial products with the Company)

For approval to open an account for derivatives trading, the Company will consider additional evidence showing customers' understanding of derivatives trading, such as taking a risk assessment question, training in knowledge from capital market knowledge Institute (Thailand Securities Institute: the TSI) other comparable institutions, so on.

- **Credit Balance Account**

The Company provides services for customer margin in credit balance account. Customers can choose a loan either company loan or TSFC upon the request of a customer. As at 31 December 2020 the Company has margin loan outstanding of credit balance accounts total 1,292 million baht.

The margin loan account that services by TSFC will follow the rules and policies of TSFC, in such cases TSFC will take the risk of that margin loan.

Credit balance account of the Company having a policy to control risks as follows:

1. The Company provides credit balance account service for Thai customers only. In the case of foreign customers, the Company reserves the right to approve on a case by case basis.
2. Set the securities list that allow customers to use loan margin and/or put as collateral in a credit balance account and Initial Margin rate by considering the market capitalization value of the securities, fundamentals, liquidity including price fluctuations. The initial margin rate set by the Company must not be lower than the rate specified by the SET.
3. The Company will review the allowed securities list for Customers margin loan and/or placed as collateral in a credit balance account from time to time, unless the securities are significantly changed or is considered a security that is prohibited from trading in a credit balance account according to the announcement of the SEC, the Company will prohibit buying such securities immediately.
4. The number and value determination for allowed securities list and/or collateral in a credit balance account (Stock Concentration).
 - Grade A securities set the maximum number of shares of any client's securities must not exceed 5 % of Paid up Shares of such securities. If the said limit is exceeded, the Company reserves the right to consider not to buy any additional securities.
 - Grade B and C securities set the maximum number of shares of any client's securities must not exceed 3 % of the paid up shares of such securities. If the said limit is exceeded, the Company reserves the right to consider not to buy any additional securities.
 - Set the maximum number of shares of a particular security in each client's account must not exceed 0.5 of the total number of paid up shares of a given security. If the said limit is exceeded, the Company reserves the right to consider not to buy any additional securities.
 - To determine the market value of a particular security where each customer will be able to receive margin loan and / or can be placed as collateral in the account.

- The Company requires a grade of all securities that allow customers to margin loan. And / or put as collateral in a credit balance account. It also sets a ceiling of market capitalization that each customer will be able to borrow to buy and / or put as collateral in the account according to the grade of the securities. The Company reserves the right to consider and approve the customers margin loan and / or some securities can be placed as collateral in the account than specified on a case-by-case basis, depending on creditworthiness. Deposit of collateral when called to place additional collateral Customer financial status and other information Related to such securities, etc.
5. The collateral can be deposited into the credit balances account include cash and / or securities registered in the name of the Company. Loans are only allowed to purchase and / or to place as collateral in a credit balance account.

Credit approval authority

1. Account opening and Trading limit approval

Account opening and Trading limits approval (Equity) and Derivatives trading limits both opening a new account and extending trading limits according to the level of the authorized person to approve the credit limit set by the Company.

2. Credit reviewing

The Company has scheduled to review trading limit of every customer at least one time a year, to assess the credit status and set suitable credit limits, the Company may revise the customers' credit limit more than one time. This is at the discretion of the Credit Committee and/or the Executive Committee to review the credit limit during the period that the SET / TFEX having fluctuation.

However, customers can request to increase or decrease the credit limit. In addition, the request for a credit increase must still meet the criteria of the Company considered together with other relevant information, such as payment history, trading style, customer financial status, collateral value that the collateral value has been paid that the customer has deposited with the Company. Stock grade, Concentration of securities, Deposit of collateral when called to place additional collateral, the number of positions in the contract that the customer has open at that time, etc.

3. Correction of error trading transactions

The Company stipulates that there is an error trading account of the Company to support the error trading transactions only caused by the mistake of the Company's personnel, by transferring the error trading transactions to the Company's account. This can be done under the Company's error trading and the correction of trading errors practices notification which is supervised by the Compliance Department. In case of any doubt, the Compliance Department will investigate further more in order to ensure that the error transactions that transfer into the Company's account is in line with the regulations of the Stock Exchange of Thailand.

The Company requires to amend the transaction as soon as it becomes known that an error has occurred. In the event that it cannot be corrected immediately, the Company allows the outstanding of error traded transactions in the Company's account only one night. If the marketing staff requests to maintain such transactions after the specified time, the reasons must be recorded through the branch manager / marketing team head to seek approval from the Credit Committee on a case by case basis.

Marketing staff liability for losses incurred from error of trading transactions will comply with the regulations on error trading and the correction of error trading transactions, that is the marketing staff will be responsible for the loss occurring at the rate of 50 % if there is evidence of receiving orders from clients. But if no such evidence is found the marketing staff will be responsible for the entire amount of incurred losses. And in the event that the loss arising from correcting the error is more than 2,000 baht, it must be reported to the Chief Executive Officer as soon as possible.

In addition, transactions in which the customer is the person who trades securities via the Internet by himself it cannot be transferred to an error trading account.

Measurement and recognition of expected credit losses

The Company recognizes a loss allowance for expected credit losses on securities business receivables and derivative business receivables. The amount of expect credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for securities business receivables and derivative business receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

As at 31 December 2020, the Company has securities and derivatives business receivables and interest receivable of 2,768.75 million baht, which is the Low credit risk receivables 2,761.94 million baht and Default receivables in credit risk 6.81 million baht, which have setup an allowance for expected credit loss in full amount.

Debt Monitoring and Collection Policy

The Company has assigned the Credit Committee to set the policy or various measures in the debt collection and the Credit Control Department to act in accordance with the measures of the Credit Committee.

Steps for tracking debt

1. When the customer has an overdue payment Settlement and Custodian Department will notify the Investment Consultant and marketing team head / branch manager to know and help track customers to pay for overdue transaction.
2. If the customer has not paid for the overdue to the Company within 5 business days after the buying date and the customer still remain securities with the Company, the Company will enforce to sell the said securities in order to bring the sales price to reduce the debt first.

3. If there is still debt left after the enforcement of securities sales, the Company requires the customer to sign a Debt Acknowledge Agreement to agree on terms and conditions for repayment. The repayment agreement must be approved by the Credit Committee.
4. In the event that the customer is unable to pay the overdue within 10 business days after the buying date, overdue customer accounts will be separated to set up as a doubtful account. In the event that the customer does not agree to sign the Debt Acknowledge Agreement, the Company will contact the Law Office for further legal proceedings.

The customers who are the doubtful accounts, the Company will make full allowance for doubtful accounts after deducting the collateral.

Investment Policy in Subsidiaries and Associates and Supervision of Subsidiaries and Associated Companies

Currently the Company has no investment in subsidiaries and associates. If in the future the Company has the investment policy, the business trend and the rate of return received from investments will be considered primarily upon the approval of the Board of Directors.

• Other services

(1) Research Work

The Research Department continually strives to expand its analysis across all stock classes as well as providing the most up-to-date trading advice for our customers. We have added the analysis of Research Department to analyze more stocks for Retail Customer (Recommended portfolios) and the Investment Advisory Department, and present investment information through both traditional communication channels such as email and social media communication channels through the program Facebook Live in the morning program "UTRADE Morning Call" on 9.20 a.m. - 9.45 a.m. and afternoon program. "Packed home" on 3:30 p.m. - 4:00 p.m.

To increase brand awareness of the Company, therefore we have participated in providing investment information through various media such as television programs, radio, investment programs through various social media platforms, Facebook. In 2020, we plan to distribute content simultaneously on both Facebook and YouTube platforms through UTrade Channel, which will increase convenient to follow up information for customers and investors. Including expanding the customer base through new platforms for institutional investors. We continue activities presented to investors quarterly (Road Show), both in Thailand and Overseas, with a main focus on Singapore and Taiwan, including organized small seminar groups to more deep investment in research to make a difference in investment information for customers.

(2) Securities underwriting and financial advisory business

The Company has been licensed to operate securities underwriting business by the Company has a policy to focus on providing equity services such as Initial Public Offering, Public Offering for new capital increase shares (Secondary Public Offering), Shareholder Right Offering (Rights Issue), Private Placement, and Underwriting Brokerage Agent and Debt Instrument Brokerage service.

In addition, the Company is also licensed to operate a financial advisory business by providing advisory services for short-term debt restructuring, being a financial advisor and investment advisor, etc.

(3) Unit trust trading service business

In addition to providing capital market services, the Company has expanded its business base to be a sales agent and redemption of investment units. As an alternative to allocation of clients' investment funds from capital markets to investment units by investing through mutual funds, the Company has provided a small percentage of this business service. However, nowadays the Company has expanded its service to more with the contact staff registered with the SEC who are ready to serve customers, the Company plans to develop this business continuously. The contract is for the sale of asset management companies in order to increase and the alternative to the more investors, the Company received approval from the SEC to the transaction as a sales agent and buy back investment units. At the end of the year 2020 the Company acts as a representative for 16 asset management companies, including

1. Krung Thai Asset Management Public Company Limited
2. Kasikorn Asset Management Company Limited
3. TMB Asset Management Company Limited
4. One Asset Management Company Limited
5. MFC Asset Management Public Company Limited
6. Krungsri Asset Management Company Limited
7. Aberdeen Standard Asset Management (Thailand) Company Limited
8. UOB Asset Management (Thailand) Company Limited
9. Phillip Asset Management Company Limited
10. Innotech Asset Management Company Limited
11. TISCO Asset Management Company Limited
12. SCB Asset Management Company Limited
13. Asset Plus Fund Management Company Limited
14. Principal Asset Management Company Limited
15. Land and Houses Fund Management Company Limited
16. Kiatnakin Phatra Asset Management Company Limited
- * Siam Knight Fund Management Company Limited

(Cancellation of the contract from 23 June 2020 onward)*

(4) Derivatives business

The Company provides derivatives services with a focus on educating and training Investment Consultant and staff related to the derivatives trading service. Because derivatives are more complex commodities than securities trading. They also have discussions with investors interested in this kind of service to make sure that Investors have a first understanding of derivatives. And recommend to attend the training program of the Stock Exchange to ensure that the investors are understand in derivatives trading system by Mark to the Market daily insight before investment, it is more important than the need to expand customer base rapidly.

The Company has clearly set policies and operating procedures in accordance with the rules and regulations of the SEC, the derivatives market (TFEX) and the clearing house to pick up colateral from customers must be in cash or to meet the criteria set by the clearing house.

(5) Debenture holder representative work

The Company has been approved to be a bondholder representative according to the announcement of the Capital Market Supervisory Board No. Tor Chor. 37/2552 on May 15, 2018 in accordance with the letter Chor. Representative of Debenture Holders to act as bondholders' representative in order to increase another channel of income.

(6) Securities lending and borrowing business

The Company receives a license from the Ministry of Finance for securities business Type of securities lending and borrowing, No. 07-0050-33, effective from June 10, 2020.

(7) Investment business

The Company does not have a policy to invest in securities because the Company take into account the conflict of interest with an emphasis on providing brokerage services to clients.

(2) MARKETING AND COMPETITION**• Brokerage business**

Thailand's 2020 GDP contracted 6.6% comparing to 2.4% growth in 2019, mainly due to the COVID-19 pandemic which caused a sharp decline in international tourist arrivals. Given that tourism is a key driver of Thailand's economic growth, the impact of the sudden disappearance of tourism receipts spilled over to many sectors. It directly impacted sectors including hotels, restaurants and aviation, and indirectly impacted sectors such as banking, property and department stores, among others.

Although economic growth tilted to the downside, 2020 GDP contraction was less than previously expected. This came as governments worldwide implemented fiscal measures to alleviate the economic impact of the COVID-19 pandemic. The major central banks also continued with accommodative monetary policies, including quantitative easing and low policy rates.

UOB Global Economics & Markets Research (GEMR) forecasts that Thailand's GDP growth will increase by 6.0% yoy as the economy recovers from the COVID-19 pandemic. To support the recovery, the government has launched sizeable stimulus packages for businesses and the tourism industry, which contributes to a significant proportion of Thailand's economy. The government stands ready to implement additional measures if necessary.

Meanwhile, we see that GDP growth still has downside risk as the recovery would remain highly uncertain and vulnerable amid the slow economic recovery. The new waves of domestic COVID-19 infections may drag down private consumption via extensive containment measures while delaying the reopening of the country to foreign tourists.

Even though the recovery might be delayed due to the factors mentioned above, Thailand has made impressive progress on the purchase of vaccines. The government recently secured a supply of vaccines and also plans to purchase additional vaccines to cover at least 50% of the total population by 2021, which means that the economy is on its recovery path.

We expect the Bank of Thailand (BOT) to maintain its policy throughout 2021. To cope with the strengthening of the baht, the BOT has decided to relax capital outflow, rather than cut the rate. Moreover, the BOT also has plans to intensify scrutiny of fund inflows into the local bond market. This might be a windfall for Thailand's stock market as foreign investors may use equity as a proxy for baht speculation over the usual bond market.

The SET Index experienced a roller coaster movement in 2020. It started with a 28.74% plunge in the first quarter due to the impact from the COVID-19 pandemic, then rallying 28.73% for the next 9 months and ended the year with an 8.26% decline.

In terms of performance, the sector outperformers were electronics (379.1%), agriculture (61.5%), packaging (44.0%), paper & printing (19.0%) and steel (19.0%), which are mostly small-cap stocks that benefit from global demand. The worst performers were sectors that fundamentally deteriorated amid the pandemic. They include REITs (-26.5%), banking (-24.0%), tourism (-19.0%), media (-18.5%) and transportation (-18.4%), which can be seen that the fundamentals of above industry groups are directly affected by the effects of the COVID-19 outbreak.

Foreign investors heavily sold Thailand stocks before becoming net buyers for the last three months of 2020. They were net sellers of equities worth US\$8.29b, which rose more than five times from US\$1.49b in 2019.

We are optimistic about the stock market for 2021, due to: a) the global economic recovery gaining momentum, b) corporate earnings being on an upgrading cycle, c) economic activities normalising after vaccinations, and d) supportive global financial conditions.

Our 2021 target for the SET Index is 1,630, derived from 21.3x forward PE (+1SD of 5 years) and EPS at Baht 76.5. We are using a higher-than-average PE as earnings recover on an upgrading cycle.

Our investment themes are focused on: a) beneficiaries of the global economic growth recovery, such as energy and petrochemical stocks; b) recovery of international trade demand, which is positive for exporters such as the food industry; c) manufacturers moving out of China, which benefits the industrial estate sector; and d) reopening of the country, which will allow foreign visitors to enter Thailand.

(1) Overall stock market conditions in 2020

In 2020, equity trading value totaled THB 16,671,478.75 million from THB 12,978,853.55 million, while average daily trading value were THB 67,334.80 million or increased by 28.34% yoy. Local investors' participation was increased to 48.44% from 38.04%, while foreign investors' trading was decreased to 39.86% from 46.68% in a previous year.

Trading Value by Investor Type in 2020

	Domestic institution		Securities Company Account		Foreign investors		Local investors		Total
	value		value		value		value		value
	buy	sell	buy	sell	buy	sell	buy	sell	
Million baht	1,660,786.38	1,626,577.70	1,764,405.77	1,749,892.22	5,859,741.66	6,122,889.16	7,386,544.94	7,172,119.66	
Percentage	9.96	9.76	10.58	10.50	35.15	36.73	44.31	43.02	
Net trading value	34,208.68		14,513.54		-263,147.50		214,425.28		16,671,478.75

Source: SETSMART

(2) Overall derivative market conditions Year 2020

In 2020, derivative trading volume totaled 120,193,573 contracts from 104,521,995 contracts, while average daily trading volume were 494,623.76 contracts or increased by 15.54% yoy including:

Derivatives trading (Average per day)	Year 2020 (contract)	Year 2019 (contract)
SET50 Index Market Futures	236,484.89	173,976.13
Single Stock Market Futures	195,006.89	213,517.10
Precious Metal Futures	44,519.78	30,883.37
Currency Futures	11,535.51	2,758.44
Agricultural Futures	72.42	223.63
Deferred precious Metal Futures	14.05	135.89

Open Interest as of 31 December 2020 came in 2,194,994 contracts, from 3,330,230 contracts in a year earlier. And the total derivatives trading accounts were 217,073 accounts increased by 16.19% yoy from 186,813 accounts as of December 2019.

The trading volume growth in 2020 was mainly driven by 35.37% increasing in SET50 Index Future. The volatility of Thai stocks was risen significantly by the impact of COVID-19 outbreak that depressed SET50 index fell over 35% in first-half of 2020, before strongly rebounded in second-half as the result of the FED's liquidity injection program and promising developments of COVID-19 vaccines. While SET50 Index Future and Single Stocks Futures (SSF), which is accounted for 88.48% of trading activity, trading volume was 35.37% and 9.04% increased respectively.

For 2021 outlook, we are strongly bullish for derivative markets driven by brighter economic outlook, long-term bearish dollar view, and ongoing stimulus measure. We believe the US monetary and fiscal policy will remain accommodative to support the economic growth and generate a strong corporate earnings recovery, therefore the price of financial assets should continue to float with the support of massive liquidity in the financial system. For a long-term view, we are still bullish in derivative trading volume growth which the key drivers are: 1) many advantage of investing in derivative especially for hedging, 2) the ability of making profit in both upward and downward market, 3) investing less money in derivative than in generally equity instrument and 4) transaction fee of derivatives is cheaper than other stock market. In addition, the Thailand Futures Exchange (TFEX) is still pushing to change some regulations to improve the investment efficiency for local, institutional and foreign investors.

(3) Industry overview and market competition

As of December 2020, there were 38 securities companies in Thailand, decreasing from 2019. The competition became more intense due to the coming of low fee brokerages which provide only trading platform without research. Also, the departing of management from top brokerage to join new house was started a war to fight for investment consultants which impact to trading fee. Regarding to the mentioned pressure, we see brokerages start a cost streaming program along with focusing innovative products & services and paying attention to private wealth business, which could generate new revenue stream and offers diversified products to various customers.

As part of the UOB Kay Hian Group with a presence in other regional markets, we shall leverage our regional footprint to enhance the breadth of market knowledge and range of services that we can offer our clients.

Business trend

We expect the turnover in 2021 to slow down. From the volatility this year is likely to gradually decrease. And returned to a near normal state in the pre-COVID period. However, we still have a positive view on investment and speculation this year from the global economy has a recovery trend. This is a positive effect on the earnings recovery of listed companies as well. While global trade is likely to recover after the era of new US President Joe Biden. Liquidity in the global monetary system remains high due to the relaxed monetary policy of global central banks. In addition, it is imperative that the governments of different countries need to implement a policy to heal and stimulate the economy to mitigate the impact of the COVID outbreak on various industries. Especially in the hospitality and tourism sectors which is a factor that limits the low risk and make the overall economy still in the direction of recovery.

A structural risk factor in the Thai stock market is that the limitations of investment options remain limited. The growth of technology businesses, artificial problems, cloud computing, etc., that have been driven by work-style transformation to digital and work-from-home trends arising. During the coronavirus outbreak causing the businesses involved in foreign countries to have remarkable growth and causing investors to become more interested in diversifying their investments abroad which may cause the money invested in the major markets of Thailand to increase at a slower rate.

To keep abreast in the highly competitive market environment, we are ready to invest in technology, building brand awareness and recruiting potential human resources to serve our existing clients and broaden our client base. In the future, we are ready to continue our dedication to cover and innovate our investment product referral guidelines both traditional and new investment products such as offshore investments, etc.

To create greater awareness of our services and brand, UOB Kay Hian now participates in various media programs, both on television and radio. In addition, we have published our portfolio and investment perspective to a wider audience. Through more social media channels such as Facebook Live, YouTube Live to promote the quality products and services of our research team. We also have a marketing plan and various investment seminars which is designed to attract new customers through the year 2021.

The Company will remain “Your trusted financial partner” with good corporate governance, professionalism and high-quality management together with knowledgeable and well-disciplined staff.

(4) Customer characteristics of the Company

Company’s customers There are both retail and institutional customers, both in domestic and foreign, whose proportion in the year 2018 – 2020 as follows:

Customer type ratio (percent)	2020	2019	2018
Individual customers	78.90	75.54	66.20
Institutional customers	21.10	24.46	33.80

Note: Calculated from the total trading volume of the Company

In 2020 The Company has not depended on revenues from major customers more than 10% of brokerage fee from securities business. the proportion of trading value of major customer for 10 consecutive accounting for approximately 16.97% and on year 2019 representing approximately of 18.68%

For securities trading for each account type, the details are as follows:

Account type proportion (percent)	2020	2019	2018
Cash account *	93.92	96.26	95.40
Credit balance account	6.08	3.74	4.60

Note: * Includes trading value of clients who borrowed to buy securities from TSFC.

The proportion of credit balance accounts increased from 3.74% in 2019 to 6.08% in 2020, and the proportion of the cash accounts of the Company for year 2020 decreased from 96.26% to 93.92%. The main reason is the increasing of trading volume in year 2020.

(3) Provision of services

Source of funds

Company’s source of funds From the shareholder’s stock basis as at 31 December 2020 , the Company has registered capital of 502.45 million baht, paid 502.45 million baht, which is part of the shareholders 3,690.88 million baht.

Financing or lending through individuals involving management or major shareholders

Because the Company with better liquidity management, there is no outstanding loan balance from financial institutions as of December 31,2020.

(4) assets used in business operation**(A) value of assets used in business operation**

As of December 31,2020 UOB Kay Hian Securities (Thailand) Public Company Limited has assets used to operate business. Details are as follows

Property details	Net book value (baht)
1 Leasehold improvements	30,891,457
2 Furniture, fixtures and office equipment	45,920,031
3 Vehicles	7,817,367
4 Leasehold improvements and office equipment under installation	6,839,102
Total	91,467,957

In addition, the Company has intangible assets, such as computer software. The net book value as at 31 December 2020 of Baht 15,427,930, TFEX membership fee Baht 5,000,000, Goodwill Baht 306,695,637, Computer software under installation of Baht 1,363,871 and licenses in various types of securities businesses which did not specify the value in the Company's financial statements. With details as follows

License	No. (Date of issue)
Engaging in securities businesses, consisting of <ul style="list-style-type: none"> • Brokerage • Securities Trading • Investment Advisor • Underwriting of securities 	No. 002 / 2541 (23 July 1998). Effective date 4 August 1998
Sales support or redemption agent	No. Khor. 207 / 2003 (20 January 2003).
Financial advisor	No. SEC.Jor Thor-3.2285/2019 (September 5, 2019 - September 4, 2024) The Company has applied for approval as a financial advisor on 20 August 2019.
Futures Trading Agent	No. 0042 / 2005 (15 November 2005).
Trademark (UTRADE)	Product / Service Category: Securities Business Registration number: Bor 55413 Coverage period: 7 December 2011 - 6 December 2021.

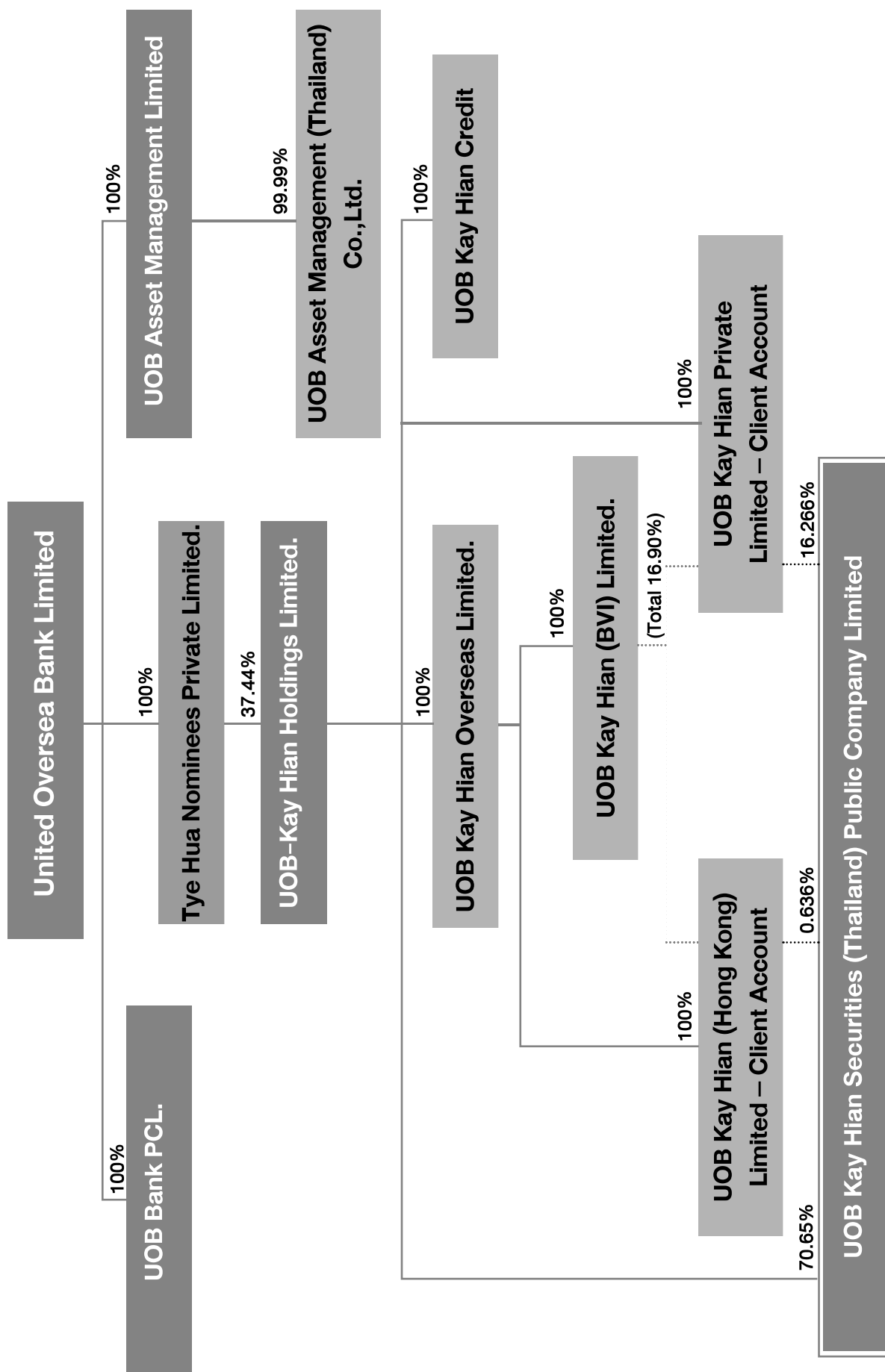
License	No. (Date of issue)
Bondholders Representative	SEC Letter No. Jor Tor 178/2018 date 15 May 2018, the Company filing request on 30 April 2018.
The Securities borrowing and lending	Dor 07-0050-33 (10 June 2020) It is effective from June 10, 2020.

(B) lease agreement

The Company has entered into a building lease agreement with Siam Sindhorn Company Limited, a person who is not related to the Company to serve as the headquarters. For the building that the Company has leased for use as the branch offices of 42 branches in Bangkok metropolitan and other provinces of the 2020 please see leases in Attachment 4 Assets Used in Business Operations.

1.3 Shareholding structure.

1.3.1 The shareholding structure of the company group



Summary of the nature of the relationship of the juristic person that may have a conflict of interest

Name	Nature of business	Relationship
UOB-Kay Hian Holdings Limited	Singapore Holding Company	United Overseas Bank Limited holds 37.44 %
UOB Asset Management Limited	Asset Management Business in Singapore	United Overseas Bank Limited holds 100 % of shares.
UOB Kay Hian (Hong Kong) Limited	Hong Kong Securities Business	UOB Kay Hian Overseas Limited holds 100 % of shares
UOB Kay Hian (BVI) Limited	Investment business	UOB Kay Hian Overseas Limited holds 100 % of shares
UOB Kay Hian Securities (Thailand) Public Company Limited	Securities business in Thailand	UOB-Kay Hian Holdings Limited holding 70.65%.
UOB Kay Hian Private Limited	Securities business in Singapore	UOB-Kay Hian Holdings Limited holds 100 % of shares
UOB Kay Hian Overseas Limited	Investment Holding in Singapore	UOB-Kay Hian Holdings Limited holds 100 % of shares
UOB Kay Hian Credit	Money lending business	UOB-Kay Hian Holdings Limited holds 100 % of shares
UOB Asset Management (Thailand) Company Limited	Asset Management Business	UOB Asset management Limited holds 99.99%.

1.3.2 Shareholders

(1) List of major shareholders

As of 31 December 2020, major shareholder is UOB-Kay Hian Holdings Limited holding 70.65% with details as follow:

No.	Name	Number of shares	%
1.	UOB-Kay Hian Holdings Limited	355,000,000	70.65
2.	UOB Kay Hian Private Limited	83,111,734	16.54
3.	Mr. Sophon Mitphunphanich	25,096,448	4.99
4.	Mr. Wachira Tayanaraporn	9,000,000	1.79
5.	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	3,195,000	0.64
6.	Mr. Suthon Singhasitthangkul	2,147,642	0.43
7.	Ms. Anchana Pinijkusonjit	1,670,000	0.33
8.	Mrs. Nawarat Phinijkusonjit	1,500,000	0.30
9.	Globlex Holding Management Public Company Limited	1,196,540	0.24
10.	Mr. Sompoch Kittidumkerng	1,083,900	0.22
Total		483,001,264	96.13

As of December 31, 2020 UOB-Kay Hian Holdings Limited was the Company's major shareholder and has issued share capital of S\$217,887,017 or 836,966,171 shares.

The shareholding structure of UOB-Kay Hian Holdings Limited is as follows:

TOP TEN SHAREHOLDERS AS AT 31 DECEMBER 2020	NO. OF SHARES	%
TYE HUA NOMINEES (PTE) LTD	313,360,043	37.44
U.I.P. HOLDINGS LIMITED	166,640,317	19.91
UOB KAY HIAN PTE LTD	93,056,306	11.12
TANG WEE LOKE	38,660,797	4.62
CITIBANK NOMS SPORE PTE LTD	21,032,824	2.51
RAFFLES NOMINEES (PTE) LIMITED	14,821,898	1.77
DBS NOMINEES PTE LTD	14,576,707	1.74
UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	11,144,470	1.33
LIM AND TAN SECURITIES PTE LTD	7,884,669	0.94
OCBC NOMINEES SINGAPORE PTE LTD	5,398,117	0.64
TOTAL TOP 10	686,576,148	82.02
OTHERS	150,390,023	17.98
TOTAL	836,966,171	100.00

1.4 Amount of registered capital and paid-up capital

As of December 31, 2020, the Company has registered capital of Baht 502,448,570 with paid-up capital of Baht 502,448,570 which equals to 502,448,570 shares of Baht 1.00 each.

1.5 Dividend Policy

The Company has a policy to pay dividend at the approximate rate of 20% of net profit after deducting legal reserve. The payment is subject to the resolution of the shareholders' meeting.

Details of 2017-2019 dividend payment

Unit: Baht

Profit allocation details	Year 2017	Year 2018	Year 2019
1. Net Profit	215,998,378	170,730,719	15,925,914
2. Number of Shares	502,448,570	502,448,570	502,448,570
3. Legal reserve	-	-	-
4. Dividend Payment Policy	Minimum 20% of Net Profit	Minimum 20% of Net Profit	Minimum 20% of Net Profit
5. Dividend Payment (baht per share)	0.09	0.07	0.007
6. Total dividend payment	45,220,371.30	35,171,399.90	3,517,139.99
7. Dividend payment ratio of net profit (%)	20.94	20.60	22.08

According to the Company's Articles of Association, such dividend payment is paid to shareholders only those who are entitled to receive dividends as shown in the list on the record date of shareholders who are entitled to receive dividends.

2. Risk Management

2.1 Policy and Risk Management Plan

The Company has a policy, framework and corporate risk management plans to audit, monitor and assess risks affecting the Company's operations, including measures to continually mitigate the risks to an acceptable level. Operating framework and risk management plans are disclosed on the Company's website.

2.2 Risk factors Per business operation

2.2.1 Risk from market volatility

Over 71% of the Company's main income comes from brokerage fees which is directly related to the economic conditions movement of money and capital markets Stock market trading volume Movement of capital and the confidence of investors, the average turnover per day in 2020 at 67,335 million baht, increased from 52,468 million baht in 2019. The Company has brokerage revenues in the year 2018 – 2020 amount of 733.19 million baht, 682.71 million baht and 991.04 million baht, respectively.

In addition, the volatility of the political, economy, money market and capital market can occur due to a number of factors which is beyond the control of the Company such as oil price fluctuations, interest rate fluctuation including the stability of the political situation in the country and international economic conditions, etc. These events may affect the confidence of investors both in the country and abroad. It also negatively affects the trading volume of securities in the SET. Including the amount of fund raising and listing of securities in the SET. These negative impacts are significant to business operations, financial position and the performance of the Company.

2.2.2 Risk from competition in the securities business

Securities business is a highly competitive business, especially the securities brokerage business which is the main income of the Company. The Company has a policy to focus on providing quality services to maintain the Company's customer base along with expanding the existing customer base by increasing the quality of research, empowerment of personnel serving customers by using the customer relationship management (CRM) system as well as empowering employees of the Company Service and advice are provided to customers as well as developing information technology systems to quickly respond to customers' need.

2.2.3 Risk from Customer's default of payment

As a brokerage business, there is a risk arising from the default of payment of customers. Which is caused by Inability to pay off customer debts and the volatility of investment conditions in the stock market at that time, however, the Company's cash account and credit balance accounts customers will be deposited securities in account with the Company which can be used as collateral. This makes it possible to reduce the risk to a certain extent. In addition, the Company will not deliver securities that have not yet paid the price to the customer which will be forced sale to bring money to pay the debt. But if the customer has traded in the same day (Net Settlement) customers have no securities in an account with the Company, it is still at risk from customers. In the years 2020 and 2019, the Company accounted for Trading value of customers' securities, cash account, to the Company's

credit balance account Equal to 96:4 and 94:6, respectively.

However, the Company controls such risks by increasing caution in considering the purchase limit approval, that is, beside to considering various information of Customers, such as employment, income, history and financial statement. The Company has scheduled a review of trading now at regularly, including there is a SET regulation on rules and procedures for cash securities trading, requiring clients to place collateral for trading securities of not less than 20 percent of the Company's securities trading limit approved for customers.

In the case of customers having high risk exposure compared to low grade securities, any securities with a high volume (High Exposure to A Low Grade Stock), the Company will proceed as follows:

1. History, trading plan and payment analysis of customers.
2. To check the remaining value of the clients' securities with the Company and
3. Credit Committee and / or Executive Committee will consider issuing further appropriate measures, such as adding of such limited trading securities.

In this regard, the exposure to securities with price fluctuation and/or fundamentals have changed significantly (Exposure to Volatile Stocks). Credit Committee will issue an internal memorandum to list such securities along with setting the rules for trading in such securities on a case-by-case basis.

For the credit balances account, the Company can reduce the risk if the customer fails to repay margin loan, there is a policy to determine the appropriate credit limit and balance for each customer. And there are grading of securities that allow customers in margin loan and / or put as collateral in a credit balance account (Marginable Securities) by using the criteria for selecting quality securities that has a high market capitalization and have good trading liquidity.

The Company will review the list of marginable securities that are allowed to customers every 6 months. If any securities have price fluctuation and/or fundamentals changed significantly, Credit Committee and/or Executive Committee can consider to change any additional initiative or policy that is appropriate.

In the event that the customer's debt balance exceeds the approved limit arising from the interest calculation on the loan at the end of the month for 3 consecutive months, the Credit Committee will consider taking action as it deems appropriate as follows:

1. Reclaim some debt in which the customer may bring money to pay off excess and/or sell securities in the customer's account to be completed within 5 working days from the date the Company notice of debt recovery.
2. When the said time has expired if the customer does not take any action, the Company will force sale of the Customer's securities until the total amount of debt does not exceed the approved limit. Starting with the securities with the highest loss first.

From the above risk control measures, the Company has a small proportion of troubled debtors when compared to all debtors.

2.2.4 Risk from computer system failure

Business operation of the Company need to rely mostly on a computer system, the key computer systems of the Company are securities trading systems. This is a system that connects with the SET. And the settlement between customers and TCH and process customer data, so if the computer system crashes, it will affect the Company's business operations.

However, the Company has measures to mitigate such risks by organizing regular audits of computer systems. And have a backup system along with the backup of important data that can be used continuously in case of unable to use the main system. For connecting the computer system between the headquarters and branches the Company has leased line backup switch (switch) automatically when the main leased line having problem. Additionally, the Company has contingency plans that can be used backup center which is located at branch office, in case of being unable to work at the head office, the Company has tested the emergency plan annually at least once a year and the overall test results showed that it was able to work in accordance with the emergency plan.

2.2.5 Risk from management influence of major shareholders

As of December 31, 2020 UOB-Kay Hian Holdings Limited and the group are the major shareholders of the Company. The shareholding percentage of 87.99, the UOB-Kay Hian Holdings Limited is regulated by the resolutions of the shareholders meeting, all directors will be appointed or requesting for resolutions on other matters requiring a majority vote of the shareholders' meeting including matters that the law or company regulations requires a vote 3 in 4 of the General Meeting of Shareholders. Therefore, the other shareholders of the Company is unable to collect votes to examine and balance the matters proposed by the major shareholders to the shareholders' meeting for consideration. The Company has 2 directors representing the major shareholder which is a percentage of 25 of the directors of the Company. The Company has appointed 3 independent directors as Audit Committee from the 7 Directors as a percentage of 42.86. The Audit Committee is responsible for supervising, auditing, including giving advice on the Company's operations to be transparent and correct.

2.2.6 Risk from dependence on UOB Kay Hian Group

As a result of the Service Agreement that UOB Kay Hian Group has assisted the Company in business development in various fields. By being part of the said group, the Company has benefited from affiliates, in addition, it has been cooperating in establishing a Cross Selling project with United Overseas Bank Public Company Limited, which is a subsidiary of United Overseas Bank, which is intended to expand its brokerage services. This has been well received by the Bank's customers in order to mitigate such risks, the Company has started expanding its business to a more diverse customer base by developing securities trading channels via the Internet to be able to reach more retail customers. Business development for institutional customers and new business developments such as Wealth Management, Derivatives brokerage, Foreign Securities Trading Service and being a Financial Advisor, etc.

2.2.7 Risk from underwriting and underwriting guarantees

Underwriting and underwriting guarantee services are subject to risks in the event that the Company unable to distribute all securities under the underwriting guarantee as a result, the remaining securities must be taken into the

Company account. The Company will be liable for the loss that occurs if after the market price of such securities is lower than the price that the Company is guaranteed.

However, the Company be aware of the risks that may occur, the company will give priority in giving opinions and assessing risks in the matter by considering the needs of customers and analyze the Company's fundamentals and other factors involved before considering the approval of participating in the underwriting of securities.

2.2.8 Risk related to derivatives business

Because there are tight controls on approval limits of the Company together with the derivative products are traded in the collateral is in cash only, ensuring that the Company can control the risks associated with this service.

2.2.9 Risk from dependence on personnel

Brokerage business is a business that requires knowledgeable and skilled in marketing personnel. Today, the competition in hiring a qualified Investment Consultant is intensifying, especially in market conditions conducive to investment and limited experience and expertise in securities business operations causing the competition of personnel in various lines. If there is a transfer of key personnel of the Company, it may adversely affect the continuity of business operations and results of operations of the Company.

However, the Company is aware of the risks of marketing personnel. Therefore, the Company has promoting and giving importance good welfare and training for employees to increase their knowledge and ability to be able to develop the potential of serving customers of the Investment Consultant as well.

2.2.10 Risk from relying on large or small customers

In the year 2020, and 2019, the proportion of trading value of major customer for 10 consecutive accounting for 16.97% and 18.68% of total turnover, respectively. In the past, the Company did not rely on the income from any major customer more than 10 percent of the total revenue. If the Company had to lose revenue from such large customers. It may affect the Company's brokerage income. However, the Company plans to expand its customer base, especially retail customers by participating in activities organized by the Stock Exchange of Thailand (Roadshow), organizing marketing promotion activities in various forms, organizing seminars for the Company's customers and guests development of internet trading channels and organizing seminars for customers and interested parties, etc.

2.2.11 Risk from wrong or wrongful performance of personnel

Securities business is a business that relies on reputation and trust from customers which the Company's personnel has to be dealt with customer or dealing with sensitive information of customer. Therefore, if the Company's personnel failing to perform duties according to customer orders or not obeying regulations, Company's Articles of Association, or perform duties in excess of their authority, or personnel of the Company Deliver wrong trading information, including any other action that may cause damage to the customer, the Company may be affected by the reputation of the Company. And the trust of customers as well as the responsibility to indemnify the damages that occur.

In addition, some actions of the Company's personnel may violate any rules or regulations which may cause the Company high fines or license cancellations or being prosecuted. This may have an impact on the financial position and the Company's operating results. In order to increase the careful performance of the Company's employees' duties and set clear penalties for various offenses, the Company has insurance to protect against the damage arising from the performance of mistakes or the wrongdoing of the personnel, which is the Financial Institution Crime and Civil Liability and Director & Officer Liability dealt with UOI to cover the damage to all UOB securities companies from various causes such as from employee negligence from theft or being forged Employee fraud and computer crimes including the damage that cannot be identified, etc. The insurance premium that the Company must pay equal to 282,464 Singapore Dollars or approximately 6.45 million baht with a period of protection from 1 July 2019 to 31 August 2020 calculated according to the proportion of employees of each company (Allocate) (see details in Connected Transactions).

2.2.12 Risk from conducting business of the Company under strict laws, rules and regulations and supervision of relevant departments

Business operation of the Company is governed under the laws, rules and regulations of the SEC and the Stock Exchange of Thailand. If the rules, laws and regulations change, it may affect the competition, Financial Cost, Performance such as changes in free securities brokerage fees. In addition, if the Company fails to comply with regulations, violations or negligence, the Company may be subject to probation or license withdrawal. The Company may be responsible for the business, as the Company has to maintain capital adequacy ratio, liquidity Net according to the minimum criteria set by the SEC etc.

However, the Company has a Compliance Department to monitor changes in the matter. Including supervising, controlling and auditing of internal departments to follow the current criteria and keep informed of changes in regulations and rules that may occur in the future to those involved. For the changing rules and regulations, such as the liberalization of the securities business, which may affect the operations of the Company. The Company pays attention to the overall impact of its business operations which occurred as a result of such change by using cost control measures in trying to maintain profitable growth of the Company.

2.2.13 Risk from the Company having more than 50% of the major shareholders

As of December 31, 2020, UOB-Kay Hian Holdings Limited Group holds shares 87.99% of the total issued shares of the Company. Thus making the group UOB-Kay Hian Holdings Limited has control over most of the resolutions of the shareholders' meeting, whether it is the appointment of directors or requesting for resolutions on other matters requiring a majority vote of the shareholders' meeting except for legal matters or the Company's Articles of Association stipulated that three-fourths of the shareholders' meeting must be received, so other shareholders may not be able to collect votes to examine and balance the matters proposed by the major shareholders.

2.2.14 Risk from stock having low free float resulting in low trading liquidity.

As at 9 March 2020, most shares of companies in the amount of 438,078,734 shares or percentage of 87.19 held by 5 shareholders only and held by minority shareholders is a total 64,369,836 shares or percentage of

12.81, making it available the Company's shares that are currently traded on the stock exchange are quite small, resulting in a limited number of exchanges in the market, and ordinary investors cannot have access to normal trading, therefore shareholders may be at risk. In this regard, the Company has a share distribution proportion to minor shareholders below the criteria set by the SET, the Company has to pay a penalty in accordance with the regulations of the Stock Exchange of Thailand and the Company has notified its progress and reported the results about solutions for major shareholders and the SET to know.

3. Business Driving for Sustainability

The Company's guidelines and policies to manage sustainability at the corporate level and in line with business strategies to reflect the intention and commitment to drive business with regard to environmental, social issues encompassing human rights respect and good corporate governance or corporate governance (ESG) policies consistent with sustainable development goals (Sustainable: Development Goals: SDGs) of the United Nations.

3.1 Policy and Sustainability Management Goals

The Company has determined the objectives of the business operation with a goal and a strong will to be the leading financial institution in the region along with creating a good society to grow together sustainably by taking into account the creation of social responsibility values. This will bring the greatest benefits to society, community, environment and all stakeholders. In terms of business operations, the Company has put emphasis on good corporate governance, all forms of anti-corruption and operations with transparency, etc. Focus on and strengthen the people and general investors have a good understanding of investment and create wealth for people through money saving for the country's economy to grow sustainably.

In terms of customers, the Company is committed to delivering quality services, ethical service, transparent and accountable with an emphasis on product development and always having new services as well as focusing on customer confidentiality service with fairness and equality. The Company focuses on the development of the personnel of the Company. With knowledge and international courses to develop the Company's personnel to have the quality of service to our customers. New products and technologies that are trending and playing an important role in the service industry. In addition, in the environment and society, the Company has a project to protect the environment, reduce and stop the use of plastic. And there is an ongoing social and environmental activity for sustainable development.

3.2 Managing stakeholder impacts in the business value chain

3.2.1 Value Chain of Business

The Company is committed to creating value for the service to meet the expectations of the stakeholders, treatment of stakeholders by taking into account the legal rights of all groups of stakeholders, namely shareholders, employees, customers, competitors, creditors, society and environment. All stakeholders will be treated fairly in accordance with the law or agreement with the Company.

- **Shareholders** : The Company focuses on managing the Company for profit to generate returns for shareholders. The Company has a policy to pay dividends at the rate of not less than 20% of the net profit and promote the exercise of shareholders' rights and treat shareholders equally, as well as obtaining important information that is up to date of the Company published through the Company's website continuously and regularly.

In 2020, the Company paid dividends to shareholders at the rate of 0.007 baht per share, or 22.08 percent of the net profit for the year 2019, which is more than the dividend payment policy at the rate of not less than 20% of the net profit after deducting the various reserves that the Company has set.

- **Customers** : The Company has emphasized on its employees to treat every customer equally and fairly by providing good quality service, keep customers confidential, provide accurate, complete and timely information to customers. And the Company has products for customers to choose for investment, covering in all products. Customers are able to manage their investment portfolios thoroughly. The Company has continuously developed a service model that covers the needs of customers in which take into account to the interests of customers by without focusing on employees to encourage customers to buy and sell in order to get a lot of trading volume.

In the past year Investment Consultant of the Company has informed customers to be careful with investment by considering information before investing. Therefore, the customers of the Company were not affected by high risk stocks. The Company also encourages customers to have a channel to suggest and make complaints in case of unfairness by express opinions, suggestions and other complaints through the following channels of communication with the Company.

- Email, phone number,
- Compliance Department.
- Business Development and Sale Support.
- Legal Department and Company Secretary.

- **Competitors** : The Company will treat all competitors equally and fairly, adhere to the principles of agreement they have with each other and according to the agreement of members under the competition law, regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission including the agreement that the Association of Thai Securities Companies asks for cooperation from members. The Company is strictly for hiring employees without the policy of attracting Investment Consultants from other securities companies without violating the confidentiality or knowing the trade secrets of competitors by fraudulent means. Therefore, the following guidelines have been prescribed.

- Behave within the framework of good competition.
- Not seeking the competitor's confidential information through dishonest or inappropriate means.
- Do not destroy the reputation of its competitors by malicious accusations.

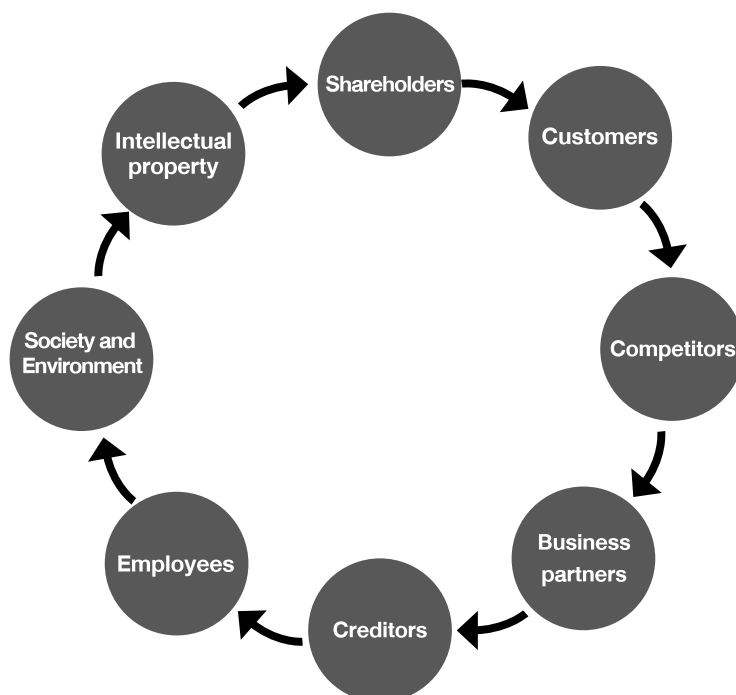
- **Business partners** : The Company attaches great importance to the selection of suitable business partners. The Company must ensure that the selection process and the treatment of business partners are equal and fair. The Company realizes the importance of having a business partner with good reputation, ethics, professionalism in accordance with standards including promoting and supporting business partners to fight against corruption in order to lead to the development of mutual business to make more progress.

- **Creditors** : The Company complies with various contracts and obligations with the creditors of the Company strictly both in regard to the purpose of using the money, repayment of principal and interest and any other matters that have made an agreement with the creditors of the Company including financial status reports and financial information of the Company with accuracy and honesty on a regular basis. The Company is committed to maintaining a lasting relationship with creditors and trust in each other.

In addition, the Company has established capital management strategies for stability and strength to ensure that the Company maintain the ability to repay debts to creditors. Moreover, there is liquidity management in preparation for repaying debts to the creditors of the Company to meet the maturity period. The Company has a policy to manage capital by defines the person responsible for planning, monitoring and control capital status suit to the Company's transactions. There is an appropriate capital adequacy assessment process to be able to handle all significant risks both under normal conditions and crisis, as well as to comply with the net liquidity fund requirement of the Office of the Securities and Exchange Commission.

- **Employees** : Details can be found in the topic. "Social responsibility" in the section of "treating labor fairly"
- **Society and environment** : The Company promotes efficient use of resources in all processes related to doing business for the best benefit. The Company is considered to be the duty and responsibility of the management. And all employees, the Company will support human resources, budget, working time, training and participation in presenting ideas for social and environmental development such as
 - Production of the invitation letter to the Annual General Meeting of Shareholders And that annual report The Company uses paper that meets the standards of environmental protection.
 - The Company has concrete measures to reduce energy consumption More details can be found in the topic. "Social responsibility"
- **Intellectual Property** : The Company respects and complies with all intellectual property laws. There are policies and guidelines on non-infringement of intellectual property as follows:
 - All employees have a duty to protect and maintain the confidentiality of the Company's intellectual property in order not to leak those informations and must not use any of the Company's intellectual property rights for personal or other benefits without permission.
 - All employees must respect and honor the intellectual property of others. And do not use the intellectual property of others, not all or part of the work to use without permission from the owner of the work.

In 2020, the Company has no dispute with all groups of stakeholders. By following the policy set by the Company.



3.2.2 Analysis of the stakeholders in the value chain of the business.

A group of important stakeholders, both inside and outside the organization, are in relation to the business value chain. The stakeholders have an expectation that the Company operates its business with profit and appropriate compensation. The Company endeavors to conduct business with prudence, transparency and development for business success in order to meet the expectations of all stakeholders.

Stakeholders are individuals or units that involve in the Company's business operations directly and / or indirectly, which can be divided into a) internal stakeholders are shareholders, employees b) external stakeholders are customers, business partners, community, society and environment.

The Company assesses stakeholders' expectations at least once a year through a hearing process, satisfaction surveys, meetings or other participation channels in order to know the impacts and related issues between the Company and stakeholders, both positive and negative. Once the expectations of each group of stakeholders are known, the Company will consider a guideline to meet the expectations of each group of stakeholders. It reflects the cooperation and creation of mutual value between the business and stakeholders to reduce risks and create added value to the business.

Stakeholder groups	Stakeholder expectations	Meeting expectations of stakeholders
Stakeholders outside the organization		
Shareholders	Dividends from the good performance of the company	Has a clear dividend policy.
Employees	Salary and welfare of security	Consider appropriate salary, welfare, and safety.
Stakeholders outside the organization		
Customers	Fast, modern, satisfying service.	Develop employees and work systems Including technology for customer satisfaction.
Business partners	The contract is justified And receive payment as scheduled and on time	Join the anti-corruption project
Competitors	Fair competition	Get involved with the association follow the guidelines of the established association.
Society and environment	Cooperation for community and environment development	Consider joining projects related to environmental conservation and community development.

3.3 Sustainability management in environmental dimensions

3.3.1 Environmental Policies and Practices

The Company has policies and guidelines to comply with environmental laws, regulations and regulations which are relevant to the Company's business operations with a commitment to reduce negative impacts on the environment

such as energy, water, waste, etc. The Company has participated in the project to strengthen the capital market, good governance. The details are disclosed on the Company's website.

In order to save electric cost from previous year, we do manage the energy usage and reduce the electricity consumption. The Company prepares a report on garbage management, waste and resource using, cost management in proper disposal of garbage or waste. There is a system for sorting waste by type, building awareness and involvement with stakeholders.

3.4 Sustainability management in the social dimension

3.4.1 Social policy and practice

The Company is committed to creating a good society to grow with the Company sustainably, recognizing that social responsibility is important to go hand in hand with business operations. Building social responsibility with business practices aimed at maximizing benefits to society, communities, the environment and all stakeholders.

Sustainability and Social Responsibility Report

Statement of the Board

The Board recognizes that sustainability is a key component of the UOB Kay Hian Group's long term business strategy. The Board is responsible and committed to building a sustainable business in the interests of its stakeholders.

Sustainability Governance

In today's investment climate, non tangible financial factors are becoming increasingly important to our stakeholders. Stakeholders are beginning to look beyond economic and operational factors in evaluating management and corporate accountability. This Sustainability Report is based on economic, social and environmental issues that are material to the UOB Kay Hian Group of companies.

Scope of report and period of reporting

This report focuses on the sustainability practices and strategy of the UOB Kay Hian Group of companies. It seeks to meet the interest of our stakeholders in the non-financial information of the Group and demonstrates our effort to report to Shareholders and other stakeholders the steps we are taking to achieve a more sustainable business model and contribute to a more sustainable environment.

Framework

This report is prepared in accordance with the Global Reporting Initiative Standard: Core Option (GRI) and is also in alignment with SET Sustainability guidelines. The GRI standard is chosen as it is a universally accepted standard for reporting.

Engagement of key stakeholders

Key Stakeholders	Form of Engagement	Key topics
Clients	Seminars, workshops, sales engagement, customer service hotline	Capital markets, corporate news investment strategy and tools
Regulators	Dialogue and face to face meetings	Regulations, cyber security corporate governance
Employees	Face to face meetings and discussions, corporate events	Performance, work efficiency, product related
Shareholders	Announcements, quarterly reporting, General meetings	Performance, corporate governance

Your trusted financial partner

As a provider of regulated financial services, we position ourselves as a trusted financial partner of our clients. To achieve this, we have identified the following key Environment, Social and Governance (“ESG”) factors necessary for the continuing success of our business:

Material environment, social and governance (‘ESG’) factors**a. Critical factors****i. Clients**

Our client base comprises financial institutions, fund management companies, corporations, high net worth and mass market retail clients. Each group of clients will have their own investment and trading strategies and will require different types of services and levels of engagement from us. As a trusted financial partner and responsible broker, we see ourselves having an important role sharing our knowledge and helping to develop the capital markets in the region. We are committed to educating the investment community and providing a robust platform and relevant investment/trading tools to help investors make better investment/trading decisions.

To achieve this, we have:

Trading tools	Regular seminars and workshops on trading tools, corporate and market updates on the major regional and global markets are conducted during the evening and weekends.
Education	Work with SET in their various education programs for investors.
Technology and Research	Invest heavily in technology and research to help our clients make better investment decisions.
Feedback	Engage our clients actively and solicit feedback on their various investment needs.

ii. Integrity and Fair Dealing

We strive to develop a corporate culture which will give our clients the confidence that they are dealing with a financial institution where fair dealing is central to the corporate ethos. The confidence clients place in us and their trust in our ability to help them manage and safe-keep their assets is a core ingredient to the success of our business.

To achieve this, we :

- (a) Inculcate a corporate culture where our trading representatives and staff apply the highest professional and ethical standards in dealing with our clients. Checks are in place to ensure there is no conflict of interest in handling of client orders;
- (b) Conduct reviews to ensure that our staff and trading representatives satisfy the 'fit and proper' criteria for the role they are engaged in;
- (c) Have procedures in place to ensure that investment products are screened by our product committee and proper client assessments where necessary are conducted;
- (d) Procedures are in place to ensure that there is no conflict of interest in the handling of market sensitive information;
- (e) We have an independent department to handle client complaints. We believe in instilling a culture of doing what is right and fair to the clients in the handling of complaints. Complaints are escalated to senior management; and
- (f) Client feedback and complaints are reviewed by management on a regular basis to enable the Company to improve its service level.

iii. Human Capital

Our staffs and Investment Consultants are our key assets. The UOB Kay Hian Group believes in an all inclusive work environment and we have a multi-cultural and multi-generational workforce. As a regional broker with footprints in the major regional markets, we recognize that we deal with clients and colleagues from diverse cultural backgrounds. In our dealing with our overseas clients and colleagues we are mindful of the need to be sensitive to the cultural diversity of the clientele of the different countries. We believe it is important that where possible, local talent across all levels are hired in our overseas offices. We recognize the importance of having an appropriate human capital strategy in a very competitive environment to make sure that we are able to recruit and retain the right talent. We believe in nurturing our talent, managing employee performance, cultivating leadership skills and planning for succession. We have in place a holistic and sustainable package to attract and incentivize the right talent. We recognize the need to help our colleagues build a meaningful career and provide a physically and professionally conducive environment to help our colleagues achieve their professional goals.

To achieve this:

- (a) We conduct regular reviews to ensure that our remuneration package is in line with the industry and commensurate with the job;
- (b) In addition to a basic salary, we offer a sustainable performance bonus based on the Company's as well as the employee's performance;
- (c) Identify and promote deserving staff with potential to develop their career in the organization;
- (d) Regulatory, technical and soft skills training is conducted to help our staff keep abreast of the demands of their jobs; and
- (e) We are dedicated to principles of fair employment in our HR policies, abide by labor laws and are guided by the tripartite guidelines.

In order to have a sustainable business, we recognize the importance of renewing and refreshing our talent pool and preparing staff with the potential to assume key management and leadership positions.

We recruit graduates and mid-career professionals looking for a career switch from within and outside the industry and groom them to take on various roles within the organization.

We believe that the diverse talent we have can only be good for the overall talent development within the organization.

Our multi-generational work force encompasses young millennial to industry veterans who have passed their statutory retirement age and who still have the ability to contribute to the Company and society. We believe a good blend of the young with fresh ideas and the experience of the veterans can only be good for the Company and help us to service our multi-generation client base better.

We are committed to gender equality and equal opportunities. We hire and promote based on suitability and merit.

We believe that staff welfare is an important supplement to the remuneration package offered to our colleagues. In this respect, we provide health and dental care and organize companywide gatherings.

To ensure that we are working together as a team, we share the Company's vision and strategic developments with our colleagues.

As part of staff benefits and welfare, long serving staff and sales personnel are recognized with long service awards.

Our workforce comprises the following remain stable:

AGE PROFILE	%
35 years and below	20.71
36-50	48.44
>50	30.85
Total	100.00

GENDER MIX	%
Male	43.52
Female	56.48
Total	100.00

iv. Technology Risk

As a provider of stock broking services, we are in possession of client sensitive information, we are mindful that we are exposed and vulnerable to cyber security-related threats prevalent in the digital era. Such threats if not properly addressed could potentially cause disruption to our services and leakage of sensitive information.

We cater to an increasingly technology savvy and sophisticated clientele, reliance on technology to service our clients will increase. We recognize that this will increase our risks and exposure to cyber security threats and it is thus important that we strike the correct balance between having a user friendly and accessible platform and at the same time ensuring that sufficient security checks and controls are in place to protect sensitive information.

To retain the confidence and trust of our clients, it is critical that we have a robust and reliable trading and back office system as any disruption can cause financial and reputational damage.

To address this, we conduct regular vulnerability assessments of our networks and systems to ensure that vulnerabilities identified are resolved timely. We continue to invest in security and surveillance systems and at the same time enhance our recovery capabilities in the event unlikely emergencies arise.

We regularly benchmark ourselves against the technology risk management guidelines issued by the regulators to ensure that we meet the standards expected.

v. Governance and Regulatory Compliance

Our corporate governance report is set out in our annual report.

As a provider of financial services, we recognize the need for the regulators, in the various jurisdictions that we have a presence, to have strict rules and regulations governing how we conduct our business and how we deal with our client orders and their assets in order to ensure that our business is sustainable and the integrity of the financial systems of these countries are not compromised.

Our organization structure, operating policies and procedures are designed to ensure that appropriate segregation of duties and controls are in place to meet the high standards set by the regulators. Independent audits and compliance checks are conducted on a regular basis to ensure that our systems and procedures adhere to and comply with the regulatory standards and requirements. The audit committees review the audit reports of the internal audit departments to ensure remedial measures are taken to address regulatory and internal control lapses.

The regulators conduct regular meetings with industry participants on an industry wide basis and at the company level to help us keep abreast with regulatory changes and for us to provide feedback on the various laws and regulations. Such meetings are a useful platform to ensure that the rules and regulations, our business strategy and practices remain relevant in a fast changing environment where increasingly sophisticated technology provides both a wealth of opportunities and threats to our business.

As a major financial centre, we appreciate and understand the need of the regulators to combat anti-money laundering and the funding of terrorist activities. We have in place a robust Anti-Money Laundering Policy and framework. We also co-operate with the authorities in not dealing with potential clients who are in the Sanctions list. We have in place robust and appropriate due diligence and 'Know Your Customer' assessment procedures when accepting new accounts. These assessments are conducted using established data providers who are specialists in this area and through publicly available data. Monitoring procedures are in place to report suspicious transactions to the relevant authorities. We promote transparency and have a whistle blowing policy where investors and staff are encouraged to report any improper, illegal or criminal activities.

b. Key factors**i. Community and Social Responsibility**

As responsible corporate citizens in countries which we operate, we recognize that we have obligations to the investing public and society at large.

We tie up with tertiary institutions by offering the Company visit and internships to their students in order for them to have a better understanding of how to invest and the business environment in which we operate.

We sponsor scholarships to deserving students in education to recognize their scholastic and all round achievements.

We donate to various charities and community projects.

ii. Environmental Policies and Practices

We are committed to playing an active role in preserving our natural environment reducing the depletion of our natural resources and the minimization of our carbon footprint. We constantly remind our employees to reduce paper, power consumption and water usage, electronic devices, lighting and air condition in the office are where possible turned off after office hours.

We have been committed towards a paper-less environment since the second half of 2016.

(a) Our shareholders

Since 2018, as part of our sustainability efforts, we are not sending CD roms or hard copy Annual Reports to shareholders as our Annual Reports will be available online from our Company's website.

(b) Our clients

Towards the end of 2016, we have started to implement the delivery of e-statements and e-contract notes to our clients, reducing the printing of physical statements and contracts, thus helping to promote a more sustainable environment and at the same time improving the timeliness of such reports to our clients.

(c) Our staff

(i) We have over the last 3 years ceased to provide printed trade reports to our Investment Consultants. Efficiency and reduction in carbon footprint waste have been achieved through the migration of such reports to an Electronic platform.

(ii) Circulars, announcements and formal communication with colleagues are currently done through the office intranet and email.

(iii) Staff are constantly reminded to minimize printing of reports and are encouraged to recycle and reuse papers.

Targets for 2020**Clients**

We recognize that client engagement and education continue to be important factors in our business. To this end, we shall continue to organize seminars, workshops and presentations by fund houses and corporates to keep our clients abreast of developments in the capital markets and investment opportunities which are relevant to their needs.

Technology risk

We continue review and monitor our vulnerability to intruders and hackers and invest in relevant tools to mitigate cyber security risks. We will be conducting cyber security awareness training to remind our colleagues of how risks can be mitigated.

To ensure business continuity, we will be testing our operational resilience, incident communication procedures to ensure that we are prepared in the event of disruption due to factors beyond our control.

Human capital

We believe in staff recognition and will be implementing programs outside our normal remuneration structure to encourage our colleagues to provide better service and to promote teamwork.

Governance and regulatory compliance

This is an on-going process and we shall continue to engage with the regulators and how we can work towards better investor protection and to enhance the reputation of the financial markets in Thailand.

Community and Social Responsibility

We shall continue to offer scholarships to students in tertiary education and to engage in community work.

Environment Policies

Over the past year, we have increased the use of electronic communication with our clients and trading representatives in order to reduce our carbon footprint. Plans are in place to further reduce the amount of printed notices and communications. We target to maintain the same level of power consumption.

4. Management Discussion and Analysis

The overall operating results in 2020 and 2019 of Company, the total income amounted to Baht 1,388.11 million and Baht 1,048.16 million respectively. The net profit amount to Baht 239.65 million and Baht 15.93 million respectively. Mostly income of the Company came from securities business which the Company had market share of 2.93% in 2020 and 2.72% in 2019. The trading volume of Company in 2020 and 2019 was Baht 875,024 million and Baht 609,985 million respectively.

Operational Performance**• Revenue**

The Company's revenue comprises of brokerage fees on securities and derivatives trading, service fees, interest income, gains and return on financial instruments such as gains (losses) on securities and derivatives and dividend income and other income such as fees from transferring share, fees from being a share registrar. Nevertheless, the major source of the Company's income is from securities brokerage. Previously, the Company's income from brokerage fees was equivalent to 65-71% of total income. Most of the clients were retail investors, which were equivalent to 76-79% of the Company's securities trading value, and the value of trade from institutional clients was 24-21% of the Company's total. The gains (losses) on trading securities and derivatives in the Company was a result of Block trade transactions, trade error from securities and debt securities trading, and gain on debt securities.

In 2020, the Company's total revenue reached Baht 1,388.11 million, increased by 32.43% compared to the previous

year's amount. This was due mainly to the increasing of Revenue from brokerage fees and Fees and service incomes, interest income was decreased from last year.

Revenue from Brokerage Fees

Revenue from brokerage fees is directly related to the overall trading value in the stock exchange, and in turn is attracted by market conditions and other factors.

In 2020, the Company had total commission income 1,090 million baht increased by 40.47 percent from the same period last year. The growth was lower than the turnover of the Company declined by 43.47 percent due to the competitive trading fees but higher than the total turnover of the market increased by 28.34 percent due to increasing on market share. The Company's market share was rising to 2.93 percent from the same period last year at 2.72 percent while rank was improving to 13rd from 17th last year. The improving of company business was a resulting from growing activity from domestic investor which this year accounted for 43.66 of total trading value from just 33.72 percent in 2019 while foreign investor activity accounted for only 35.94 percent from 41.38 traded last year. As a result, brokers with retail customer base are gaining more market share while brokers with foreign customer base has losing their market share.

By the year 2020 the value of average daily trading of the Company equal to 3,601 million baht increased by 44.04 percent, while the average daily turnover of the stock exchange was 67,335 million baht, an increase of just 28.34 percent.

Company's Performance	2020	2019	2018
UOBKHST's trading value (Baht million)	875,024	609,985	609,985
UOBKHST's market share	2.93	2.72	2.72
Ranking	13	17	17

Source: Stock Exchange of Thailand

Type of Company's Investor (%)	2020	2019	2018
Individual	78.90	75.54	66.20
Institutional	21.10	24.46	33.80

Remark: Calculated from the Company's total trading volume

Other Revenue other than Brokerage Fees

In 2020 and 2019, the Company had fee and service income Baht 98.09 million and Baht 42.09 million and accounted for 7.07% and 4.02% of the Company total revenue, respectively, or increased 133.07% from the previous year as a result of increasing in Underwriting services.

In 2020 and 2019, the interest income of the Company was Baht 115.70 million and Baht 170.87 million and accounted for 8.34% and 16.30% of the Company total revenue, respectively. The decreasing of 32.28% from previous year, this was from decreasing in interest rate of cash deposit and interest margin loans rate was increased in year 2020.

The income from gains and return on financial instruments were equivalent to 3.52% and 3.26% of total income in 2020 and 2019, respectively. Most of the income was gain on debt securities of private sector.

- **Expenses**

The 2020 operating expenses of the Company was Baht 1,086.79 million, increased 5.88% from year 2019. The breakdown for the expenses were (1) Employee benefits expenses accounted for 57.67% (2) Fees and service expenses accounted for 15.87% (3) Interest expenses accounted for 1.28% (4) Others expenses accounted for 25.18% of the total expenses. Total expenses for 2020 has increased compare to 2019, mainly due to the increasing of employee benefits expenses, increased 11.40% from incentive of Investment Consultant according to the increasing of brokerage fees and the increasing of fees and service expenses, increased 47.68% from previous year because of trading value and volume of securities and derivative of the Company have increased and expenses which related to underwriting service have increased too.

The Company's interest expenses in year 2020 was Baht 13.90 million, decreased by Baht 12.47 million or 47.28%. This was the result from the decreasing of interest rate for customer's deposit account in year 2020.

- **Net Profit**

In 2020, the Company had net profit of Baht 239.65 million, increase of Baht 223.72 million or 1,404.76% from 2019. As a result of increasing in the Company's brokerage fees according to trading volume of market in year 2020 was increased.

Financial Situation

- **Assets**

The amount of total assets, as of December 31, 2020, was Baht 6,487.43 million. Increased 37.35% from the previous year, the decrease was mainly the result of the increased in cash and cash equivalent, non-collateralized investments and receivables from clearing house and broker-dealers.

- **Cash and Cash Equivalent**

As of December 31, 2020, the Company had cash and cash equivalents amount of Baht 1,199.84 million, increased from 2019 by Baht 533.18 million or 79.98% as a result of increasing in cash provided by operating activities.

- **Receivables from Clearing House and broker - dealers**

As of December 31, 2020, the Company had receivables from Clearing House and broker - dealers of Baht 927.94 million. Such a receivable varies according to trading volume which is normal in securities business.

- **Securities business receivables and Derivatives business receivables**

As of December 31, 2020, the Company had the receivables from securities and derivatives business receivables

amounting to Baht 2,761.94 million, and decreased of 8.80% from 2019 because of the market condition and trading value at the end of year 2020. The breaks down of securities business receivables and derivatives business receivables as of December 31, 2020 are as follows:

- Receivables from customer accounts - cash of Baht 1,465.52 million, increased from previous year end by Baht 468.39 million, balance varies according to volume of trades during the last 2 trading days before year end date.
- Receivables from customer accounts - credit balance of Baht 1,291.81 million, decreased from year 2019 by Baht 730.30 million. As a result of the decreasing of margin loan transactions.
- Other receivables, which are settlement of trades exceeding T+2, receivables from restructured account, and installment as of December 31, 2020 was Baht 6.81 million slightly increased from end of year 2019 by Baht 0.1 million.

As of December 31, 2020, the Company has allowance for expected credit loss of Baht 6.81 million, decreased by Baht 0.1 million from year 2019.

- **Non-collateralized investments**

The mainly investment of the Company is investments, fair value through profit of loss which consist of debt securities of private sector of Baht 751.23 million and listed equity securities for block trade of Baht 173.30 million accounted for 14.25% of total assets.

As of December 31, 2020 the Company had investments Baht 929.23 million increased by Baht 543.63 million or 140.99%.

- **Goodwill**

As of December 31, 2020, the Company has Goodwill of Baht 306.70 million, decreased from end of year 2019 by Baht 17.38 million as a result of the management of the Company considered to record loss on impairment of goodwill and recognized as expense into the statement of comprehensive income for the year ended December 31, 2020 of Baht 17.38 million because some Investment Consultant who were transferred from Merchant Partners Securities Public Company Limited, Country Group Securities Public Company Limited and AEC Securities Public Company Limited resigned from being employee of the Company.

- **Right-of-use assets**

The Company has adopted TFRS16 from January 1, 2020, and recorded right-of-use assets and lease liabilities in year 2020. As of December 31, 2020, the Company's right-of-use assets amounted to Baht 89.60 million.

- **Other Assets**

These comprise of Indemnity compensation fund in net settlement system, deposits, prepaid expenses, accrued income. As of December 31, 2020, the Company's other assets amounted to Baht 156.35 million, increased by Baht 14.92 million from 2019.

Liquidity

In year 2020, the Company has cash and cash equivalents decreased Baht 533.18 million as a result of cash provided by operating activities of Baht 609.42 million mainly due to the Company's net profit has increased.

Significant factors that may affect future financial status or company performance

The Company's performance depends largely on brokerage fees and derivative trading, which in turn depends on the trading value, performance of SET index, domestic investors' confidence and fund flow from foreign investors. Also, the trading value depends on the investment return which is rely on the corporate earnings which rely on the direction of GDP growth, corporate earnings and liquidity. External liquidity comes from loosening monetary policy from major central banks. In the near term, we see no significant policy change from key central banks while key risk is still the containment of corona virus pandemic and variant that might effect to global economic recovery and corporate earnings.

Auditor Remuneration

At the end of fiscal year December 31, 2020, the amount of remuneration paid to DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD., which is the Company's auditor, amounted to Baht 2.27 million.

Other fees

The Company has no other non-audit fee payable to the auditor or an auditing firm which is associated with the auditor.

4.3 financial matters.

Auditor's report summary

The Company's certified public accountant is Mr.Yongyuth Lertsurapibul Certified Public Accountant Registration No. 6770 from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd, have audited the statement of Financial Position As at 31 December 2020, and the related statement of comprehensive Income, changes in owners' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The auditor's opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Financial statement summary table

Summary of financial statements Including Statement of Financial Position Statement of income and other comprehensive income Cash flow statement and financial ratios for the years 2018 – 2020.

STATEMENT OF FINANCIAL POSITION

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%

ASSETS

Cash and cash equivalents	1,199,844,440	18.49	666,662,826	14.11	946,858,950	17.08
Receivables from Clearing	927,943,311	14.30	12,951,666	0.27	722,245,403	13.03
House and broker - dealers						

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Securities business receivables and Derivatives business receivables	2,761,940,053	42.57	3,028,410,395	64.12	2,947,977,366	53.17
Non-collateralized investments	929,230,265	14.32	385,595,497	8.16	273,335,549	4.93
Premises improvement and equipment	91,467,957	1.41	128,112,052	2.71	128,322,142	2.31
Goodwill	306,695,637	4.73	324,074,672	6.86	352,345,895	6.36
Intangible assets	21,791,801	0.34	29,527,189	0.63	33,374,643	0.60
Right-of-use assets	89,600,903	1.38	-	-	-	-
Deferred tax assets	2,568,734	0.04	6,550,290	0.14	2,700,620	0.05
Other assets	156,346,757	2.42	141,430,038	3.00	136,974,606	2.47
TOTAL ASSETS	6,487,429,858	100.00	4,723,314,625	100.00	5,544,135,174	100.00
LIABILITIES AND OWNERS' EQUITY						
LIABILITIES						
Payables to Clearing House and broker - dealers	-	-	304,104,279	6.44	412,435,515	7.44
Securities business payables and Derivatives business payables	2,408,694,752	37.13	757,544,477	16.04	1,501,140,461	27.08
Current tax liabilities	22,518,489	0.35	6,506,677	0.14	3,763,089	0.07
Lease liabilities	90,452,185	1.39	-	-	-	-
Provision for employee benefits	121,135,487	1.87	122,396,151	2.59	87,140,029	1.57
Other liabilities	153,748,069	2.37	85,524,038	1.81	73,171,591	1.31
TOTAL LIABILITIES	2,796,548,982	43.11	1,276,075,622	27.02	2,077,650,685	37.47
OWNERS' EQUITY						
SHARE CAPITAL	502,448,570	7.74	502,448,570	10.64	502,448,570	9.06

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
ADDITIONAL PAID-IN CAPITAL	455,750,395	7.03	455,750,395	9.65	455,750,395	8.22
RETAINED EARNINGS						
Appropriated - Legal reserve	50,244,857	0.77	50,244,857	1.06	50,244,857	0.91
Unappropriated	2,682,437,054	41.35	2,438,795,181	51.63	2,458,040,667	44.34
TOTAL OWNERS' EQUITY	3,690,880,876	56.89	3,447,239,003	72.98	3,466,484,489	62.53
TOTAL LIABILITIES AND OWNERS' EQUITY	6,487,429,858	100.00	4,723,314,625	100.00	5,544,135,174	100.00

STATEMENT OF COMPREHENSIVE INCOME

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
REVENUES						
Brokerage fees	1,090,010,972	78.52	775,957,900	74.03	780,855,931	74.81
Fees and service income	98,088,806	7.07	42,086,406	4.02	44,617,419	4.27
Interest income	115,704,338	8.34	170,865,485	16.30	160,444,757	15.37
Gains and return on financial instruments	48,863,777	3.52	34,204,877	3.26	41,749,947	4.00
Other income	35,441,950	2.55	25,046,697	2.39	16,068,259	1.55
Total revenues	1,388,109,843	100.00	1,048,161,365	100.00	1,043,736,313	100.00
EXPENSES						
Employee benefit expenses	626,728,385	45.15	562,599,818	53.67	474,597,637	45.47
Fees and service expenses	172,489,751	12.43	116,801,973	11.14	85,989,722	8.24
Interest expenses	13,899,010	1.00	26,364,578	2.52	16,328,511	1.56
Reversal of expected credit loss	(105,359)	(0.01)	-	-	-	-

	2020		2019		2018	
	Baht	%	Baht	%	Baht	%
Doubtful accounts	-	-	81,359	0.01	24,000	-
Reversal of provisions for litigation	-	-	-	-	(45,463,298)	(4.36)
Other expenses	273,773,753	19.72	320,591,834	30.59	301,612,211	28.91
Total expenses	1,086,785,540	78.29	1,026,439,562	97.93	833,088,783	79.82
PROFIT BEFORE INCOME TAX	301,324,303	21.71	21,721,803	2.07	210,647,530	20.18
INCOME TAX	61,678,092	4.44	5,795,889	0.55	39,916,811	3.82
PROFIT FOR THE YEAR	239,646,211	17.27	15,925,914	1.52	170,730,719	16.36
OTHER COMPREHENSIVE INCOME	7,512,802	0.54	-	-	9,611,978	0.92
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	247,159,013	17.81	15,925,914	1.52	180,342,697	17.28
BASIC EARNINGS PER SHARE						
PROFIT FOR THE YEAR	0.48		0.03		0.34	

STATEMENT OF CASH FLOWS

	2020	2019	2018
	Baht	Baht	Baht
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expenses	301,324,303	21,721,803	210,647,530
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities	50,881,631	(24,602,077)	(107,678,964)
Operating profit (loss) before changes in operating assets and liabilities	352,205,934	(2,880,274)	102,968,566
(Increase) decrease in operating assets			
Receivables from Clearing House and broker - dealers	(914,991,645)	709,293,737	(720,725,538)
Securities business receivables and Derivatives business receivables	262,012,167	(79,485,186)	2,506,569,862

	2020	2019	2018
	Baht	Baht	Baht
Non-collateralized investments, fair value through profit or loss	(543,634,768)	(111,849,068)	(114,152,934)
Other assets	(14,171,602)	(3,182,037)	(9,019,567)
Increase (decrease) in operating liabilities			
Payables to Clearing House and broker - dealers	(304,104,279)	(108,331,236)	(263,112,880)
Securities business payables and Derivatives business payables	1,651,150,275	(743,595,984)	(599,443,423)
Other liabilities	70,667,151	13,325,905	(18,238,291)
Interest received (paid) Income tax paid and other received (paid)	50,284,592	130,756,690	94,777,220
Net cash provided by (used in) operating activities	609,417,825	(195,947,453)	979,623,015
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash payment for purchases of general investment	-	(410,880)	(256,800)
Cash payment for purchases of equipment	(12,718,282)	(45,233,132)	(27,766,857)
Cash payment for purchases of intangible assets	(1,898,603)	(5,468,549)	(6,884,879)
Cash payment for business transferred	-	-	(172,508,633)
Proceeds from disposal of equipment	158,912	2,035,290	263,374
Net cash used in investing activities	(14,457,973)	(49,077,271)	(207,153,795)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash payment for lease liabilities	(56,470,945)	-	-
Cash payment for interest under lease liabilities	(1,790,153)	-	-
Dividend paid	(3,517,140)	(35,171,400)	(45,220,371)
Cash payment for lease liabilities	(61,778,238)	(35,171,400)	(45,220,371)
Cash payment for interest under lease liabilities	533,181,614	(280,196,124)	727,248,849
Dividend paid	666,662,826	946,858,950	219,610,101
Cash and cash equivalents as at December 31,	1,199,844,440	666,662,826	946,858,950

FINANCIAL RATIOS

		2020	2019	2018
Profitability Ratio				
Gross Profit Margin	(%)	86.58	86.33	90.19
Net Profit Margin	(%)	17.26	1.52	16.36
Return On Equity	(%)	6.49	0.46	4.93
Efficiency Ratio				
Return On Asset	(%)	5.38	0.42	3.54
Asset Turnover	(times)	0.25	0.20	0.18
Financial Ratio				
Liquid Asset / Total Asset	(%)	32.75	22.28	22.01
Earned Asset / Total Asset	(%)	34.24	50.97	36.10
Liabilities / Equity	(times)	0.76	0.37	0.60
Dividend Payout	(%)	20.97	22.08	20.60
Other Ratio				
Investment / Asset	(%)	14.32	8.16	4.93
NCR (Calculated by SEC's Regulations)	(%)	115.87	225.04	128.83
Book Value Per Share	(times)	7.35	6.86	6.90
Book Value Per Share (Fully Diluted)	(times))	7.35	6.86	6.90

5. Important Information and Other

5.1 General information

Share Registrar	: Thailand Securities Depository Company Limited
Location	: 93 The Stock Exchange of Thailand Building Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone Number	: 02-009-9000
Facsimile Number	: 02-009-9991
Auditors	: Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
	: Mr. Chavala Tienpasertkij Certified Public Accountant (Thailand) No. 4301
	: Mr. Yongyuth Lertsurapibul Certified Public Accountant (Thailand) No. 6770
	: Dr. Suwatchai Meakhaamnouychai Certified Public Accountant (Thailand) No. 6638
	: Ms. Wilasinee Krishnamra Certified Public Accountant (Thailand) No. 7098
Location	: AIA Sathorn Tower, Floor 23rd – 27th, 11/1 South Sathorn Road, Yannawa, Sathon, Bangkok 10120
Telephone Number	: 02-034-0000
Facsimile Number	: 02-034-0100
Legal advisor	: Dherakupt Consultant Company Limited
Location	: 546 Univest Complex Building, 15th Floor, Ratchadaphisek Road, Chandrakasem, Jatujak, Bangkok 10900
Telephone Number	: 02-511-1512
Facsimile Number	: 02-938-1247

5.2 Other important information

- **Service Agreement.**

The Company has a service agreement with UOB Kay Hian Private Limited, a securities company in Singapore with expertise and experience in the securities business for a long time with a common shareholder with the Company which is UOB-Kay Hian Holdings Limited.

To transfer knowledge, expertise and experience in doing securities business from UOB Kay Hian Private Limited in management and various fields and to support business development as well as take advantage of economies of scale to the portfolio within the Group. UOB Kay Hian Private Limited had entered into the contract services agreement since 1 January 2018 which automatically renew the contract. Details term and conditions in various fields, are summerized follows:

Management Support

UOB Kay Hian Private Limited provides management assistance and advice to the Company in business development by providing strategic advice, management, administrate organize of management structures and policies whether in credit business expansion, finance and employee compensation, etc. In addition, UOB Kay Hian Private Limited is responsible for attending the Board of Directors' meetings of the Company to consider and provide assistance in solving major problems or obstacles of the Company.

Information technology

UOB Kay Hian Private Limited provides assistance and advice to the Company in the field of information technology operations in order to be the same standard as the whole group and more efficiently by providing assistance both according to the information technology plan of the Company and beyond the plan of the Company as necessary and appropriate, such services include assisting in hardware / software provider assessment, as well as recruiting and purchasing computer equipment, which will be combined in groups to increase negotiating ability assessment and care projects in the field of information technology improving the efficiency of the work system to support the work of various departments. In addition, UOB Kay Hian Private Limited also helps to develop and solve problems related to network infrastructure for the Company.

The Risk Management / Credit Control

UOB Kay Hian Private Limited participates in the review and consider of the Company's credit policies and procedures to make it more prudent and concise including the assessment and approval of the credit limit for customers. It also helps in monitoring the risk management of the Company continuously and closely, such as monitoring the risks of the Company to certain securities or customers, various transactions that do not comply with the risk management policy, etc.

Wealth Management

UOB Kay Hian Private Limited provides clients with wealth management investment advisory services by providing expertise and techniques to help organize analyze the products available in the market and contributes to the ability to create more wealth for customers and support development to build a good relationship with customers.

Audit and system development

UOB Kay Hian Private Limited conducts periodic audits to ensure that the Company's policies and procedures are in line with and in accordance with applicable rules and regulations. And the internal operations are strictly controlled

Business development

UOB Kay Hian Private Limited helps the Company to promote the Brand Name and introduce the Company's services to be well known to the target customers, including the customers of UOB group both in the country and abroad (Cross Selling). Have an agreement with United Overseas Bank (Thai) Public Company Limited, a bank in the same group to introduce clients who wish to trade securities through the Company in order to expand their market base. In addition, UOB Kay Hian Private Limited has a duty to promote and support the practice, Investment Consultant Jobs as well as listening to the opinions of the Investment Consultant to improve the service more efficiency.

The other side

UOB Kay Hian Private Limited will provide assistance and support to the Company's business, and also provide other services. That is a business support, including securities operations Human Resources and office administration work by relying on the knowledge and experience in giving advice to more efficient operations and have an adequate internal control system and it is the best use of shared resources within the group.

Service fees

Costs are considered according to the service hours and are divided into 2 types:

1. Service with staff from UOB Kay Hian Private Limited traveling to work in Thailand will charge a fee to provide the service on a daily basis at the specified rate Depending on the level of staff who come to work, the said service fee maximum is 4.32 million baht per year are also cost charges according to actual costs, such as transportation, accommodation, food and so on.
2. Services that UOB Kay Hian Private Limited staff performs from Singapore. This fee is estimated based on the time spent on service. And will be charged on a daily basis at the specified rate depending on the level of staff performing the job by this service charge set up to 13.2 million baht per year and cost more arising from the service.

Duties and obligations of the parties

During the term of this contract, UOB Kay Hian Private Limited must ensure that the service personnel under this contract have the knowledge, competence and expertise to provide the necessary services and assistance in addition, management and staff of UOB Kay Hian Private Limited must not disclose any information received from providing services under this agreement to third parties without the consent of the Company. The officer must cooperate and provide the necessary information to UOB Kay Hian Private Limited.

Contract terms

This agreement has a period of 1 year starting from January 1, 2018, with an automatic renewal period of 1 year, however, the contract parties can terminate the agreement within 30 days prior to written notice unless the following events occur.

- (1) Either party breaches the contract.
- (2) Either party is bankrupt.

(3) The Company is dissolved.

The Company has the right to claim damages and indemnity if the damage was caused by the gross negligence of UOB Kay Hian Private Limited staff.

UOB Kay Hian Private Limited will charge a quarterly fee every time a summary of the service results must be submitted during that time. The fee will be due within 30 days from the date UOB Kay Hian Private Limited delivers the payment invoice.

Contractual assignment

The parties are prohibited from assigning their rights and obligations to any third party without the other party's prior written consent.

Memorandum of Agreement Amendment to the Agreement

The parties are prohibited from amending or changing the terms of the contract. Unless written consent from both parties is obtained

5.3 Legal Disputes

In the year 2020, the Company had no legal disputes that have a negative effect on the Company's existing assets, the value of which is higher than 5 percent of the shareholders' equity and there are no legal disputes materially affecting the business operations of the Company.

Part 2 Corporate Governance

6. Corporate Governance Policy

6.1 Overview and Guidelines

Board of Directors of UOB Kay Hian Securities (Thailand) Public Company Limited (UOBKH) believed that good corporate governance is vital to successful business operations, and a key to ensuring long term and sustainable maximization of shareholder value. UOBKH has thus established the Corporate Governance Policy in which the relevant policy and key principles are compiled for the Board of Directors, management and staffs to follow in their performance of duties.

The Company has put in place a policy for good corporate governance which incorporates the following key principles:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

The Board of Directors will ensure this corporate governance policy be acknowledged and complied by all staffs, the policy will be updated as appropriate and necessary to benefit shareholders, employees, executives and all stakeholders. The detail of Corporate Governance Policy has been disclosed on the Company's website www.utrade.co.th, under topic "About us".

To ensure that all employees understand and effectively carry out their duties in compliance with the relevant regulations and business code of conduct, the Company launched the compulsory Policy Test. The test results will be evaluated to determine the level of understanding so that appropriate communication methods will be carried out to enhance the staff's awareness of their roles and responsibilities in good corporate governance.

For the past year Thai Institute of Directors (IOD) also evaluated UOBKH as the listed company consider from information disclosed through the Stock Exchange of Thailand's information dissemination channel and other Company's public documents. The Company has reported the assessment result to the NRC Committee, which further reported to the Board of Directors to review IOD's recommendations to continuously develop and improve corporate governance of UOBKH.

The Company emphasizes on information disclosure. Thus, regular meetings with investors exchange viewpoints, and respond to any queries on the basis of trustworthiness and professionalism concerning all stakeholders.

Rights and Equitable Treatment of Shareholders

The Company commits to protect and facilitate the exercise of its shareholders' rights. The right to buy, sell or transfer their shares; to receive their rightful portion of UOBKH's profits; to easily obtain the relevant and adequate information on UOBKH on a timely and regular basis; to participate effectively and vote in general shareholders meetings, and to be informed of the rules that govern the general shareholders' meeting; to elect and remove members of the Board of Directors; to participate in, and to be sufficiently informed on, decisions concerning fundamental company changes.

UOBKH fairly and equally treats all shareholders, majority or minority, individual or institutional, foreign or Thai, either executive or non-executive. Among its policies are: Minority shareholders are protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly. Insider trading and self-dealing abuses are strictly prohibited. Members of UOBKH's board and senior management are required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting UOBKH.

The Company delivers Notice of the shareholder meeting to summon shareholders to join the meetings, attached with Proxy Form. Any shareholders who cannot attend the meeting can have their proxies taken part on their behalf. In addition, the Company has contacted institutional investors, who are funds or custodians, to send in representatives for the meeting and facilitating on advance meeting document checking and providing information or responding to any inquiries.

The Company also gives invitation to shareholders to propose agenda items in the annual general meeting and nominate qualified candidates for director position. The shareholders can submit their proposals in advance of the meeting according to the criteria set by the Company. Regarding agenda items, the Board of Directors shall add items that are considered appropriate for the agenda and make sure that the items are included in the Notice of the annual general meeting. For nominations of qualified candidates for director positions, the NRC Committee shall review and propose candidates for the Board of Directors' consideration for further recommendation to the shareholders at the annual general meeting. In cases wherein proposals are disapproved by the Board and/or the NRC Committee, the Company shall state the reason for refusal to the shareholders in the shareholders' meeting, on the Company's website or any other appropriate information dissemination channels.

For the 2020 Annual General Meeting, UOBKH invited shareholders to propose agenda and qualified candidates for director positions in advance, from November 1 to December 31, 2019. Before mailing out the Notice, the Company posted on the Company's website to inform shareholders their rights to propose additional agenda in the annual general meeting together with related procedures, deadline for the proposal of agenda so that the Board of Directors shall consider include or not include the agenda in the Notice, and methods of proposing qualified candidates for director position to the NRC Committee for further recommend to the Board of Directors and propose to the shareholders at the annual general meeting. In this regard, upon the posting of information, the Company also disclosed through the Stock Exchange of Thailand's information dissemination channel.

The Company prepares Notice of the shareholder meeting in both Thai and English and notifies the meeting details to investors prior to the meeting date through the Stock Exchange of Thailand's information dissemination channel and its website to allow shareholders adequate time to study meeting materials. Such notice and materials

shall be sent to the shareholders not less than seven days before the date set for the meeting in accordance with the law. The information presented on the website shall be the same as that presented in the meeting materials sent to the shareholders by QR Code; which include (1) Notice of the meeting (2) Annual Report (3) Profile of the nominated person to be Director in replacement (4) Profile of the independent directors nominated to serve as proxies for shareholders (5) the Company's Articles of Association in the category of company's shareholder meetings (6) Procedure for meeting registration (7) Proxy Forms and (8) Meeting location map.

In addition, the Company shall publish Notice of the shareholder meeting in a Thai daily newspaper for three consecutive days and not less than three days before the meeting date. All agenda items shall indicate clearly whether it is a matter being proposed for acknowledgement, for approval, or for consideration, as the case may be, and include the opinions of the Board of Directors in said matters.

For the 2020 Annual General Meeting, UOBKH disclosed Agenda of the meeting via the Stock Exchange of Thailand information dissemination channel since February 24, 2020 and disclosed Notice of the shareholder meeting in both Thai and English languages through the Stock Exchange of Thailand's information dissemination channel and its website since March 6, 2020 and sent by document to shareholders on March 6, 2020 which was 35 and 14 days before the date of shareholders meeting, respectively.

The Company assigned officers to check shareholders' or proxies' documents according to the requirements stated in the notice for protecting shareholders' rights to attend the meeting and ensure equitable treatment for shareholders. The Company allowed enough time for any shareholder to register to attend the meeting in advance of the meeting time and utilized a computer and barcode system for registration and printing of voting forms for each agenda item to facilitate shareholder participation, and to ensure prompt and accurate registration, and for vote counting procedure.

In addition, shareholders are also able to register to attend and exercise their voting rights on the agenda that they have not cast the vote in advance after the meeting's commencement. For shareholders who unable to attend the meeting and would like to appoint a proxy, the Company proposes more than one independent directors by presenting director profiles for the shareholders' selection, in addition to management, director or any other person attending the meeting on their behalf. The Company has also attached Proxy Forms, which allows shareholders to specify their voting decision, with the notice. Moreover, shareholders could cast their votes in advance on the Voting Form which had been sent out together with notice of shareholders' meeting. The shareholders can download other types of proxy forms from the Company's website.

Before the date set for the meeting, UOBKH invites shareholders to submit questions regarding the Company and meeting agenda that requires clarification by the Board of Directors and the management at the meeting. The question may be submitted in advance via fax or email to Investor Relations. In the meeting, the Chairman shall allocate appropriate time and encourage equal opportunity for shareholders to express their opinions and raise their queries at the meeting as per the agenda. UOBKH shall endeavor to arrange for all directors, executives of the Company and subsidiaries, as well as the auditors to attend the shareholders' meeting to answer the queries. The Company's directors and management will clearly explain and clarify such matters.

In the 2020 Annual General Meeting of Shareholders, due to the COVID-19 outbreak, the Company was concerned about the health of all shareholders. Therefore, a practice to prevent COVID-19 transmission was established for

the 2020 Annual General Meeting of Shareholders to be in line with the measures of the Department of Disease Control, Ministry of Public Health in order to be correct and not contrary to the law and the government's announcement, the Company announced the measures for meeting attendance again via SET Link system of the SET on April 7, 2020.

Before the start of the meeting due to travel restrictions during COVID-19 outbreak, Mr. Tan Chek Teck, Chairman of the Board of Directors and Ms. Oh Whee Mian, 2 Singaporean Directors, could not be physically present in the meeting. Therefore, these directors had attended the meeting via video conference (Electronic Meeting) and the meeting appointed Mr. Viroj Tangjetanaporn, Independent Director and Chairman of the Audit Committee, acting as the chairman of the shareholders' meeting. There were 6 directors attending the meeting in person and 2 directors attending the meeting electronically, with senior management and auditors and there was a representative from the law firm to be an observant.

The meeting is conducted in accordance with the order of agenda as arranged in the notice of the meeting, before the meeting starts considering the agenda, the shareholders will be informed of number and proportion of shareholders or proxy attended the meeting, their voting rights, total votes required for each agenda and the voting process for each agenda. Every shareholder presents in person or being represented by proxy is entitled to one vote per share. For the purpose of transparency and equitable treatment of the shareholders in the voting process, the Company shall utilize voting forms for all agenda. The Company assigns inspectors to oversee and monitor the shareholders meeting to ensure that the meeting is conducted with transparency and compliance with the law and its Articles of Association. After the vote count is completed, voting results of each agenda will be announced to the meeting, by specifying the vote results as "Agree", "Disagree", and "Abstain" together with number of votes.

For the 2020 Annual General Meeting, the meeting was conducted according to the Company's Articles of Association with no additional agenda, no changes to the agenda order, or no changes in important information without prior notification to shareholders. In addition, the Company assigned Auditor and Lawyer to ensure that the meeting was conducted with clear and transparency and in accordance with laws and the Company's Articles of Association. There was representative of Dherakupt Consultant Co., Ltd. to observe in the registration and vote counting throughout the meeting.

The Company shall give notification of the shareholders' meeting resolutions to all investors through the SET's information dissemination channel within the same day of the meeting or at least one hour before the opening of the Stock Exchange of Thailand on the next working day. In addition, the Company shall also prepare the minutes of the meeting in which all relevant information, including all clarifications, queries, opinions, and resolutions are recorded and categorized into "Agree", "Disagree", and "Abstain" votes. UOBKH shall disseminate the above minutes on its website and submit it to the Stock Exchange of Thailand within 14 days from the date of the meeting. The minutes of the meeting will be kept at the office.

In addition, UOBKH has arranged for a recording of the shareholders' meeting to be available on the Company's website in section Investor Relations. For the 2020 Annual General Meeting held on April 10, 2020, the Company notified the shareholders' meeting resolutions through the SET's information dissemination channel within the same day of the meeting and disclosed the minutes of the meetings on April 23, 2020.

Regarding measures taken to prevent conflict of interest, the Company has set the code of conduct for employees to ensure that employees comply with stipulated laws and regulations, conduct their duties with integrity, consider

the Company's interests above their own, and refrain from exploiting inside information for their own benefit. Directors, Top Management or top 4 managements whose ranks are subsequent to the Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must firstly file with the Company a report on his/her interest or related person's interest in relation to management of the Company upon the appointment and within 3 working days from the date of the change. In addition, UOBKH has set out rules regarding securities trading by employees, stating that all employees must open trading accounts only with the Company. Also, employees are required to seek approval from their supervisors and the Compliance Unit before executing trades. Moreover, it also prohibits Management Committee and insiders from trading UOBKH's shares 1 month prior to the last working day of the month until 1 day after the financial statements or the summary statements of assets and liabilities of UOBKH are published.

Directors, Top Management or top 4 managements whose ranks are subsequent to the Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must report their securities holdings in UOBKH, as well as the securities holding of their spouses and any minor children, to the Office of Securities and Exchange Commission. This report on securities holding must be filed within 30 days from the date of appointment and within 3 working days from the date of the change. Directors must also notify the Board via the Audit Committee of their shareholdings at the end of each quarter. The Audit Committee reviews director's shareholding and report to the Board for acknowledgement every quarter under Audit Committee's activities.

The above-mentioned persons must file a copy of their report on securities holdings to UOBKH within the same date on which such a report is filed to the Office of Securities and Exchange Commission. In addition, Directors and management shall file with UOBKH a report on his/her interest or a related person's interest in relation to management of UOBKH in accordance with the rules, conditions and procedures specified by the Company in compliance with the Securities and Exchange Commission requirement.

UOBKH has no policy to encourage transactions between related parties or any other transactions that may result in a conflict of interest. Should any such transactions occur, they must be considered thoroughly by the Audit Committee. The Audit Committee shall report and/or propose to the Board of Directors Meeting for approval, as the case may be. The Company shall consider said transactions with the same conditions as those governing normal business transactions. Persons with vested interests shall not be entitled to vote for the approval of said transactions.

Role of Stakeholders

The Company treats all stakeholders fairly in accordance with corporate governance policy clearly stated in the section "Rights of Shareholders and Equitable Treatment of Shareholders" and their legal rights, either established by law or through mutual agreements. UOBKH continues to develop processes to deliver superior financial products and services in order to meet stakeholders' expectations.

These stakeholders include the Company's shareholders, employees, customers, business partners, creditors and competitors including society and surrounding environment.

Shareholders

In addition to direct benefits resulting from the rights and equitable treatment shareholders received from UOBKH, they indirectly gain from the trust created by the fair treatment UOBKH has given to other stakeholders. Such mutual trust in turn promotes co-operation between UOBKH and its counterparts and is believed to be the key factor in maximizing the shareholders' long term wealth, and providing UOBKH with financial stability and sustainability.

Employees

The Company compensates its employees, permanent or contracted, fairly and they are rewarded based on an equitable performance evaluation system. They are equipped with the required standard of education and professional training, and provided with health care benefits and work place safety.

Customers

UOBKH fulfills its contractual commitments to customers by providing professional and practical solution in accordance with the highest standard and code of conduct.

Business Partners and Creditors

UOBKH treats its business partners fairly and honestly and honors any conditions agreed by both parties. UOBKH's business partner selection policy and procedure are obviously and do not deal any business with them who suspected of taking bribes or corruption in any form. UOBKH also treats creditors fairly and honestly and honors any conditions agreed by both parties. In such business dealings, UOBKH promises to abide by the Collective Action Coalition against Corruption in the Private Sector and Intellectual Property Rights Act.

Competitors

UOBKH operates its business with respect for fair competition and integrity, works within the framework of applicable competition regulations, and refrains from action that may have a negative impact on the financial industry.

Social and Environment

UOBKH recognizes its social responsibility and has continuously undertaken development initiatives to make a better society. Resources and expertise are focused on sustainable issues which are important to stakeholders and UOBKH, such as supporting education and financial literacy. Other CSR activities are allocated to social welfare, cultural and environment preservation, which are driven mostly by voluntary staff, and occasionally with customers and business partners, to cultivate their moral values and social conscience.

Refusal to Violate the Human Rights

The Company has policy on the refusal to violate the human rights as follows:

1. Provision of security for the employees to ensure that they are safe from harassment and abuse and have freedom of assembly within the purview of the relevant laws.
2. Upholding the principles of equal opportunity, regardless of race, religion, color, gender, identity national origin or disability, within the purview of the relevant laws..
3. Refusal to use forced labor and child labor.

4. Employee development—enhancing the skills and capabilities of members of staff by offering opportunities to learn and to be promoted, as deemed fit.
5. The adoption of employment terms and conditions that are fair to employees and offer reasonable compensation, based on the skills and effort of each employee.
6. Provision of appropriate welfare for employees, such as annual vacation leave, reasonable overtime, medical care, etc.
7. Ensuring that employees manage a good balance between career and personal life and have opportunities to participate in activities that contribute to society.

Refusal to Violate the Intellectual Property Rights

The Company has policy on the refusal to violate the Intellectual Property Rights as follows:

1. Compliance with intellectual property or copyright law. In the case that a violation of intellectual property rights is discovered, the Company will take prompt action, as deemed fit, in order to end such piracy.
2. According to clause 1, when a violation of intellectual property rights is ceased, the Company will take proper action in line with the Company regulation regarding the discipline of employee and inform to the employee, who violate intellectual property rights.

Disclosure and Transparency

UOBKH believes that its shareholders and other stakeholders are entitled to timely and accurate disclosure of all material information regarding the Company, including financial reports, Quarterly Management Discussion and Analysis, and other important non-financial information, either by mandatory requirement or on a voluntary basis.

The disclosure is conducted through easy access channels including UOBKH's website, press conferences, and the information dissemination channels of the Stock Exchange of Thailand.

UOBKH makes publicly available on its website by the next working day the result of voting during the annual general meeting or extraordinary general meeting for all resolutions. UOBKH prepares reports for submission to relevant authorities and for public dissemination on the basis of equality and simplicity. The Board of Directors shall provide a report indicating the performance of the Company and important business activities over the course of the year to shareholders. Moreover, the Board of Directors is accountable for assessing the Company's internal control system, which is primarily assessed by the Executive Board and reviewed by the Audit Committee. The Board of Directors is also responsible to certify the accuracy of information in financial statements, the Board assigns the Audit Committee to review the financial statements of the Company and its subsidiaries to ensure that they are presented in accordance with generally accepted accounting principles and disclosed in an accurate and transparent manner to allow investors to make informed investment decisions. The Board provides the Statement of the Board of Directors' Responsibility for Financial Statements, while the Audit Committee provides reports on audit issues along with the auditor's report. Reports from the Board, the Audit Committee and the auditor's report are included in the Annual Report.

UOBKH arranges for the disclosure of the names and responsibilities of directors and other committees, the number of meetings, each director's meeting attendance record, their remuneration, profile of directors and management, and other corporate information in the Annual Report and the Company's website.

Directors and management shall file with the Company a Report of their Securities Holding in the Company and Report on their Conflict of Interest.

Responsibilities of the Board

The Board of Directors is appointed by the shareholders to take overall responsibility for UOBKH. These include directing, approving, and overseeing the implementation of, the group strategy, corporate governance and corporate values. The Board is also responsible for annually review vision, mission and corporate value along with the business strategy for achieving the objectives and sustainable growth. In addition, monitoring the implementation of business strategy is the one of the Board's responsibility as well.

6.2 Code of Business Conduct

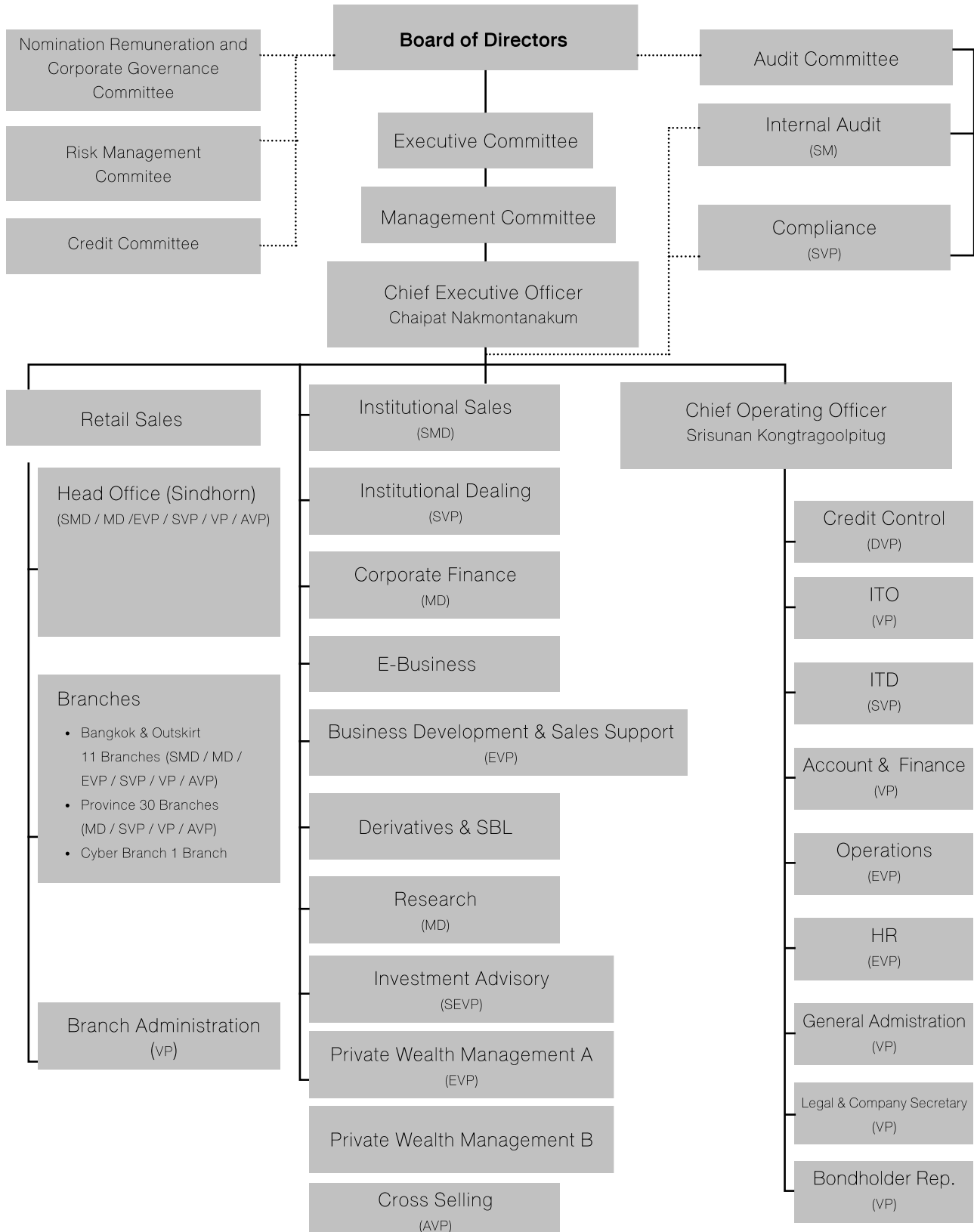
The Company has formulated a code of business ethics and practices in accordance with the vision, objectives, goals and strategies that lead to the creation of value in the organization by encouraging the Board of Directors, executives and employees of the Company to follow Business ethics in order to create an organizational culture by disclosing the Company's business ethics in attachments and on the Company's website.

6.3 The change and development of policies, practices and corporate governance systems in the past years.

The Company has reviewed policies, practices and corporate governance systems. Or the Board of Directors Charter in the year to increase the efficiency of governance and raise the standards of corporate governance of the Company to comply with good corporate governance principles for listed companies in 2017 at least once a year.

7. Corporate Governance Structure and Important Information about the Board, Subsidiary Committees, Executives, Employees and Others

7.1 Management structure. Organization chart as of December 31, 2020.



7.2 Board of Directors

The Company has a variety of committees; such as board of directors, executive committee, audit committee, risk management committee and nomination remuneration and corporate governance committee, where each is comprised of competent individuals in accordance with Section 68 of the Public Company Acts B.E. 2535 and also in accordance with the Announcement of the Securities and Stock Exchange Commission Thor Jor 28/2551 regarding the Application for Permission and Approval for Issuance of New Shares. Details are as follow:

Board of Directors

As of December 31, 2020 there are 7 members on the Board as follows:

No.	Name	Position	Number of the Meeting / Participation
1	Mr. Tan Chek Teck	Chairman of the Board	5 / 5
2	Mr. Viroj Tangjetanaporn	Independent Director	5 / 5
3	Mr. Somchat Chinthammit	Independent Director	5 / 5
4	Mr. Paiboon Julasaksrisakul	Independent Director	5 / 5
5	Mr. Chaipat Nakmontanakum	Director	5 / 5
6	Ms. Oh Whee Mian	Director	5 / 5
7	Mr. Kasemsit Pathomsak*	Director	2 / 2
8	Mr. Yothin Viriyenawat	Director	5 / 5

* Mr. Kasemsit Pathomsak had retired by rotation in April 2020 and did not want to be re-appointed.

The Company's Authorised Directors

The Company's Authorised Directors are Mr. Tan Chek Teck, Ms. Oh Whee Mian, Mr. Chaipat Narkmontanakum and Mr. Yothin Viriyenawat. The signature of any two Authorised Directors with company seal shall be required to bind the Company.

Duties and Responsibilities of the Chairman

1. To call the Board of Directors and oversee the delivery of the notice of the meeting, including documents to provide the Board with sufficient and timely information.
2. To be Chairman of the Board of Directors.
3. Strengthen the good corporate governance standards of the board of directors.
4. To chair the shareholders' meeting and control the meeting to comply with the Company's regulations and the defined agenda.
5. To ensure effective communications between directors and shareholders.
6. To perform the duties prescribed by law, in particular the duty of the Chairman

Duties and Responsibilities of the Board of Directors

1. To perform duties in line with the relevant Thai law, the Company's Memorandum and Articles of Association and resolutions of the shareholders' meeting.
2. To review and approve the strategic direction, objectives and policies for the Company's business in accordance to the Stock Exchange of Thailand's rules and regulation. On such matters as capital increase, capital reduction, bond issuance, partial or total asset disposal to other party, acquisition or acceptance of any business transferred from other company, as well as alteration of company affidavit and/or and enforcements, and the directors premiums and fees, the Company needs to seek consent from shareholder meeting.
3. To appoint directors and/or executives, as deemed appropriate, as members of the various committees to ensure effectiveness in managing the affairs of the Company.

7.3 Other Sub-Committee**Audit Committee**

As of December 31, 2020 the Audit Committee consists of 3 members as follows:

No.	Name	Position	Number of the Meeting / Participation
1	Mr. Viroj Tangjetanaporn	Chairman	4 / 4
2	Mr. Somchat Chinthammit	Member	4 / 4
3	Mr. Paiboon Julasaksrisakul	Member	4 / 4

Duties and Responsibilities of the Audit Committee

Audit Committee's scopes of role and responsibility are assigned by the Board of Directors, including reporting to the Board of Directors as follows:

1. To review the accuracy and adequacy of information disclosure of the Company's financial statements by cooperating with the external auditor;
2. To review the appropriateness and effectiveness of the internal control system and internal audit function, consider independence of internal audit function and approve nomination, transfer and relinquishment of position of head of internal audit function or other functions related to internal audit;
3. To review that the Company's operations conform with the relevant rules and regulations such as the Securities and Exchange Act, regulations of the Stock Exchange of Thailand etc.;
4. To consider and advise the appointment and withdrawal of the Company's external auditor, including the audit fee by consider the credibility, the adequacy of existing resources, the firm's performance and experience of its professional staff. The Audit Committee has to participate in meeting with the external auditor without management participation at least once a year;
5. To consider the adequacy of information disclosure for related party transactions or transactions that could lead to conflict of interest;
6. To prepare an Audit Committee's report in the Company's annual report. The report will elaborate on the following:

- Opinion on the accuracy, completeness and reliability of the financial statements;
 - Opinion on the adequacy of the internal control system;
 - Opinion on the proposed appointment of the external auditors;
 - Opinion on the Company's compliance with the Securities and Exchange Act and other governing laws;
 - Any other reports that the shareholders and general investors should be informed of under the scopes of duties and responsibilities as delegated by the Board of Directors;
 - Opinion on the cooperation or resistance demonstrated by employees and management in performing the duties of a member of the Audit Committee;
 - Opinion on the accuracy, completeness and reliability of financial statements
7. To perform any other assignments as the Board of Directors and Audit Committee see fit.

Executive Committee

As of December 31, 2020 the Executive Committee consists of 4 members as follows:

No.	Name	Position	Number of the Meeting / Participation
1	Mr. Tan Chek Teck	Chairman	5 / 5
2	Mr. Chaipat Nakmontanakum	Member	5 / 5
3	Ms. Oh Whee Mian	Member	5 / 5
4	Mr. Yothin Viriyenawat	Member	5 / 5

Duties and Responsibilities of the Executive Committee

1. Considering and verifying the Management Committee's business proposal, determining goals, strategies, policies, operational plans and annual budget before submitting for approval by the Board of Directors for approval;
2. Evaluating the business performance of the Company in accordance with the goals, strategies, policies, operational plans and annual budget as approved by the Board of Directors;
3. Considering and providing advice on the following reports;
 - 3.1 Audit report of the Securities and Exchange Commission (SEC);
 - 3.2 Audit report of the Stock Exchange of Thailand (SET);
 - 3.3 Report of internal auditor;
 - 3.4 Report of compliance;
 - 3.5 Follow-up report;
 - 3.6 Business report;
4. Assessing the external and internal risks which may affect the Company's business and providing advice on risk management policy;
5. Determining and approving the remuneration of the management and employees;
6. Approving the transfer, appointment and termination of members of the management team who do not hold the position of Executive Committee;

7. Approving the Company's expenditure for general business transaction and the investment amount which exceeds the approved amount for a director;
8. Approving the appointment of authorised officer to sign cheques, financial documents, securities documents etc. as detailed in the Power of Attorney;
9. Considering and approving any securities dealing and underwriting by the Company;
10. Considering and approving excess of client's credit limit and other related credit matters;
11. Vested with the authority to appoint a committee or a team for the benefit of achieving greater transparency in managing the affairs of the Company, and able to sub-delegate and/ or appoint a person to handle a specific task on behalf of the Committee. However, the sub-delegation and/ or the appointment of authority must be within the scope of the assignment and/ or in accordance to the Company's rules and regulations;
12. Having the authority to appoint one or more committees or other person to perform a specific task under the supervision of the Management Committee or appoint the person to have authority as deemed appropriate by the Management Committee and within the suitable period of time. The Management Committee can revoke, terminate, amend or replace the authorised person or the authority delegated as appropriate;
13. Performing any other duties as assigned by the Board of Directors.

However, the delegation of the Executive Committee's duties and responsibilities will not be a power of attorney or sub-power of attorney to executive directors or authorized person from the executive directors that can approve the transactions which having conflict with themselves. (As defined in the Notification of the Securities and Exchange Commission) or there may be conflict of interest in any way with the Company or its subsidiaries unless the transaction is approved in the normal practice of business with clear scope.

Risk Management Committee

As of December 31, 2020 the Risk Management Committee consists of 4 members as follows:

No.	Name	Position	Number of the Meeting / Participation
1	Mr. Viroj Tangjetanaporn	Chairman	4 / 4
2	Mr. Somchat Chinthammit	Member	4 / 4
3	Mr. Paiboon Julasaksrisakul	Member	4 / 4
4	Mr. Chaipat Nakmontanakum	Member	4 / 4

Duties and Responsibilities of the Risk Management Committee

1. To define and review the Company's risk management policy and framework. Consider the Company's risk management policy covering the credit risk, market risk, operational risk, strategic risk, liquidity risk and other themes, such as legal risk and relevant rules and regulations.
2. To regulate and support risk management process to be in line with strategy and business goal including

- changing situations. Consider and review risk management guidelines and tools to ensure efficiency and appropriateness with the nature and size of each risk aspect.
3. To provide recommendations, monitor and evaluate risk management for further implementation of Risk Management and Internal Control (executive level). Consider and review the setting of risk limits and measures in the case that there is a failure in keeping within specified risk limits.
 4. To review Risk Management Report and give suggestions on possible risks, including specification on control measure or mitigation plan and the development of risk management system to ensure continuous efficiency.
 5. To support the Company to achieve the Company's Risk Management Goal. Follow up the results of risk assessments under normal and crisis conditions and set the risk management guideline for such transaction.
 6. To report risk management results to the Board of Directors. In case where there are factors or events that might have significant impact on the Company, the Board of Directors shall be notified immediately.
 7. The Risk Management Committee should meet at least once a quarter.
 8. Perform other Board-assigned tasks.

Nomination Remuneration and Corporate Governance Committee

As of December 31, 2020 the Nomination Remuneration and Corporate Governance Committee consists of 3 members as follows:

No.	Name	Position	Number of the Meeting / Participation
1	Mr. Somchat Chinthammit	Chairman	4 / 4
2	Ms. Oh Whee Mian	Member	4 / 4
3	Mr. Paiboon Julasaksrisakul	Member	4 / 4

Duties and Responsibilities of the NR&CG Committee

1. Nomination

- (1) Formulation of policy, criteria and method for nomination of directors and Persons with Management Authority for the Board for approval and submission of such policy to the Regulator upon request.
- (2) Selecting and nominating qualified candidates in accordance with the relevant rules and regulations in order to hold the position of Company directors, members of the Board committees and Persons with Management Authority for the Board's consideration.
- (3) In proposing directors, the Committee will take into consideration experience in at least one area of significance to the Board (e.g. finance, Companying, business, marketing, human resources, law, management); ability to contribute to deliberations of the Board; ability to exercise sound business judgment; ability to think strategically; demonstrated leadership experience; also seeking a high level of professional skill and integrity, as well as other appropriate personal qualities.

- (4) Ensuring the size and composition of the Board and the Board Committees to be appropriate for the organization, including adjustment to its changed environment, the Board and the Board Committees shall compose of qualified candidates with appropriate expertise and experience.
- (5) Disclosing policies and details of the nomination process in the annual report of the Company.
- (6) Ensuring that the Company has in place a proper succession and management continuity plan for the positions of the Chief Executive Officer, Managing Director and Persons with Management Authority and to make recommendations to the Board for approval.

2. Remuneration

- (1) Formulation of policy for an appropriate remuneration plan and other benefits to directors and Persons with Management Authority with clear and transparent criteria and to present to the Board for approval and/or to present to the shareholders' meeting (as the case may be) and to submit such policy to the Regulator upon request.
- (2) Ensuring that directors and Persons with Management Authority receive appropriate remuneration for their duties and responsibilities.
- (3) Formulation of guideline for evaluating the performance of directors and Persons with Management Authority for the purpose of considering the annual remuneration.
- (4) Disclosing policies regarding remuneration plan and types of remuneration plan, including preparing reports on the determination of remuneration plan which shall at least contain details of objectives of the performance and opinions of the Committee in the Company's annual report.
- (5) Recommending appropriate remuneration of the Board and Board Committees to the Board for endorsement prior to seeking shareholders' approval.
- (6) Reviewing management's proposals for remuneration policies, remuneration and fringe benefit plans other than salaries for employees of the Company and make recommendations to the Board for approval.
- (7) Reviewing performance targets and criteria for the Company, the Chairman of the Executive Committee and the President and make recommendations to the Board for approval.
- (8) Proposing an appropriate remuneration and benefits for the Chief Executive Officer, Managing Director and Company Secretary and make recommendations to the Board for approval.

3. Corporate Governance

- (1) Formulation of corporate governance policy for the Board's consideration, monitoring compliance with that policy, including reviewing and revising the policy regularly for appropriateness.
- (2) Monitoring the Company's performance to be in compliance with the corporate governance principle of the authority having supervisory power under applicable laws, such as the Regulator, the Securities and Exchange Commission and the Stock Exchange of Thailand etc.
- (3) Arranging the annual performance assessment of the Chairman of the Board, individual directors the Board as a whole and the Board Committees.

4. Perform any duties as prescribed by law, rules, regulations, or regulations.**Credit Committee**

As of December 31, 2020 the Credit Committee consists of 3 members as follows:

No.	Name	Position
1	Mr. Chaipat Nakmontanakum	Chairman of Credit Committee
2	Mr. Yothin Viriyenawat	Member
3	Ms. Srisunan Kongtragoolpitug	Member

Duties and Responsibilities of the Credit Committee are as follows:

1. Formulating, reviewing and implementing credit policy as approved by the Board of Directors or Executive Committee;
2. Approving the credit application of new account opening or increasing/ decreasing the credit limit of the existing account in compliance with the credit policy of the Company;
3. Reviewing the lists of marginable securities;
4. Reviewing, revising and initiating credit control measures based on information related to control issues such as late-payment records, securities which are suspended from trading etc;
5. Submitting operational reports to the Board of Directors.

Credit Committee must not approve any transaction that is deemed to be of conflict of interest or any transaction that is against the interest of the Company or its subsidiaries and must disclose such transactions to the Board of Directors for consideration.

Limit for Securities and Derivatives Trading: please see details in the subject "Type of Business"

Management Committee

As of December 31, 2020 the Management Committee consists of 2 members as follows:

No.	Name	Position
1	Mr. Chaipat Nakmontanakum	Chairman of Management Committee
2	Mr. Yothin Viriyenawat	Member

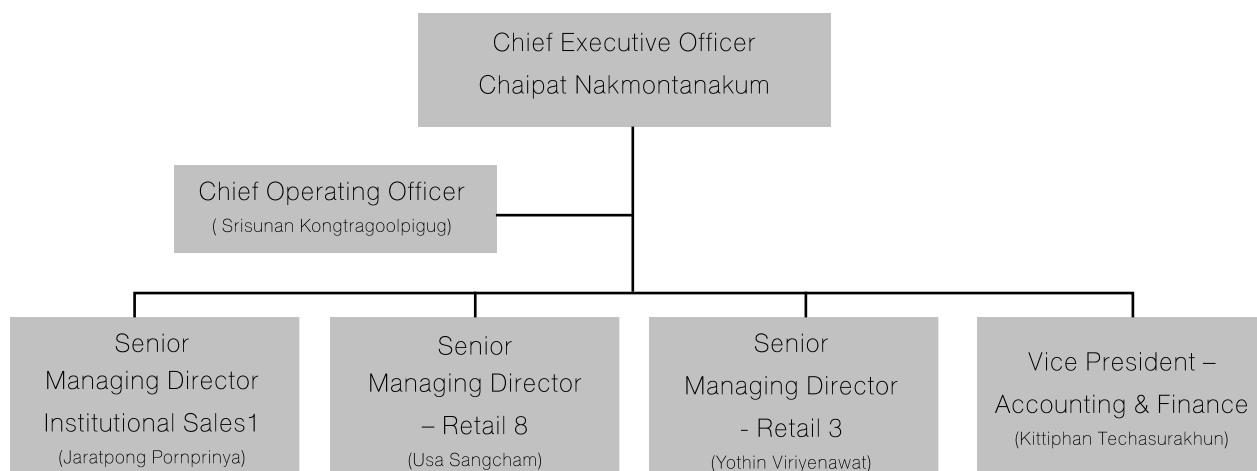
Roles and Responsibilities of the Management Committee are as follows:

1. Managing the operation in accordance with the goals, strategies, policies, operational plans and annual budget as approved by the Board of Directors and/or the Executive Committee;
2. Recommending business proposal, operational plans and annual budget to the Executive Committee for approval;
3. Approving the account opening for investment, bank account and other related business transactions including delegating any person to take action as appropriate;
4. Providing advice to the heads of Finance, Settlement, Human Resource and any other departments concerning operational matters, securities business and new business activities;
5. Performing any other duties as assigned by the Board of Directors and Executive Committee;
6. Submitting operational reports to the Executive Committee.

However, the delegation of the Management Committee s' duties and responsibilities will not be a power of attorney or sub-power of attorney to management committee or authorized person from the management committee that can approve the transactions which having conflict with themselves. (As defined in the Notification of the Securities and Exchange Commission) or there may be conflict of interest in any way with the Company or its subsidiaries.

7.4 Management

7.4.1 Chart executives.



As at 31 December 2020 the Company has 89 executives. Please see details the list of executives in Annex 1.

7.4.2 Directors and management remuneration

Remuneration for Directors

(1) Cash Remuneration

In 2020 the Company's Board of Directors has 8 directors of which 3 are Audit Committee members, 3 are Independent Directors. Directors who are representatives of UOB Kay Hian Group will only be entitled to fees as obliged in Service Agreement.

The resolutions of the Annual General Meeting of Shareholders 2020 on April 10, 2020 resolved that for each meeting attended, the fee for the Independent Director and Non-authorized Director as follows;

Meeting	Chairman (Baht)	Member (Baht)
Board of Directors	-	20,000
Audit Committee	10,000	5,000
Risk Management Committee	10,000	5,000
Nomination Remuneration and Corporate Committee	10,000	5,000

Directors that serve as Company's management are not eligible for the meeting fees as those directors are compensated as Company's management position.

Such compensation is equal to year 2019. The chairperson, members of the Audit Committee, Independent Directors and Non-Authorized Directors will be remunerated each time they participate in the meeting, be it the Board of Directors' meeting; Audit Committee meeting or shareholders' meeting.

No.	Name	Remuneration (2020) / Baht
1	Mr. Tan Chek Teck	-
2	Mr. Viroj Tangjetanaporn	180,000
3	Mr. Somchat Chinthammit	150,000
4	Mr. Kasemsit Pathomsak	40,000
5	Mr. Chaipat Nakmontanakum	-
6	Mr. Yothin Viriyenawat	-
7	Mr. Paiboon Julasaksrisakul	145,000
8	Ms. Oh Whee Mian	-
Total		515,000

Management

In 2020 the Company paid the total amount of Baht 174.19 million to 89 executives, in 2019 the Company paid the total amount of Baht 152.68million to 92 executives. And in 2018 the Company paid the total amount of Baht 135.79 million to 95 executives.

2 directors namely Mr. Tan Chek Teck and Ms. Oh Whee Mian were not entitled to cash remuneration, as their service rendered is part of the Service Agreement between the Company and UOB Kay Hian Private Limited.

(2) Other Remuneration

In 2020, the Company paid provident fund to 89 managements as amount Baht 5.55 million.

7.5 Personnel

As of 31 December 2020, the Company had 587 employees (excluding management) divided by department as follows;

Department	Number of Employee (person(s))
Retail Sales	
- Head Office	158
- Branch	277
Executive	2
Institutional Sales	7
Internal Audit	3
Compliance	5
Operations	29
Account & Finance	7
Credit Control	9
IT Operations	17
IT Development	8
HR	5
Legal	1
General Administration	10
Research	16
Business Development & Sales Support	3
E-Business	4
Corporate Finance	6
Derivatives	5
Investment Advisory	2
Branch Administration	1
Private Wealth Management A	6
Private Wealth Management B	2
Cross Selling	4
Total	587

Executive by the definition of the office The Securities and Exchange Commission (SEC) consists of 5 persons as follows:

Order	Contacts	Position
1	Mr. Chaipat Nakmontanakum	Chief Executive Officer
2	Miss Srisunan Kongtragoolpitug	Chief Operating Officer
3	Mr. Yothin Viriyenawat	Senior Managing Director, Retail 3
4	Mr. Jaratpong Pornprinya	Senior Managing Director Institutional Sales 1
5	Miss Usa Sangcham	Senior Managing Director, Retail 8

The Company has provided a provident fund which have 643 employees who join it, representing 95.83% of all employees.

The Company encourages the Company's provident fund committee to select fund managers who comply with investment governance principles for institutional investors. And is a fund manager who manages investments responsibly Taking into account environmental, social and governance factors Good compliance with investment governance principles and taking into account the best interests of the Company's provident fund members.

The Company has all employees 671 persons, in the year 2020 the Company has paid remunerations to employees totaling 335.30 million baht, which includes salary, overtime pay, allowance, living expenses, bonus, special allowance, social security and contributions to the provident fund.

7.6 Other important information

Company secretary work

In 2020, the Company has Mr. Pirahuht Usubzin, Vice President of Legal Department. Acting as company secretary since May 14, 2014. The Company Secretary's responsibilities as specified by the Securities and Exchange Act include arranging the Board of Directors and shareholders' meetings; providing initial advice to facilitate the Board of Directors' meetings and activities in order to comply with related rules and regulations; handling secretariat works for the Board of Directors and facilitating the Board of Directors' activities; ensuring that the Board of Directors' resolutions are strictly executed; handling activities related to shareholders' rights and proper disclosure of information as regulated by related organizations. (The profile and information of the company secretary appear in the director, executive and company secretary information and published on the Company's website)

Internal audit work

The Audit Committee considered the Internal Audit Department of UOB Kay Hian Private Limited, the related party and one of the leading Securities Trading and Investments Company in Singapore, to act as internal auditor of the Company. UOB Kay Hian Private Limited appointed Ms. Jenny Ng, Associate Director of Internal Audit Department, to act as Head of Internal Audit Team of the Company. Besides, the Company found internal audit unit to coordinate with internal auditor from outsourcing and to update the Audit Committee on internal audit findings on a quarterly basis.

The Audit Committee agreed that Ms. Jenny Ng has experience in the auditing of securities and banking businesses and has an understanding of the Company's business. She is appropriate to perform such functions. The qualification of the Head of Internal Audit Department as published in the information of Head of Internal Audit Department and Head of Compliance Department Section.

Compliance work

The Company appointed Mr. Somdech Ruksomboon, to act as Head of Compliance Department, to monitor and control all business units to comply with rules and regulations. The qualification of the Head of Compliance Department as published in the information of Head of Internal Audit Department and Head of Compliance Department Section.

And the Company assigned Mr. Monthon Ploysophon to act as Head of Investor Relations by contacting the Business Development and Marketing Support Department.

Auditor's remuneration

(1) Audit fee

At the end of fiscal year December 31, 2020, the amount of remuneration paid to DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD., which is the Company's auditor, amounted to Baht 2.27 million.

(2) Other service fees

The Company has no other non-audit fee payable to the auditor or an auditing firm which is associated with the auditor.

Compliance with the Code of best practices of the Stock Exchange of Thailand

The Company is studying and preparing data based on a self-assessment form for compliance with the Code of best practice of the Stock Exchange of Thailand.

8. Corporate Governance Key Performance Report

8.1 Summary of the performance of the board's duties

The Company has a policy to select its Board that possess, both as individual board members and collectively, appropriate and diverse experience, relevant competencies and personal qualities, including professionalism, personal integrity, and ability to make independent and analytical inquiry, and understand its business.

Board of Directors Structure

The Board members are selected on the basis of their knowledge, experience, skill, diversity of expertise, integrity, ability to make independent analytical inquiries, and their understanding of UOBKH Group's business environment. UOBKH has clearly established the proper structure of the Board as well as Guidelines for Board Composition and Selection Criteria with regard to the proportion of independent directors, management directors, and directors nominated by major shareholders to ensure the appropriateness of the Board's composition. Recognizing the crucial of their roles and to be in compliance with the Bank of Thailand regulations, directors, managers and person with controlling power are allowed to assume the position of Chairman, executive director, or director with signatory authority in no more than 3 listed companies. Directors and management should avoid other positions or jobs that may lead to conflicts of interest.

To achieve high standards of performance, the Board delegates other committees to take on tasks that require in-depth consideration, such as the Executive Committee, the Audit Committee, the Nomination Remuneration and Corporate Governance Committee, the Risk Management Committee. UOBKH assigns the responsibility of Corporate Secretary to take care of the Board's activities, monitoring compliance to the Board's resolution, handling Board Meeting and shareholders' meeting on matters concerning notice, minutes, including other duties as required by related laws and regulations of the governing authorities.

Moreover, the Company assigned Committees and authorized persons in management to compile reports on their own interests and any involving persons to Corporate Secretary. Once any changes on the information are made, Corporate Secretary is responsible for restoring the data and reporting the changes to Chairman of the Board and Chairperson of the Audit Committee.

Board Self-assessment

In order to improve its performance, the Board of Directors has formulated self-assessment process to assess Board performance and efficiency according to corporate governance best practices. The Board of Directors assigns the Nomination Remuneration and Corporate Governance Committee to prepare and recommend Board Performance Self-Assessment Guidelines for the Board's approval. The NRC Committee then reports the assessment result to the Board for acknowledgment.

Said assessment is essential to assess the appropriateness of the Board's composition and Board performance according to corporate governance best practices. The Board of Directors shall analyze the assessment results, recommendations and remarks from Board members and consider applying according to the Company's business environment and operations.

Remuneration

To ensure that the remuneration policies are set up with transparency, the Board of Directors assigns the NRC Committee to formulate director remuneration policies with clear and transparent criteria. Director remuneration shall reflect their duties and responsibilities. The Committee shall propose the remuneration to the Board Meeting and shareholders' meeting for approval. Remuneration for directors should be comparable to general practice in the industry with regard to work experience, expertise, commitment, as well as the contribution or benefit each director brings.

Board and Management Training

When a new director is appointed to the Board, senior management will arrange for an orientation regarding UOBKH Group's business operations and past performance to provide clear understanding and enable the director to fully perform his/her duties. The Company shall also provide a copy of the Director Manual and the Corporate Governance Policy and to such director. It is UOBKH Group's policy to encourage trainings and educational activities for directors on a regular basis. The Company has subscribed for membership in The Thai Institute of Directors Association for directors in order to keep abreast of news and updates as well as to attend trainings beneficial to a listed company directorship. Training schedules shall be regularly notified to the director in advance. In addition, board members and top managements attended training programs related to the roles and responsibilities of directors, and also further their skills and knowledge in seminars or training programs which presented in the topic "Information of Directors and Senior Management".

Chief Executive Performance Assessment

The assessment shall be divided into 2 main parts: Financial KPI and Non-Financial KPI. The set KPI is aligning with Company Vision Mission and short-term & long-term goal of the Company in considering the business situation and environment.

To ensure the most effectiveness on the assessment, the Board will arrange the meeting(s) between the Board and Management of UOBKH, in absence of the Top Management at least once a year prior to his/her annual performance Assessment. In addition, for the performance assessment of UOBKH's Chief Executive the assessment will take into the consideration the assessment result from sub-committees. The assessment result will be reported in the Board of Directors' Meeting.

Succession Planning

To ensure stability and continuity of UOBKH operations, successor of all key positions has been determined. Managements succession plan shall be regularly reviewed as appropriate. For other senior management positions, the Board shall review and evaluate the successors by considering factors that is qualification, knowledge, ability, experience, and evaluation of qualified Management for successor in each position.

Integrity and Ethics

A reputation for integrity has been a cornerstone of UOBKH's business since its inception. This provides confidence to all stakeholders that UOBKH and its employees are performing and behaving consistently to the highest standards. They are guided by a set of values, such as compassion, dependability, honesty, loyalty, maturity, objectivity, respect, trust and professionalism.

Integrity is UOBKH's fundamental requirement in choosing and retaining its employees.

The members of the Board of Directors and employees of UOBKH also strive to maintain the highest standards of ethical conduct including:

- a) Compliance with applicable laws and regulations.
- b) Conflict of interest must be declared and appropriate arrangements made to ensure that those with a material interest are not involved in the decision-making process.
- c) Improper payments of any kind are prohibited; similar to no gift whose value is material and which may

- be interpreted as a form of inducement should be accepted or offered by UOBKH's employees.
- d) Ethical issues must be dealt with in an efficient and transparent manner.

Subsidiary Committee

Other Subsidiary Committees and Board of Directors please see the topic. "Management Structure"

Nomination of Directors and Management

The Company has the Nomination Remuneration and Corporate Governance Committee, therefore the Nomination of Directors and Management is the subject to the following procedures:

Board of Directors

- The Company's Board of Directors shall consist of at least 5 persons. Board members will elect one of their members as Chairman and Vice-Chairman and other positions as deemed appropriate. At the same time, not less than half of the directors must reside in the Kingdom of Thailand.
- Board members can be re-elected as per the shareholders' resolution, in reference to the securities business requires specialized experts with knowledge and understanding of the Company's business.
- During the shareholders' meeting, certain rules and procedures shall apply:
 - Each shareholder holds the number of votes equal to the amount of shares in possession.
 - Each shareholder may cast votes for each individual director or a group of directors, in case of election of a group of directors, the vote cannot be divided among each individual in the group.
 - The election of directors requires a resolution of shareholders passed by a majority vote. In case of an equality of votes, the Chairman of the meeting must exercise a casting vote.
- In every annual ordinary meeting, at least one-third of the directors shall resign from the position. If the number of directors cannot be divided into 3 equal portions, the closest number to that sum shall be applied. Of the 3 directors who will resign in the first and second years after the registration of the Company, they are required to draw lots to determine who will resign in subsequent years, beginning with the director who has the longest service years.

Audit Committee Members

The members of the Audit Committee are appointed by the Board of Directors or by resolution of the shareholders' meeting; members of the Audit Committee shall serve for a period of 3 years.

Independent Committee

According to the Board of Directors' selection criteria, the Independent Committee is appointed in the shareholders' meeting or the Board of Directors' meeting. The Independent Committee shall be in the position not over 3 consecutive terms. (Total not more than 9 years) and disclosure the date of elected. In case of appointment more than 9 years, the Board must provide a reason for the meeting of the Shareholders' approval.

Definition of independence director qualification

1. An Independent Director holds no more than 1% of all shares with voting rights of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority. This is inclusive of shares held by anyone who is affiliated with them.
2. An Independent Director is a Director, who is not involved in the management, employees, staff, consultant with monthly salary or Entities with Controlling Authority over the Company, the Parent Company, a Subsidiary,

a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, either at the present time or within two years prior to his/her appointment as an Independent Director.

3. An Independent Director has no connection by blood or legal registration as father, mother, spouse, sibling, son/daughter or spouse of son/daughter of another Director. Further, an Independent Director has no such connection with an Executive, a Major Shareholder, and an Entity with Controlling Authority or an Individual who will be nominated as Director, Executive or Entity with Controlling Authority over the Company or the Subsidiary.
4. An Independent Director has no business relationship with the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority in such a manner that may obstruct their exercise of independent discretion. Further, an Independent Director is not a Significant Shareholder or an Entity with Controlling Authority over a party with business relationship with the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, either at the present time or within two years prior to his/her appointment as Independent Director.

Such business relationship is inclusive of a trading transaction occurring on a conventional basis for the conduct of business; a rent or lease of property; a transaction involving assets or services; a provision or an acceptance of financial assistance through means of a loan, a guarantee, a use of an asset as collateral against debt; and, other similar actions which result in the Company or the party to the contract having a debt to be repaid to another party for the amount from 3% of net tangible assets (NTA) of the Company or from 20 Million Baht, whichever is lower. This amount is determined by the calculation of Related Transaction value as per the announcement of the Securities and Exchange Commission. It is inclusive of debt(s) arising within one year prior to the day of business relationship with the same party.

5. An Independent Director is not an auditor of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, and, not a Significant Shareholder (holding more than 10% of all shares with voting rights of the Company, including shares held by Linked Entities), an Entity with Controlling Authority or a partner to the audit office with which the auditors of the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority are associated at the present time or have been within two years prior to his/her appointment as an Independent Director.
6. An Independent Director is not a person rendering any professional service or a legal or financial consultant who is paid more than Two Million Baht in service fee per year by the Company, the Parent Company, a Subsidiary, a Joint Company, a Major Shareholder or an Entity with Controlling Authority, and, not a Significant Shareholder or an Entity with Controlling Authority over the Company or a partner to such professional service provider at the present time or within two years prior to his/her appointment as an Independent Director.
7. An Independent Director is not a Director who is appointed to be a nominee of a Director of the Company, a Major Shareholder or a Shareholder who is connected to a Major Shareholder.
8. An Independent Director does not engage in a business of the same nature as and which is significantly competitive to that of the Company, the Parent Company or a Subsidiary. An Independent Director is not a significant partner to a partnership or a Director with involvement in the management, employees, staff, consultant with monthly salary, or, who holds more than 1% of all shares with voting rights of another company which is engaged in a business of the same nature as and which is significantly competitive to that of the Company or a Subsidiary.

9. An Independent Director does not have any other characteristic which prevents him or her from opining freely on the operation of the Company.

Following appointment as Independent Directors, they may be assigned by the Board of Directors to make collective decisions involving the business of the Company, the Parent Company, a Subsidiary, a Joint / Associated Company, a Subsidiary of Equal Level, a Major Shareholder or an Entity with Controlling Authority, where it will not be deemed that such Independent Directors are Directors involved with the administration.

Meeting attendance and remuneration of the Board of Directors

Name List of Directors	Position	The meeting	
		The board	Annual General Shareholders
		The meeting / Right of meeting	The meeting / Right of meeting
Mr. Tan Chek Teck	Chairman of the Board	5 / 5	1 / 1
Mr. Viroj Tangjetanaporn	Director, Independent	5 / 5	1 / 1
	Director and Audit Committee		
Mr. Somchat Chinthammit	Director, Independent	5 / 5	1 / 1
	Director and Audit Committee		
Mr. Paiboon Julasakrisakul	Director, Independent	5 / 5	1 / 1
	Director and Audit Committee		
Mr. Chaipat Nakmontanakum	Director	5 / 5	1 / 1
Ms. Oh Whee Mian	Director	5 / 5	1 / 1
Mr. Kasemsit Pathomsak	Director	2 / 2	1 / 1
Mr. Yothin Viriyenawat	Director	5 / 5	1 / 1

Board remuneration

Meeting allowance Directors' remuneration Year 2020 (baht)						
No.	Name-Surname	Board of Directors	Audit Committee	Risk Management Committee	The board Nomination, Compensation and Corporate Governance	Total
1	Mr. Tan Chek Teck	-	-	-	-	-
2	Mr. Viroj Tangjetanaporn	100,000	40,000	40,000	-	180,000
3	Mr. Somchat Chinthammit	100,000	20,000	20,000	10,000	150,000
4	Mr. Kasemsit Pathomsak	40,000	-	-	-	40,000
5	Mr. Chaipat Nakmontanakum	-	-	-	-	-
6	Mr. Yothin Viriyenawat	-	-	-	-	-
7	Mr. Paiboon Julasakrisakul	100,000	20,000	20,000	5,000	145,000
8	Ms. Oh Whee Mian	-	-	-	-	-
Total		340,000	80,000	80,000	15,000	515,000

The Company does not pay other remuneration to directors.

Supervision of Operations of Subsidiaries and Associated Companies

As of December 31, 2020, the Company has no subsidiaries and associated companies.

The Company pays attention to good corporate governance. By establishing related policies and practices in the corporate governance policy of the Company. And business ethics Along with promoting real action to build confidence among all groups of stakeholders

In the past year, the Company has followed up to ensure compliance with good corporate governance covering Employee care and non-discrimination Combating unfair competition Caring for the environment Organization hygiene and safety Information security The follow-up results showed that the Company Has completely implemented the guidelines for each issue Including the following points

Prevention of Conflicts of Interest

The Company has established a policy that the board of directors, executives and employees must perform their duties for the best benefit of the Company. In the event that any person has an interest or is involved in the consideration Such person must notify the Company Know and not participate in considering such transactions

Prevention of the Misuse of Insider Information

The Company established a policy on misuse of insider information by directors and the management for personal gains. Directors and management who are in the known of the Company's financial information are not allowed to trade the Company's shares one month prior to the public disclosure of such information. In case where directors and management purchase shares of the Company, they are required to report such transactions to the Office of Securities and Exchange Commission in accordance with Section 59 and Section 275 of the Securities and Exchange Act.

Penal Provision

Furthermore, The Company has issued the penal provision for those seeking personal benefits by using insides information. The penalty deemed as appropriate includes verbal warning, warning, probation and dismissal.

Policy and Guidelines on Anti-Corruption and Corruption

In 2015, the Board of Directors approved to set up "Anti-Corruption Policy", with an aim to enhance integrity and ethically business operation within UOBKH. The Company has participated in numerous anti-corruption activities. On March 9, 2017, UOBKH was among the CAC member companies, certified as allies of the Thailand's Private Sector Collective Action Coalition against Corruption and resolved to renew at the annual meeting of Q3 / 2020, the certificate will be valid for 3 years from the date of certification. The certification will expire on December 31, 2023.

Whistleblowing

Stakeholders can propose their opinions, complaint or other important issues directly to the independent director or the audit committee, UOBKH Group also provides variety of channels such as UOBKH website, and UOBKH dedicated functions. For example, Investor Relations Function is responsible for feedbacks from shareholders and investors community while UOBKH HR is responsible for those from employees. Moreover, Compliance Function has been assigned to receive suggestions, complaints or any other concerns related to UOBKH business operation and regulatory matters. Significant issues shall be reported to the Compliance Committee for consideration. The

Compliance and Operation Control Committee will preliminary screen the issue before reporting to the Audit Committee in case of critical corporate issues. The Audit Committee will further review, advise and report the issues and/or outcome to the Board of Directors.

In addition, in order to protect the rights and privacy of claimants, the Company has set clear policies and operational procedures to handle with claims from customers, employees and stakeholders. Comments, complaints or any information given will be protected and kept confidential.

Complaint Channels

- Inform the complaint at UOBKH's Head Office or branches through officers or filling the form and submit to officers.
- To Send a letter to the address below: Compliance Department
UOB Kay Hian Securities (Thailand) Public Company Limited
130-132 Sindhorn Tower 1, 2nd 3rd Floor, Wireless Road, Lumpini, Pathumwan, Bangkok, 10330
- Call UOBKH at 0 2659 8000 or fax the complaint to 0 2651 4338.
- Post your complaint on UOBKH's website.

9. Internal Control and Connected Transactions

9.1 Internal control

In the Board of Directors meeting in which 3 audit committee members attended, the directors discussed with the management on adequacy of internal control in 5 areas, namely Organisation Control and Environment Risk Management, Management Control, Information Technology and Communication and Monitoring Systems, the Board of Directors concluded that the Company has adequate control in all of these areas. The Board of Directors was also satisfied with the Company's monitoring system which is capable of protecting the Company's assets from unauthorised usage.

The Board of Directors has the opinion that the Company has internal control system for transactions with major shareholders, directors, management and persons related to such persons sufficiently and tightly for internal control of other topics. There also adequate internal controls including a system to monitor and supervise the operations of the Company to be able to protect the Company's assets. This is due to the improper use of management or without power. The Board of Directors did not find any defect in the internal control system.

The Audit Committee has reviewed the performance reports of the Compliance and Internal Audit Department and assessed the adequacy of the internal control system in order to have appropriate internal controls and prevent or reduce risks that may arise. It also follows up on the implementation of the resolutions of the Audit Committee and the Board of Directors and the senior management of the Company. In addition, the Audit Committee receives regular reports on the audit and operation of the Compliance and Internal Audit units. There is an adequate internal control system suitable for business conditions. And no significant deficiencies were found in the internal control system.

9.2 RELATED PARTIES TRANSACTIONS

(1) Saving, interest income and accrued interest receivable

Persons/ Companies with potential conflict of interests	Types of connected party transactions	Transaction Value (unit : Baht)						Necessity and Justification of Related transaction
		2020			2019			
		Savings	Interest Income	Accrued Interest Receivable	Savings	Interest Income	Accrued Interest Receivable	
1. United Overseas Bank (Thai) Plc.	The Company has funds deposited in current and saving accounts	3,827,395,674*	24,012,225	20,527	1,311,384,160*	17,526,552	-	Audit Committee has reviewed and concluded that they are normal transactions with the same interest rate that the Bank offered to other clients.

*deposit at Bank also include deposits for Customers' account.

(2) Company's deposits on behalf of customers

Persons/ Companies with potential conflict of interests	Types of connected party transactions	Transaction Value (unit : Baht)		Necessity and Justification of Related transaction
		2020	2019	
2.1 UOB Kay Hian Private Limited	Cash deposited by UOB Kay Hian Private Limited and UOB Kay Hian (Hong Kong)	439,600,123	164,021,466	Audit Committee has reviewed and concluded that they are normal transactions
2.2 UOB Kay Hian (Hong Kong) Limited	Limited for share settlement purpose. This amount of cash is deposited with a local bank.	1,205,961,210	1,215,108,416	

(3) Brokerage fees

Persons/ Companies with potential conflict of interests	Types of connected party transactions	Transaction Value (unit : Baht)		Necessity and Justification of Related transaction
		2020	2019	
		Brokerage fees	Brokerage fees	
3.1 UOB Kay Hian Private Limited	The Company received brokerage fees.	3,790,260 As of Dec 31, 2020 Receivables 3,437,363 Payables 6,020,824	3,173,338 As of Dec 31, 2019 Receivables None Payables 1,814,514	Audit Committee has reviewed and concluded that the transactions were part of normal business transactions with the same fees rate as offered to other clients. The committee concluded that the transaction were reasonable.
3.2 UOB Kay Hian (HONG Kong) Limited	The Company received brokerage fees.	5,079,883 As of Dec 31, 2020 Receivables 83,856,714 Payables 154,275,862	4,640,576 As of Dec 31, 2019 Receivables 3,779,673 Payables 26,142,606	
3.3 UOB Asset Management (Thai)	The Company received brokerage fees.	24,510,072 As of Dec 31, 2020 Receivables and Payables None	21,954,263 As of Dec 31, 2019 Receivables and Payables None	

As of December 31, 2020 and 2019, the related parties who have engaged in transaction listed under (3) have no outstanding balance from share trading beyond the settlement period of T+2.

(4) Service fees and others

Persons/ Companies with potential conflict of interests	Types of connected party transactions	Transaction Value (unit : Baht)				Necessity and Justification of Related transaction
		2020		2019		
		Income	Expense	Income	Expense	
4.1 United Overseas Bank (Thai) Plc.	<ul style="list-style-type: none">The Company paid fees for automatic money transfer, cheque clearing and also remunerate the bank for the suggestion given to client (suggestion on trading shares with the Company).	-	233,040	-	349,608	Audit Committee has reviewed and concluded that the transactions were part of normal business operation with the receipt of fees arisen from shares transfer, from being a share registrar and from late payment/ delivery of shares. For payment of fees, the amount is for automatic money transfer and cheque clearing, and also remunerate the bank for the suggestion given to client (suggestion on trading shares with the Company), which were part of normal business operation.
4.2 UOB Kay Hian (Hong Kong) Limited	<ul style="list-style-type: none">Other	-	1,042,011	-	1,734,872	
			Accrued fees		Accrued fees	
			155,600		175,600	
4.3 UOB Kay Hian Private Limited*	<ul style="list-style-type: none">The Company received fees from late payment/late deliveries of share exceeding (T+2), share transfer and other fees.	-	206,726	-	294,109	
	<ul style="list-style-type: none">The Company received service fees and other income	1,589,469	-	2,942,603	-	Audit Committee has reviewed and concluded that the transactions were part of normal business operation.
		Receivables				
		287,254				

Persons/ Companies with potential conflict of interests	Types of connected party transactions	Transaction Value (unit : Baht)				Necessity and Justification of Related transaction
		2020		2019		
		Income	Expense	Income	Expense	
4.3 UOB Kay Hian Private Limited* (Continued)	• The Company paid fees for the Service Agreement	-	13,200,000	-	13,856,320	Audit Committee reviewed the transactions and concluded that the service was beneficial to the Company's operation. The fee and condition were reasonable. The Company considered and assessed the services before paying the fees. The need to renew the agreement will be assessed and review on a yearly basis.
			Accrued fees 3,300,000		Accrued fees 3,205,040	
	• Other	-	7,035,642	-	6,157,536	
			Accrued fees 684,918		Accrued fees 245,892	

Persons/ Companies with potential conflict of interests	Types of connected party transactions	Transaction Value (unit : Baht)				Necessity and Justification of Related transaction
		2020		2019		
		Income	Expense	Income	Expense	
4.4 United Overseas Insurance (UOI)	<ul style="list-style-type: none">The amount is the payment for insurance contract (Stock Broker Scheme and Director & Officer Liability). The purpose of this insurance is to protect any damage inflicted in securities companies within the UOB Group. This includes negligence, misconduct of employees; theft or false documents; malpractice by employees, computer crimes and also damage which cannot be classified. The amount insured for the entire group was approximately SGD 40 million and the validity of the contract was from September 1, 2020 to September 30, 2021. The yearly insurance premium was 5.7 million Baht according to the allocation (number of employee).	-	5,656,358 Accrued fees	-	5,636,951 Accrued fees	Audit Committee reviewed the premium and protection as stated in the assurance policy and concluded that the transaction was reasonable and beneficial to the Company.
4.5 UOB Asset Manage ment (Thai)	<ul style="list-style-type: none">The Company received unit trading agency fees.	117,871	-	140,461	-	Audit Committee reviewed the transactions and concluded that the transaction was a part of normal business operation.

* Other expenses originated from besides the fee for the Service Agreement, the Company also incurred the services provided under the agreement, such as traveling, accommodation and provision. In 2019 the total expenses were Baht 0.20 million, no transaction in 2020

Section 3 Financial Statements

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of UOB Kay Hian Securities (Thailand) Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2020, and the related statements of comprehensive income, changes in owners’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UOB Kay Hian Securities (Thailand) Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.3 to the financial statements that UOB Kay Hian Securities (Thailand) Public Company Limited has adopted new Thai Financial Reporting Standards which effected the presentation and disclosure in the current period financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Key Audit Procedures
<p>Revenue recognition - Brokerage fee</p> <p>Brokerage fees are fees from securities business and derivatives business which have terms and conditions to charge the fees based on trading volume. Brokerage fee is key audit matters because the high volume of transactions, robust internal controls over commission rate setting and recording has impacted on the accuracy of this transaction.</p> <p>The accounting policies of revenue recognition, the details of brokerage fees and operating segment information were disclosed in Note 3.1, Note 25 and Note 37 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understood the revenue recognition - brokerage fee process and related internal control procedures • Reviewed the design and implementation of the internal control procedures related to revenue recognition - brokerage fee • Performed the operating effectiveness testing over the internal control procedures including related information and technology system around revenue recognition - brokerage fee process, and • Performed substantive testing as follows: <ul style="list-style-type: none"> - Examined the trading volume information of securities and derivatives of the customers and brokerage fee rates, recalculated the brokerage fees and examined the related supporting documents of those revenues whether the brokerage fees have been accurately recognized - Performed substantive analytical procedures relating to the brokerage fees.

Key Audit Matters	Key Audit Procedures
<p>Impairment of goodwill</p> <p>The consideration of impairment of goodwill is depended on the management's judgments and key assumptions. Therefore, the key audit matter is whether the valuation of goodwill and impairment of goodwill have been recognized in accordance with TFRSs.</p> <p>Accounting policies of goodwill and impairment and details of goodwill were disclosed in Note 3.11 and Note 11 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understood the impairment consideration process and related internal control procedures • Tested the design and implementation of the internal control procedures • Performed the operating effectiveness testing over the internal control procedures around impairment consideration process, and • Performed substantive testing as follows: <ul style="list-style-type: none"> - Involved our internal specialists in assessing and testing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for goodwill - Examined the correctness of the data used in the estimation of the impairment provision for goodwill with supporting documents and relative report - Examined the correctness of the calculation of the impairment provision for goodwill.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and our auditor's thereon, which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and 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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

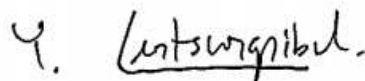
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's 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.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Yongyuth Lertsurapibul
Certified Public Accountant (Thailand)
Registration No. 6770

BANGKOK
February 24, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

STATEMENT OF FINANCIAL POSITION

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2020

		UNIT : BAHT	
	Notes	2020	2019
ASSETS			
Cash and cash equivalents	5	1,199,844,440	666,662,826
Receivables from Clearing House and broker - dealers	6	927,943,311	12,951,666
Securities business receivables and			
Derivatives business receivables	7	2,761,940,053	3,028,410,395
Non-collateralized investments	8	929,230,265	385,595,497
Premises improvement and equipment	10	91,467,957	128,112,052
Goodwill	11	306,695,637	324,074,672
Intangible assets	12	21,791,801	29,527,189
Right-of-use assets	13	89,600,903	-
Deferred tax assets	14	2,568,734	6,550,290
Other assets	15	156,346,757	141,430,038
TOTAL ASSETS		6,487,429,858	4,723,314,625

Notes to the financial statements form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION (CONTINUED)

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	2020	2019
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Payables to Clearing House and broker - dealers	17	-	304,104,279
Securities business payables and			
Derivatives business payables	18	2,408,694,752	757,544,477
Current tax liabilities		22,518,489	6,506,677
Lease liabilities	19	90,452,185	-
Provision for employee benefits	20	121,135,487	122,396,151
Other liabilities	21	153,748,069	85,524,038
TOTAL LIABILITIES		2,796,548,982	1,276,075,622
OWNERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
502,448,570 ordinary shares of Baht 1 each		502,448,570	502,448,570
Issued and paid-up share capital			
502,448,570 ordinary shares of Baht 1 each,			
fully paid		502,448,570	502,448,570
ADDITIONAL PAID-IN CAPITAL		455,750,395	455,750,395
RETAINED EARNINGS			
Appropriated			
Legal reserve	22	50,244,857	50,244,857
Unappropriated		2,682,437,054	2,438,795,181
TOTAL OWNERS' EQUITY		3,690,880,876	3,447,239,003
TOTAL LIABILITIES AND OWNERS' EQUITY		6,487,429,858	4,723,314,625

Notes to the financial statements form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOMEUOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	2020	2019
REVENUES			
Brokerage fees	25	1,090,010,972	775,957,900
Fees and service income	26	98,088,806	42,086,406
Interest income		115,704,338	170,865,485
Gains and return on financial instruments	27	48,863,777	34,204,877
Other income		35,441,950	25,046,697
Total revenues		<u>1,388,109,843</u>	<u>1,048,161,365</u>
EXPENSES			
Employee benefit expenses		626,728,385	562,599,818
Fees and service expenses		172,489,751	116,801,973
Interest expenses		13,899,010	26,364,578
Reversal of expected credit loss	31	(105,359)	-
Doubtful accounts	31	-	81,359
Other expenses	32	273,773,753	320,591,834
Total expenses		<u>1,086,785,540</u>	<u>1,026,439,562</u>
PROFIT BEFORE INCOME TAX		301,324,303	21,721,803
INCOME TAX	33	61,678,092	5,795,889
PROFIT FOR THE YEAR		<u>239,646,211</u>	<u>15,925,914</u>

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT			
	Notes	2020	2019
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently			
to profit or loss			
Gains on remeasurements of defined			
benefit plans	20	9,391,002	-
Income tax relating to components of other			
comprehensive income	14	(1,878,200)	-
NET OTHER COMPREHENSIVE INCOME		7,512,802	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		247,159,013	15,925,914
BASIC EARNINGS PER SHARE			
	BAHT	0.48	0.03
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	SHARES	502,448,570	502,448,570

Notes to the financial statements form an integral part of these financial statements

STATEMENT OF CHANGES IN OWNERS' EQUITY

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	Issued and paid-up share capital	Additional paid-in capital	Retained earnings		Total owners' equity
				Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2019		502,448,570	455,750,395	50,244,857	2,458,040,667	3,466,484,489
Dividends paid	23	-	-	-	(35,171,400)	(35,171,400)
Total comprehensive income for the year		-	-	-	15,925,914	15,925,914
Balance as at December 31, 2019		502,448,570	455,750,395	50,244,857	2,438,795,181	3,447,239,003
Balance as at January 1, 2020		502,448,570	455,750,395	50,244,857	2,438,795,181	3,447,239,003
Dividends paid	23	-	-	-	(3,517,140)	(3,517,140)
Total comprehensive income for the year		-	-	-	247,159,013	247,159,013
Balance as at December 31, 2020		502,448,570	455,750,395	50,244,857	2,682,437,054	3,690,880,876

Notes to the financial statements form an integral part of these financial statements

STATEMENT OF CASH FLOWS

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expenses		301,324,303	21,721,803
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities			
Depreciation and amortization		112,191,149	53,566,602
Employee benefit expenses	20	20,416,184	38,940,056
Reversal of expected credit loss		(105,359)	-
Doubtful accounts		-	81,359
Loss (gain) on disposal of equipment		272,671	(1,592,404)
Loss on written-off equipment		3,226,498	749,737
Loss on impairment of goodwill	32	17,379,035	28,271,223
Interest expenses		13,899,010	26,364,578
Dividend income		(693,219)	(117,743)
Interest income		(115,704,338)	(170,865,485)
Operating profit (loss) before changes in operating assets and liabilities		352,205,934	(2,880,274)
(Increase) decrease in operating assets			
Receivables from Clearing House and broker - dealers		(914,991,645)	709,293,737
Securities business receivables and Derivatives business receivables		262,012,167	(79,485,186)
Non-collateralized investments, fair value through profit or loss		(543,634,768)	-
Non-collateralized investments - trading investments		-	(111,849,068)
Other assets		(14,171,602)	(3,182,037)

STATEMENT OF CASH FLOWS (CONTINUED)

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
(Continued)			
Increase (decrease) in operating liabilities			
Payables to Clearing House and broker - dealers		(304,104,279)	(108,331,236)
Securities business payables and			
Derivatives business payables		1,651,150,275	(743,595,984)
Other liabilities		70,667,151	13,325,905
Cash received (paid) from operation		206,927,299	(323,823,869)
Employee benefit paid	20	(12,285,846)	(3,683,934)
Interest paid		(14,082,612)	(27,338,035)
Interest and dividend received		120,215,974	168,680,631
Income tax paid		(43,562,924)	(6,901,972)
Net cash provided by (used in) operating activities		609,417,825	(195,947,453)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received (paid) from investing activities			
Cash payment for purchases of general investment		-	(410,880)
Cash payment for purchases of equipment	4.1	(12,718,282)	(45,233,132)
Cash payment for purchases of intangible assets	4.2	(1,898,603)	(5,468,549)
Proceeds from disposal of equipment		158,912	2,035,290
Net cash used in investing activities		(14,457,973)	(49,077,271)

STATEMENT OF CASH FLOWS (CONTINUED)

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

	Notes	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid from financing activities			
Cash payment for lease liabilities	19	(56,470,945)	-
Cash payment for interest under lease liabilities		(1,790,153)	-
Dividend paid	23	(3,517,140)	(35,171,400)
Net cash used in financing activities		<u>(61,778,238)</u>	<u>(35,171,400)</u>
Net increase (decrease) in cash and cash equivalents		533,181,614	(280,196,124)
Cash and cash equivalents as at January 1,		<u>666,662,826</u>	<u>946,858,950</u>
Cash and cash equivalents as at December 31,	5	<u><u>1,199,844,440</u></u>	<u><u>666,662,826</u></u>

Notes to the financial statements form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2020

UOB Kay Hian Securities (Thailand) Public Company Limited (the “Company”) was incorporated as a limited company under Thai laws on July 2, 1998. Subsequently, the Company converted the status to be a public limited company in accordance with the Public Limited Companies Act on February 21, 2005 and was listed on the Stock Exchange of Thailand on November 22, 2005. The Company’s head office is located at 130-132, Sindhorn Building Tower I, 2nd and 3rd floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. As at December 31, 2020 and 2019, the Company has 42 and 44 branches, respectively.

UOB-Kay Hian Holdings Limited, incorporated in Singapore, is the major shareholder and the ultimate parent company, holding 70.65% of the Company’s issued and paid-up share capital.

The Company operates its business in Thailand and its principle activities are securities brokerage and derivatives agent. The Company was granted licenses from the Ministry of Finance and the Office of the Securities and Exchange Commission to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory Service
5. Derivatives Agent
6. Securities borrowing and lending

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission. No. SorTor. 6/2562, dated January 8, 2019, regarding “The Form of Financial Statements for Securities Companies No.3,” which is effective for the financial statements for the accounting periods beginning on or after January 1, 2020 onwards. The statement of financial position as at December 31, 2019 and the statement of comprehensive income for the year then ended have been reclassified accordingly.

The statement of financial position as at December 31, 2019 has been reclassified to conform to the classification used in the statement of financial position as at December 31, 2020 as follows.

	As at December 31, 2019	Previous Classification	Unit: Baht New Classification
Non - collateralized investments	385,595,497	Investments	Non - collateralized investments
Provision for employee benefits	122,396,151	Employee benefit obligation	Provision for employee benefits

The statement of comprehensive income for the year ended December 31, 2019 have been reclassified to conform to the classification used in the statements of comprehensive income for the year ended December 31, 2020 as follows.

	For the year ended December 31, 2019	Previous Classification	Unit: Baht New Classification
Interest income	89,797,228	Interest on margin loans	Interest income
Interest income from deposits at financial institutions	81,068,257	Gains and return on financial instruments	Interest income
Interest expenses	26,364,578	Finance costs	Interest expenses

- 2.2 An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.
- 2.3 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards which are relevant to the Company does not have any significant impact on the Company's financial statements, except the following financial reporting standards:

Group of Financial Instruments Standards**Thai Accounting Standards (“TAS”)**

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

In the current year, the Company has initially applied Group of Financial Instruments Standards. TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets

The Company has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

(a) Classification and measurement of financial assets

The date of initial application is January 1, 2020. Accordingly, the Company has applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and has not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may take the following irrevocable election/designation at initial recognition of a financial asset;

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income; and
- The Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch,

In the current year, the Company has not designated any debt investments that meet the amortized cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortized cost or at FVTOCI are subject to impairment. See (b) below.

The director of the Company reviewed and assessed the Company's existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- There is no change in the measurement of the Company's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;
- Investments classified as held-to-maturity under TAS 105 "Accounting for Investments in Debt and Equity Securities" and loans and receivables as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company and its subsidiaries to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company and its subsidiaries to recognize a loss allowance for expected credit losses on;

- (1) Debt investments measured subsequently at amortized cost or at FVTOCI; and
- (2) Securities business receivables and Derivatives business receivables

In particular, TFRS 9 requires the Company and its subsidiaries to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company and its subsidiaries are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires general approach for measuring the loss allowance at an amount equal to lifetime ECL for securities business receivables and derivatives business receivables in certain circumstances.

The Company's changes in book value from reclassifications of financial assets and liabilities as at initial adoption of TFRS 9 are as follows:

	Previous book value according to TAS 105 As at December 31, 2019	Changes in book value from reclassifications	Book value according to TFRS 9 As at January 1, 2020
Financial assets			
Investments, fair value through profit or loss - as designated			
<u>Add</u> from trading investments (According to TAS 105)	-	380,894,745	380,894,745
Investments balance, fair value through profit or loss (According to TFRS 9)	-	380,894,745	380,894,745
Total financial assets, fair value through profit or loss	-	380,894,745	380,894,745
Investments, fair value through other comprehensive income - as designated			
<u>Add</u> from general investment (According to TAS 105)	-	4,700,752	4,700,752
Investments balance, fair value through other comprehensive income (According to TFRS 9)	-	4,700,752	4,700,752
Total financial assets, fair value through other comprehensive income	-	4,700,752	4,700,752

Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

The Company’s management has applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Company to recognize the cumulative effect of initially applying this TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under Thai Accounting Standard No. 17 Lease “TAS 17” and Thai Interpretations and SIC Interpretations No. 4 Determining whether an Arrangement contains a Lease “TFRIC 4”.

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Company applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

The Company has made use of the practical expedient available on transition to TFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with TAS 17 and TFRIC 4 will continue to be applied to those leases entered or changed before January 1, 2020.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Company accounts for lease previously classified as operating leases under TAS 17, which were off balance sheet.

Applying TFRS 16, for all leases (except as noted below), the Company:

- 1) Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.

- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with TAS 36 "Impairment of Assets".

For short-term leases (lease term of 12 months or less) and leases of low-value assets i.e. tablets and personal computers, small items of office furniture and telephones, the Company has adopted to recognize a lease expense on a straight-line basis as permitted by TFRS 16. This expense is presented within "other expenses" in the statement of comprehensive income.

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying TAS 17.

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term end within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Financial impact of the initial application of TFRS 16

The Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 2.15%.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact as at January 1, 2020

Unit: Baht

Obligation as operation lease disclosed as at	
December 31, 2019	120,270,143
Short-term rental agreements	(6,661,722)
Deferred interest	(2,495,464)
Lease liabilities as at December 31, 2019	-
Lease liabilities as at January 1, 2020	<u>111,112,957</u>

The Company recognized of Baht 110.64 million as the right-of-use assets and Baht 111.11 million of lease liabilities upon transition to TFRS 16. The difference of Baht 0.47 million was recognized as “Other expenses” in the statement of comprehensive income for the year ended December 31, 2020.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Company has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Company has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended December 31, 2020.

2.4 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Company has not adopted such amendment to Thai Financial Reporting Standard in the preparation of the financial statements for the year ended December 31, 2020.

2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements which are relevant to the Company as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Company's management will adopt such TFRSs in the preparation of the Company's financial statements when they become effective. The Company's management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies below:

Significant accounting policies adopted by the Company are summarized as follows:

3.1 Revenue and expense recognition

3.1.1 Brokerage fee, fees and services income

1) Brokerage fee

Brokerage fees on securities and derivatives trading are recognized at a point in time on execution date of the trades at a certain percentage of the transaction value of the trades executed.

2) Fees and services income

Underwriting fee income

Revenue from underwriting is recognized when the relevant placing, underwriting, sub-underwriting activities are completed. Accordingly, the revenue is recognized at a point in time.

Investment and financial advisory fee income

Investment and financial advisory fee income is recognized when the Company has satisfied its performance obligation in providing the promised service to the customer, and recognized based on contractual rate agreed with customers. Accordingly, the revenue is recognized at point in time and over time.

3.1.2 Gains (losses) on trading in securities and derivatives

Gains (losses) on trading in securities and derivatives are recognized as income or expenses on the transaction date.

3.1.3 Dividend on investments in securities

Dividend on investments in securities is recognized as income when the dividend is declared.

3.1.4 Interest on margin loans

Accounting policies applicable from January 1, 2020

Interest income is recognized on an accrual basis by reference to the principal outstanding and at the effective interest rate.

Accounting policies applicable prior to January 1, 2020

Interest is recognized on an accrual basis. However, when there is an uncertainty as to the collectability of loans and interest, the Company ceases accrual.

The following conditions are regarded as having uncertainty in collectability of loans and interest based on the guidelines stipulated by the Office of Securities and Exchange Commission:

- 1) Loans which are not fully collateralized.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
- 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- 4) Other receivables from which interest payment is overdue for 3 months or more.

3.1.5 Expenses

Expenses are recognized on an accrual basis.

3.2 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts for securities and derivatives trading and credit balance for securities trading is recorded as the assets and liabilities of the Company for internal control purposes. As at the statement of financial position date, the Company writes these amounts off from both assets and liabilities.

3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity of three months or less, call notes receivable and term notes receivable with an original maturity of three months or less and not subject to withdrawal restrictions.

3.4 Deposits at financial institutions

Deposits at financial institutions include fixed deposit, investments in promissory notes issued by financial institutions with an original maturity more than three months and deposits used as collateral.

3.5 Receivables and payables from/to Clearing House and broker-dealers

Net balances of receivables or payables incurred from settlement of securities and derivatives trading each day through the Clearing House, are presented as net balance receivable or payable from/to Clearing House and broker-dealers including cash paid as collateral at the Clearing House for derivatives business.

3.6 Securities business receivables and Derivatives business receivables and allowance for expected credit loss / allowance for doubtful accounts

Securities business receivables and Derivatives business receivables comprise 3 categories as follows:

1. Receivables from securities business and derivatives business of cash accounts

Receivables from securities business and derivatives business of cash accounts are receivables which require cash settlements within 1 - 2 working days after the securities and derivatives' purchasing date.

2. Loans for securities purchasing

Loans for securities purchasing are accounts that debtors are granted loans for securities purchasing with collaterals placed not lower than the rate required by the Stock Exchange of Thailand.

3. Other receivables

Other receivables include overdue receivables from securities business of cash accounts and restructured or installment receivables.

Accounting policies applicable from January 1, 2020

The allowance for expected credit loss has been disclosed in Note 3.8.

Accounting policies applicable prior to January 1, 2020

The allowance for doubtful accounts on securities business receivables is based on management's review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission's Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

3.7 Investments

Accounting policies applicable prior to January 1, 2020

Investments in trading securities are stated at fair value. Changes in fair value of these securities are recorded as gains or losses in the statement of comprehensive income.

Investments in available-for-sale securities are stated at fair value. Changes in fair value of these securities are recorded as a separate item in owners' equity, and will be recorded as gains or losses in the statement of comprehensive income when the securities are sold.

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized/accreted by the effective interest rate method with the amortized/accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities classified as other investments are stated at cost net of allowance for loss on impairment (if any).

Fair value of marketable securities is based on the latest bid price of the last working day of the period. Fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. Fair value of unit trusts is determined from their net asset value.

The Company treats available-for-sale securities, held-to-maturity debt securities and other investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists.

The Company accounts for loss on impairment (if any) of investments in available-for-sale securities, held-to-maturity debt securities and other investments in the statement of comprehensive income.

The Company uses the weighted average method for computation of the cost of investments.

3.8 Financial Instruments

Accounting policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Company may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Company may irrevocable designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “interest income” line item.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “gains and return on financial instruments” line item in profit or loss.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (see Note 2).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically;

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “gain and return on financial instruments” line item. Fair value is determined in the manner described in Note 36.2.4.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on securities business receivables and derivative business receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for securities business receivables and derivative business receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with TFRS 16 "Leases".

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Accounting policies applicable prior to January 1, 2020

The Company entered into forward foreign exchange contracts in asset and liability management activities to control exposure to fluctuations in foreign exchange rate.

Gains (losses) on forward foreign exchange contracts designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of comprehensive income.

Financial instruments carried in the statement of financial position include cash and cash equivalents, receivables from Clearing House and broker - dealers, Securities business receivables and Derivative business receivables, non-collateralized investments, payables to Clearing House and broker - dealer, Securities business payables and Derivative business payables. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

3.9 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 leasing transactions that are within the scope of TFRS 16 and measurements that have some similarities to fair value but are not fair value, such as value in use in TAS 36.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.10 Premises improvement and equipment

Premises improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

The Company calculates depreciation using the straight-line method based on the estimated useful lives of the assets as follows:

Leasehold improvement	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

Repairs and maintenance are charged as expenses to the statement of comprehensive income during the accounting period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the useful life of the related asset.

The Company will review for impairment of assets whenever events or changes in circumstances indicating that the carrying amount of an asset may not be recoverable. Whenever the carrying amounts of an asset exceed its recoverable amount, an impairment loss is recognized in the statement of comprehensive income immediately.

3.11 Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs.

For goodwill in a business acquisition, it is a benefit which the Company expects to receive from being transferred of the marketing officers including customer accounts resulting from business transfer from Merchant Partners Securities Public Company Limited, Country Group Securities Public Company Limited and AEC Securities Public Company Limited.

Goodwill is stated at cost less allowance for impairment. The Company will perform impairment reviews of the goodwill by considering from transferred marketing officers' performance annually and recognize its loss on impairment when the recoverable amount of the goodwill is less than its carrying amount.

3.12 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line method from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computer software	5 years
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The Company's TFEX membership fee is stated at cost.

The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

3.13 Securities business payables and Derivatives business payables

Securities business payables and Derivatives business payables are the obligations of the Company in respect of its securities business and derivatives business with outside parties.

3.14 Leases

Accounting policies applicable from January 1, 2020

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets please insert specific assets i.e. tablets and personal computers, small items of office furniture and telephones. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies Thai Accounting Standard No. 36 “Impairment of Assets” to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Premises improvement and equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in the statement of comprehensive income.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Accounting policies applicable prior to January 1, 2020

Operating Lease

Leases in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of comprehensive income over the lease term.

3.15 Provision for employee benefits

Provision for employee benefits is calculated under the Thai Labor Protection Act by an independent actuary at the end of reporting period using the Projected Unit Credit Method, which is estimate of the present value of expected cash flows of benefits to be paid in the future, taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors.

The expenses for the unfunded defined benefit plan are recognized as personnel expenses in the statement of comprehensive income.

3.16 Provisions

The Company recognizes provision as liabilities in the financial statements when the amount of the liability can be reliably estimated and are commitments when it is likely that losses of resources which are of economic benefit to the Company will result from settlement of such commitments.

The Company reverses the provision when it is no longer probable that losses of resources which are of economic benefit to the Company will result from settlement of commitments presented in the statement of comprehensive income.

3.17 Provident fund

The contribution for employee provident fund is recorded as expense when incurred.

3.18 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the year are converted into Baht at the rates of exchange at transaction dates and monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are converted into Baht at the reference exchange rates established by the Bank of Thailand on that date. Gains or losses on foreign exchange arising on settlements and conversion are recognized as income or expense in statement of comprehensive income.

3.19 Income tax

Income tax represents the sum of the tax currently payable and deferred tax.

Current income tax

Current income tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's current income tax is calculated using tax rates that have been enacted or substantively enacted at the financial statements date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed by the end of each reporting period. Deferred tax asset shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expense or income related to profit or loss are presented in the statement of comprehensive income and net presented with items recognized directly in owners' equity in other comprehensive income.

3.20 Basic earnings per share

Basic earnings per share are determined by dividing net profit for the year by the weighted average number of ordinary shares held by outside parties outstanding during the period. In case of a capital increase, the number of shares is weighted according to time of subscription received.

3.21 Use of management's judgments and key sources of estimation uncertainty

3.21.1 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Company's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

(1) Deferred tax assets

The Company recognizes deferred tax assets 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 utilized. The Company's management uses judgements based upon the likely timing and level of estimate future taxable profits to determine the amount of deferred tax assets that can be recognized.

(2) Provision for employee benefits

The present value of the provision for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 20.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

3.21.2 Key sources of estimation uncertainty

The Company have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(1) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The Company will perform impairment reviews of the goodwill by considering from transferred marketing officers' performance annually and recognize its loss on impairment when the recoverable amount of the goodwill is less than its carrying amount.

The carrying amount of goodwill as at December 31, 2020 was Baht 306.70 million (2019: Baht 324.07 million) after an impairment loss of Baht 17.38 million was recognized during the year ended December 31, 2020 (2019: Baht 28.27 million). Details of the impairment loss calculation are set out in Note 11.

(2) Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engage third party qualified valuers to perform the valuation.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 38.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Non-cash items are as follows:

4.1 Equipment payables are as follows:

	As at December 31, 2020 Baht	2019 Baht
Beginning balances of equipment payables	-	-
Add Purchase of equipment	12,718,282	45,233,132
Less Cash payment for purchase of equipment	(12,718,282)	(45,233,132)
Ending balances of equipment payables	-	-

4.2 Intangible asset payables are as follows:

	As at December 31, 2020 Baht	2019 Baht
Beginning balances of intangible asset payables	-	-
<u>Add</u> Purchase of intangible assets	1,898,603	5,468,549
<u>Less</u> Cash payment for purchase of intangible assets	(1,898,603)	(5,468,549)
Ending balances of intangible asset payables	-	-

5. CASH AND CASH EQUIVALENTS

	As at December 31, 2020 Baht	2019 Baht
Cash, current and savings deposits accounts and promissory notes with maturities not over 3 months	4,454,306,742	2,838,066,968
<u>Less</u> Deposits for customers' account*	(3,254,462,302)	((2,171,404,142))
Total cash and cash equivalents	1,199,844,440	666,662,826

* Deposit accounts for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Securities and Exchange Commission.

6. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

	As at December 31, 2020 Baht	2019 Baht
Receivables from Thailand Clearing House	1,072,767,009	154,405,079
Receivables from foreign securities company (see Note 35)	9,739	12,951,666
<u>Less</u> Receivables from Clearing House for the customers*	(144,833,437)	(154,405,079)
Total receivables from Clearing House and broker - dealers	927,943,311	12,951,666

* Receivables from Clearing House for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Securities and Exchange Commission.

7. SECURITIES BUSINESS RECEIVABLES AND DERIVATIVES BUSINESS RECEIVABLES

	As at December 31, 2020 Baht	2019 Baht
Customer accounts - cash	1,465,517,323	997,128,651
Customer accounts - credit balance	1,291,806,493	2,022,101,973
Other receivables	6,813,836	6,919,195
Total securities business receivables	2,764,137,652	3,026,149,819
<u>Add</u> Accrued interest receivables	4,616,237	9,179,771
<u>Less</u> Allowance for expected credit loss (see Note 9)	(6,813,836)	-
<u>Less</u> Allowance for doubtful accounts (see Note 9)	-	(6,919,195)
Total securities business receivables and Derivatives business receivables	2,761,940,053	3,028,410,395

7.1 Receivables classified by class

As at December 31, 2020 and 2019, the Company classified securities business receivables, derivative business receivables including related accrued interest receivables and defined as follows:

	As at December 31, 2020		
	Securities business receivables, derivatives business receivables, and accrued interest	Recognized amount as allowance for expected credit loss	Allowance for expected credit loss
	Baht	Baht	Baht
Low credit risk receivables	2,761,940,053	-	-
Significant increase in credit risk receivable	-	-	-
Default receivables in credit risk	6,813,836	6,813,836	6,813,836
Total	<u>2,768,753,889</u>	<u>6,813,836</u>	<u>6,813,836</u>

Classification	As at December 31, 2019		
	Receivable Balance (including accrued interest)	Allowance for doubtful accounts set up by the Company	Receivable balance - net
	Baht	Baht	Baht
Normal debts	3,028,410,395	-	3,028,410,395
Doubtful debts	6,919,195	(6,919,195)	-
Total	<u>3,035,329,590</u>	<u>(6,919,195)</u>	<u>3,028,410,395</u>

8. NON-COLLATERALIZED INVESTMENTS

	As at December 31, 2020 Fair value/ amortized cost Baht
Investments, fair value through profit or loss	
Equity securities:	
Listed securities	173,295,000
Total Equity securities	<u>173,295,000</u>
Debt securities:	
Debt securities of private sector	751,234,513
Total debt securities	<u>751,234,513</u>
Total investments, fair value through profit or loss	<u>924,529,513</u>
Investments, fair value through other comprehensive income	
Equity securities:	
Ordinary shares	4,700,752
Total equity securities	<u>4,700,752</u>
Total investments, fair value through other comprehensive income	<u>4,700,752</u>
Investments, amortisation cost	
Deposits at financial institutions:	
Fixed deposits	1,204,349,704
(Less) Deposits for customers' account*	<u>(1,204,349,704)</u>
Total Deposits at financial institutions	<u>-</u>
Debt securities:	
Government bonds	301,663,186
(Less) Government bonds for customers' account*	<u>(301,663,186)</u>
Total debt securities	<u>-</u>
Total Investments, amortisation cost	<u>-</u>
Total investments	<u><u>929,230,265</u></u>

* Fixed deposits and government bonds for customers' account are not shown as assets and liabilities in financial statements according to the Notification of the Securities and Exchange Commission.

	As at December 31, 2019	
	Cost/ amortized cost Baht	Fair value Baht
Trading securities		
Debt securities:		
Debt securities of private sector	387,258,336	380,894,745
<u>Less</u> Valuation adjustment	(6,363,591)	-
Total trading securities	<u>380,894,745</u>	<u>380,894,745</u>
Held to maturity investments		
Held to maturity securities:		
Government bond	689,000,000	
<u>Less</u> Accumulated amortization	(945,469)	
<u>Less</u> Held to maturity investments for customers' account*	(688,054,531)	
Total held to maturity investments	<u>-</u>	
General investments		
Equity securities:		
Ordinary shares	<u>4,700,752</u>	
Total general investments	<u>4,700,752</u>	
Total investments	<u>385,595,497</u>	

* Held to maturity investments accounts for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Securities and Exchange Commission.

8.1 Investments in deposits at financial institutions and investments in debt securities classified by the remaining of contract.

	As at December 31, 2020 Within 1 year Baht
Investment, amortisation cost	
- Government bonds	301,663,186
- Deposits at financial institutions	1,204,349,704
<u>Less:</u> Deposits for customers' account	<u>(1,506,012,890)</u>
Total	<u>-</u>

8.2 Investments in equity securities designated at FVTOCI were as follow:

Investments	Reason for use of alternative in presentation as mentioned	Fair value	As at December 31, 2020		
			Dividend received for the year ended December 31, 2020	Retained earnings or retained losses transferred in owners' equity	Reason to transfer
		Baht	Baht	Baht	
TSFC Securities Public Company Limited	Intention to hold in long-term period	3,977,500	127,280	-	-
Asco Business Promotion Company Limited	Intention to hold in long-term period	667,680	-	-	-
Thanakarn Hospital	Intention to hold in long-term period	55,572	-	-	-
Total		<u>4,700,752</u>	<u>127,280</u>	<u>-</u>	

9. ALLOWANCE FOR EXPECTED CREDIT LOSS AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

	As at December 31, 2020		
	Reserve for significant increase in credit risk receivable	Reserve for default receivables in credit risk	Total
	Baht	Baht	Baht
Securities business receivables and derivatives business receivables			
Beginning balances	105,359	6,813,836	6,919,195
Refundable amount	(105,359)	-	(105,359)
Ending balances	<u>-</u>	<u>6,813,836</u>	<u>6,813,836</u>

	As at December 31, 2019 Allowance for doubtful accounts Baht
Securities business receivables and derivatives business receivables	
Beginning balances	6,837,836
Change in remeasuring of allowance for doubtful accounts	130,516
Refundable amount	(49,157)
Ending balances	<u>6,919,195</u>

10. PREMISES IMPROVEMENT AND EQUIPMENT

	For the year ended December 31, 2020				
	Balances as at	Increase	Decrease	Transfer in/	Balances as at
	January 1,			(Transfer	December 31,
	2020			out)	2020
	Baht	Baht	Baht	Baht	Baht
Cost					
Leasehold improvement	108,717,091	1,792,676	(17,720,357)	2,526,652	95,316,062
Furniture, fixtures and office equipment	222,793,529	1,695,529	(30,229,925)	73,724	194,332,857
Vehicles	31,895,035	-	-	-	31,895,035
Total cost	363,405,655	3,488,205	(47,950,282)	2,600,376	321,543,954
Accumulated depreciation					
Leasehold improvement	(65,241,948)	(13,895,554)	14,712,897	-	(64,424,605)
Furniture, fixtures and office equipment	(149,822,185)	(28,169,950)	29,579,309	-	(148,412,826)
Vehicles	(20,438,871)	(3,638,797)	-	-	(24,077,668)
Total accumulated depreciation	(235,503,004)	(45,704,301)	44,292,206	-	(236,915,099)
Leasehold improvement and office equipment under installation	209,401	9,230,077	-	(2,600,376)	6,839,102
Total premises improvement and equipment	<u>128,112,052</u>				<u>91,467,957</u>
	For the year ended December 31, 2019				
	Balances as at	Increase	Decrease	Transfer in/	Balances as at
	January 1,			(Transfer	December 31,
	2019			out)	2019
	Baht	Baht	Baht	Baht	Baht
Cost					
Leasehold improvement	116,621,931	4,738,588	(21,146,826)	8,503,398	108,717,091
Furniture, fixtures and office equipment	211,991,421	3,562,682	(14,556,633)	21,796,059	222,793,529
Vehicles	31,563,795	7,837,940	(7,506,700)	-	31,895,035
Total cost	360,177,147	16,139,210	(43,210,159)	30,299,457	363,405,655
Accumulated depreciation					
Leasehold improvement	(71,902,646)	(13,489,573)	20,150,271	-	(65,241,948)
Furniture, fixtures and office equipment	(136,922,531)	(27,290,500)	14,390,846	-	(149,822,185)
Vehicles	(24,444,764)	(3,470,527)	7,476,420	-	(20,438,871)
Total accumulated depreciation	(233,269,941)	(44,250,600)	42,017,537	-	(235,503,004)
Leasehold improvement and office equipment under installation	1,414,936	29,093,922	-	(30,299,457)	209,401
Total premises improvement and equipment	<u>128,322,142</u>				<u>128,112,052</u>
Depreciation for the years ended December 31,					
2020				Baht	<u>45,704,301</u>
2019				Baht	<u>44,250,600</u>

11. GOODWILL

	For the year December 31, 2020			
	Balances as at	Increase	Decrease	Balances as at
	January 1, 2020			December 31, 2020
	Baht	Baht	Baht	Baht
Goodwill	442,717,451	-	-	442,717,451
<u>Less</u> Allowance for impairment	<u>(118,642,779)</u>	<u>(17,379,035)</u>	<u>-</u>	<u>(136,021,814)</u>
Total	<u>324,074,672</u>	<u>(17,379,035)</u>	<u>-</u>	<u>306,695,637</u>

	For the year December 31, 2019			
	Balances as at	Increase	Decrease	Balances as at
	January 1, 2019			December 31, 2019
	Baht	Baht	Baht	Baht
Goodwill	442,717,451	-	-	442,717,451
<u>Less</u> Allowance for impairment	<u>(90,371,556)</u>	<u>(28,271,223)</u>	<u>-</u>	<u>(118,642,779)</u>
Total	<u>352,345,895</u>	<u>(28,271,223)</u>	<u>-</u>	<u>324,074,672</u>

During the years 2020 and 2019, the management of the Company considered to record loss on impairment of goodwill and recognized as expense into the statements of comprehensive income for the years ended December 31, 2020 and 2019 of Baht 17.38 million and Baht 28.27 million, respectively, because some marketing officers who were transferred from Merchant Partners Securities Public Company Limited, Country Group Securities Public Company Limited and AEC Securities Public Company Limited resigned from being employees of the Company.

12. INTANGIBLE ASSETS

		For the year December 31, 2020						
		Remaining	Balances as	Increase	Decrease	Transfer in/	Amortization	Amortization
		useful lives	at January 1, 2020			Transfer (out)	increase	(decrease)
			Baht	Baht	Baht	Baht	Baht	Baht
Computer software	1 - 5 years		23,468,165	86,599	(5)	1,507,157	(9,633,986)	-
TFEX membership fee			5,000,000	-	-	-	-	-
Computer software under installation			<u>1,059,024</u>	<u>1,812,004</u>	<u>-</u>	<u>(1,507,157)</u>	<u>-</u>	<u>-</u>
Total			<u>29,527,189</u>	<u>1,898,603</u>	<u>(5)</u>	<u>-</u>	<u>(9,633,986)</u>	<u>-</u>

		For the year December 31, 2019						
		Remaining	Balances as	Increase	Decrease	Transfer in/	Amortization	Amortization
		useful lives	at January 1, 2019			Transfer (out)	increase	(decrease)
			Baht	Baht	Baht	Baht	Baht	Baht
Computer software	1 - 5 years		25,699,774	1,761,750	(102,762)	5,322,644	(9,316,002)	102,761
TFEX membership fee			5,000,000	-	-	-	-	-
Computer software under installation			<u>2,674,869</u>	<u>3,706,799</u>	<u>-</u>	<u>(5,322,644)</u>	<u>-</u>	<u>-</u>
Total			<u>33,374,643</u>	<u>5,468,549</u>	<u>(102,762)</u>	<u>-</u>	<u>(9,316,002)</u>	<u>102,761</u>

Amortization for the years ended December 31,			
2020	Baht	9,633,986	
2019	Baht	9,316,002	

13. RIGHT-OF-USE ASSETS

	For the year ended December 31, 2020			
	Balances as at January 1, 2020	Increase	Decrease	Transfer in/ (Transfer out)
	Baht	Baht	Baht	Baht
Cost				
Building	106,758,592	36,138,673	(328,500)	-
Vehicles	3,885,000	-	-	-
Total cost	110,643,592	36,138,673	(328,500)	-
Accumulated depreciation				
Building	-	(55,622,862)	-	-
Vehicles	-	(1,230,000)	-	-
Total accumulated depreciation	-	(56,852,862)	-	-
Total right-of-use assets	110,643,592			89,600,903
Depreciation for the year ended December 31, 2020				Baht 56,852,862

14. DEFERRED TAX ASSETS

	As at January 1, 2020	Items as recognized in profit or loss revenue (expense) (see Note 33)	Items as recognized in other comprehensive income	As at December 31, 2020
	Baht	Baht	Baht	Baht
Deferred tax assets				
Provision for employee benefits	24,479,230	1,626,067	(1,878,200)	24,227,097
	24,479,230	1,626,067	(1,878,200)	24,227,097
Deferred tax liabilities				
Amortized goodwill	(16,928,940)	(3,729,423)	-	(20,658,363)
Amortized TFEX membership fee	(1,000,000)	-	-	(1,000,000)
	(17,928,940)	(3,729,423)	-	(21,658,363)
Deferred tax assets	6,550,290	(2,103,356)	(1,878,200)	2,568,734

	As at January 1, 2019	Items as recognized in profit or loss revenue (expense) (see Note 33)	Items as recognized in other comprehensive income	As at December 31, 2019
	Baht	Baht	Baht	Baht
Deferred tax assets				
Provision for employee benefits	17,428,006	7,051,224	-	24,479,230
	<u>17,428,006</u>	<u>7,051,224</u>	<u>-</u>	<u>24,479,230</u>
Deferred tax liabilities				
Amortized goodwill	(13,727,386)	(3,201,554)	-	(16,928,940)
Amortized TFEX membership fee	(1,000,000)	-	-	(1,000,000)
	<u>(14,727,386)</u>	<u>(3,201,554)</u>	<u>-</u>	<u>(17,928,940)</u>
Deferred tax assets	<u>2,700,620</u>	<u>3,849,670</u>	<u>-</u>	<u>6,550,290</u>

15. OTHER ASSETS

	As at December 31, 2020 Baht	2019 Baht
Indemnity compensation fund in net settlement system	103,101,797	91,780,925
Deposits	24,989,140	29,167,043
Account receivables of financial advisory	12,618,778	6,211,203
Prepaid expenses	7,500,541	4,598,998
Accrued income	7,580,930	9,269,433
Other receivable - related companies (see Note 35)	287,254	-
Others	268,317	402,436
Total	<u>156,346,757</u>	<u>141,430,038</u>

16. BORROWING FROM FINANCIAL INSTITUTIONS

As at December 31, 2020 and 2019, the Company had no borrowing from financial institutions. However, the Company had bank overdrafts facility and loans which have no collateral from local banks as follows:

	Interest rate	As at December 31, 2020 Baht	2019 Baht
Credit line of bank overdrafts	MOR*	100,000,000	110,000,000
Credit line of loans	Based on market condition	1,750,000,000	1,950,000,000
Credit lines of Effect Not Clear**	0.5% per annum	250,000,000	280,000,000
		<u>2,100,000,000</u>	<u>2,340,000,000</u>

* MOR is interest rate of Overdraft Facilities for Corporate Customer in Good Standing.

** Effect not clear means the service that the bank would pass the account owner's cheque before knowing the clearing result of the cheque which the account owner had deposited.

17. PAYABLES TO CLEARING HOUSE AND BROKER - DEALERS

	As at December 31,	
	2020	2019
	Baht	Baht
Payables to Thailand Clearing House	-	304,104,279
Total Payables to Clearing House and broker-dealers	-	304,104,279

18. SECURITIES BUSINESS PAYABLES AND DERIVATIVES BUSINESS PAYABLES

	As at December 31,	
	2020	2019
	Baht	Baht
Customer account - cash	2,408,694,752	757,544,477
Total Securities business payables and Derivatives business payables	2,408,694,752	757,544,477

19. LEASE LIABILITIES

	As at December 31, 2020 Baht
Lease liabilities	91,596,450
<u>Less</u> Deferred interest expenses	(1,144,265)
Total lease liabilities	90,452,185

The maturity analysis of undiscounted lease payment is presented as follows:

Within 1 year	54,054,361
Over 1 year but not over 5 years	37,542,089
	91,596,450

The Company has adopted TFRS 16 from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption of new financial reporting standards on the lease liabilities as at January 1, 2020 has been presented in Note 2.3.

Movement in lease liabilities for the year ended December 31, 2020 is as follows (2019: Nil)

	Unit: Baht
Lease liabilities as at January 1, 2020	111,112,957
Change in cash flow	
Cash payment from financing activities	(56,470,945)
Non-cash items	35,810,173
Lease liabilities as at December 31, 2020	90,452,185

20. PROVISION FOR EMPLOYEE BENEFITS

The Company operates post-employment benefit plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans.

Expenditures recognized in the statement of comprehensive income in respect of the defined benefit plans are as follows:

	For the years ended December 31,	
	2020	2019
	Baht	Baht
Past service cost	-	20,469,153
Current service costs	17,374,340	15,936,071
Interest costs	3,041,844	2,534,832
Gains on remeasurements of defined benefit plans	(9,391,002)	-
Total	<u>11,025,182</u>	<u>38,940,056</u>

Movements in the present value of the defined benefit obligation are as follows:

	For the years ended December 31,	
	2020	2019
	Baht	Baht
Beginning balances of defined benefit obligation of the years	122,396,151	87,140,029
Past service cost	-	20,469,153
Current service cost	17,374,340	15,936,071
Interest cost	3,041,844	2,534,832
Benefit paid during the year	(12,285,846)	(3,683,934)
Gains on remeasurements of defined benefit plans from:		
- Experience adjustment	(17,815,112)	-
- Demographic assumption changes	4,611,849	-
- Financial assumption changes	3,812,261	-
Ending balance of defined benefit obligation of the years	<u>121,135,487</u>	<u>122,396,151</u>

The principle actuarial assumptions used to calculate the obligation under the defined post-employment benefit plans are as follows:

	As at December 31,	
	2020	2019
Financial assumptions		
Discount rates	1.02%	2.47%
Expected rates of salary increase	0% - 3.00%	3.00%
Retirement ages	60 years	60 years
Turnover rates	0% - 23%	0% - 21%
	Subject to range of employee	Subject to range of employee

Significant Actuarial Assumptions - Impact on increase / (decrease) in Defined Benefit Obligation are as follows:

		As at December 31, 2020		
	Increase in assumption	Amount change in liability Baht	Decrease in assumption	Amount change in liability Baht
Discount rate	+ 1%	(9,662,610)	- 1%	11,031,554
Salary growth rate	+ 1%	10,566,216	- 1%	(7,051,887)
Turnover rate	+ 1%	(10,040,836)	- 1%	6,096,892
Life expectancy	+ 1 Year	405,828	- 1 Year	(404,139)

		As at December 31, 2019		
	Increase in assumption	Amount change in liability Baht	Decrease in assumption	Amount change in liability Baht
Discount rate	+ 1%	(9,365,107)	- 1%	10,617,942
Salary growth rate	+ 1%	11,522,306	- 1%	(10,306,045)
Turnover rate	+ 1%	(9,915,305)	- 1%	5,854,817
Life expectancy	+ 1 Year	560,455	- 1 Year	(557,369)

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which effected after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits. The Company reflected the effect of such change by recognizing gain or loss from change in estimate as an expense in the statements of comprehensive income for the year ended December 31, 2019 in the amount of Baht 20.47 million.

21. OTHER LIABILITIES

	As at December 31,	
	2020	2019
	Baht	Baht
Accrued remuneration of employees	77,377,169	42,331,431
Other payable - related companies (see Note 35)	6,497,696	6,781,655
Accrued withholding tax and specific business tax payable	8,846,495	5,005,220
Value-added tax payable	7,886,034	3,126,626
Accrued expenses	30,126,919	14,688,415
Others	23,013,756	13,590,691
Total	<u>153,748,069</u>	<u>85,524,038</u>

22. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. The legal reserve could not be used for dividend payment.

As at December 31, 2020 and 2019, the Company's statutory reserve equals to 10% of authorized share capital.

23. DIVIDENDS PAID

On April 10, 2020, the Annual General Meeting for Shareholders No. 1/2020 approved dividend payment for fiscal year 2019 from operating results for the year ended December 31, 2019 of Baht 0.007 per share, totaling Baht 3.52 million to the shareholders whose names were listed on the book closing date for the right to receive the dividend on March 9, 2020. The Company paid such dividend to the shareholders on May 8, 2020.

On April 23, 2019, the Annual General Meeting for Shareholders No. 1/2019 approved dividend payment for fiscal year 2018 from operating results for the year ended December 31, 2018 of Baht 0.07 per share, totaling Baht 35.17 million to the shareholders whose names were listed on the book closing date for the right to receive the dividend on March 11, 2019. The Company paid such dividend to the shareholders on May 22, 2019.

24. CAPITAL MANAGEMENT

The objective of the Company in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company has a policy to pay dividend at least 20% of net profit after deducting legal reserve. The payment is subject to the resolution of the shareholders' meeting.

25. BROKERAGE FEES

	For the years ended December 31,	
	2020	2019
	Baht	Baht
Brokerage fees from securities business	991,042,859	682,707,724
Brokerage fees from derivatives business	97,121,520	90,659,089
Brokerage fees from selling agent of unit trust	1,846,593	2,591,087
Total	<u>1,090,010,972</u>	<u>775,957,900</u>

26. FEES AND SERVICE INCOME

	For the years ended December 31,	
	2020	2019
	Baht	Baht
Underwriting fee	51,828,076	1,543,961
Investment advisory	10,908,738	8,631,759
Financial advisory	35,351,992	31,910,686
Total	<u>98,088,806</u>	<u>42,086,406</u>

27. GAINS AND RETURN ON FINANCIAL INSTRUMENTS

	For the years ended December 31,	
	2020	2019
	Baht	Baht
Gains on securities	133,715,906	33,239,401
Gains (losses) on derivatives	(85,545,348)	847,733
Dividend income	693,219	117,743
Total	<u>48,863,777</u>	<u>34,208,877</u>

28. PROVIDENT FUND

The Company have established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, the employees of the Company must contribute 3% or 5% or 10% or 15% of their basic salaries, and the Company must contribute 5%. The Company have appointed a registered provident fund manager to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended December 31, 2020 and 2019, the Company contributed to the provident fund and recorded as expenses amounting to Baht 14,869,017 and Baht 15,878,375 respectively.

29. COMPENSATIONS PAID TO KEY MANAGEMENT PERSONNEL

Compensations paid to key management personnel expenses represent cash remuneration as salaries, bonus and provident fund paid to the managements of the Company, presented as a part of “Employee benefits expenses”.

For the years ended December 31, compensations paid to key management personnel are as follows:

	2020 Baht	2019 Baht
Compensations paid to key management personnel		
Short-term employee benefits	192,888,530	160,449,174
Post-employment benefits	10,598,688	9,854,847
Post-employment benefits - past service cost	-	9,529,269
Total	<u>203,487,218</u>	<u>179,833,290</u>

30. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits (exclusive of salaries, bonus and related benefits payable executive directors) paid to the directors of the Company in accordance with Section 90 of the Public Limited Companies Act.

For the years ended December 31, director's remuneration are as follows:

	2020 Baht	2019 Baht
Director's remuneration	525,000	465,000

31. REVERSAL OF EXPECTED CREDIT LOSS AND DOUBTFUL ACCOUNTS

For the year ended December 31, 2020, reversal of expected credit loss is as follows:

	For the year ended December 31, 2020 Baht
Securities business receivables and derivatives	(105,359)

For the year ended December 31, 2019, doubtful accounts are as follows:

	For the year ended December 31, 2019 Baht
Securities business receivables and derivatives	81,359

32. OTHER EXPENSES

	For the years ended December 31,	
	2020 Baht	2019 Baht
Premises and equipment expenses	169,861,190	194,808,748
Fee expenses under service agreement	13,200,000	13,856,320
Loss on impairment of goodwill	17,379,035	28,271,223
Other expenses	73,333,528	83,655,543
Total	<u>273,773,753</u>	<u>320,591,834</u>

33. INCOME TAX

Income tax expenses consisted of the following:

	For the years ended December 31,	
	2020 Baht	2019 Baht
Current income taxes:		
Income taxes for the years	59,574,736	11,412,026
Adjustment of prior year income tax	-	(1,766,467)
Deferred income taxes:		
Deferred income taxes relating to origination and reversal of temporary differences	2,103,356	(3,849,670)
Income tax expenses	<u>61,678,092</u>	<u>5,795,889</u>

Reconciliation between income tax expenses and the product of accounting profits for the years ended December 31, 2020 and 2019 and applicable tax rates can be shown as follows:

	For the years end December 31,	
	2020 Baht	2019 Baht
Accounting profit before income tax	<u>301,324,303</u>	<u>21,721,803</u>
Applicable tax rates	20.00%	20.00%
Accounting profits before income tax multiplied by applicable tax rates	60,264,861	4,344,360
Deferred tax relating to origination and reversal of temporary differences (see Note 14)	2,103,356	(3,849,670)
Effects of income exempt from tax and non-deductible expenses for tax purpose	(690,125)	5,301,199
Income tax expenses presented in the statement of comprehensive income	<u>61,678,092</u>	<u>5,795,889</u>
Effective tax rates	20.47%	26.68%

The Company used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2020 and 2019. Income tax expense is calculated from income before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

34. COMMITMENT AND CONTINGENT LIABILITIES

34.1 Forward foreign exchange contracts

As at December 31, 2019

Forward foreign exchange contracts - Buy

Currency	Amount	Maturity date	Principal contract amount Baht	Loss fair value Baht
HKD	460,795	January 2, 2020	1,793,874	(9,064)

As at December 31, 2020 : nil.

- 34.2 The Company has lease agreements for office premises and vehicles for period of 1 - 3 years. The agreements shall be renewable every 1 - 3 years with the rental fee rates as specified in such agreements. The Company does not have options to purchase the leased assets at the expiry of lease period. These agreements will be expired in November 2021.

As at December 31, 2020 and 2019, the Company is required to pay the rental and related service fees under lease agreements for the rental building and vehicles as follows:

Type	Unit : Baht			
	Remaining rental expenses			
	As at December 31, 2020		As at December 31, 2019	
	Within 1 year	Within 2 - 5 years	Within 1 year	Within 2 - 5 years
Building	534,600	-	50,590,978	65,749,165
Vehicle	-	-	1,230,000	2,700,000

For the years ended December 31, 2020 and 2019, the Company recorded expense according to the operating lease agreements in the statements of comprehensive income of Baht 3.83 million and Baht 77.50 million, respectively.

- 34.3 As at December 31, 2020 and 2019, the Company is required to pay a membership fee to the Stock Exchange of Thailand on a monthly basis of Baht 50,000 and at the rate of 0.005 percent of the trading value.
- 34.4 As at December 31, 2020 and 2019, the Company has a commitment under an on-line trading service agreement to pay Settrade.com Co., Ltd. whereby the Company is charged a fee at the rate of 0.002% - 0.040% of its trading volume and at rate of Baht 0.20 - 45.00 per derivative contract with the minimum payment being Baht 80,000 per month.

- 34.5 As at December 31, 2020 and 2019, the Company is required to pay annual membership fee to the Thailand Futures Exchange Public Limited Company ("TFEX") of Baht 500,000 and an annual fee to Thailand Clearing House Co., Ltd. ("TCH") of Baht 300,000 and has obligations to pay fees for derivative trading and settlement transactions based on specific rates by the TFEX and TCH, respectively.
- 34.6 As at December 31, 2020 and 2019, , the Company is required to pay fees to the Office of the Securities and Exchange Commission ("SEC") for its business operations as licensed whereby the fees are charged based on its trading volume and its revenue from fee and service income, with a minimum fee for each business type as in Notification of SEC No. Kor Mor. 10/2559 dated November 7, 2016.
- 34.7 As at December 31, 2020 and 2019, the Company is required to pay contributions to the Compensation Fund for Clearing and Settlement, which is overseen by Thailand Securities Depository Company Limited and the Compensation Fund for derivatives clearing and settlement, which is overseen by the Thailand Clearing House Company Limited, at certain rates of its net settlements each month.
- 34.8 As at December 31, 2020 and 2019, the Company is required to pay a clearing fee to Thailand Clearing House Company Limited at the rate of Baht 15,000 per month and 0.001 percent of the trading value.
- 34.9 As at December 31, 2020 and 2019, the Company is required to pay fee expenses under the service agreement to a related company to assist the Company in business development to support the Company's operation. The fee will be paid as specified in such agreement.
- 34.10 As at December 31, 2020 and 2019, the Company is required to pay service fee to the Thailand Securities Depository Company Limited for rendering securities depository system services at the rates according to each type of services.

35. RELATED PARTY TRANSACTIONS

Related persons or entities of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related parties also include individuals owning, directly or indirectly, and interest in the voting shares of the Company, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Company has a major shareholder namely UOB-Kay Hian Holdings Limited incorporated in Singapore.

The names of the related companies are as follows:

Name	Relationship	Business type
UOB-Kay Hian Holdings Limited	Major shareholder	Investment holding
UOB Kay Hian Private Limited	Same group company	Securities
UOB Kay Hian (Hong Kong) Limited	Same group company	Securities
United Overseas Bank (Thai) Public Company Limited	The related company with the major shareholder	Banking
UOB Asset Management (Thailand) Company Limited	The related company with the major shareholder	Asset management

Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Brokerage income	At price according to an agreement on rates of fees made with the customers but not exceeding 1 percent of trading value
Fee and service income	At price according to an agreement on rates of fees made with the customers
Interest income	At agreed price which approximates market value
Other income	At agreed price which approximates market value
Fee expenses	Under service agreement which is in normal business operations
Commission fees	At agreed price which approximates market value
Fee expenses under service agreement	Under service agreement which is in normal business operation
Other expenses	At the actual amount payments

Significant balances with related parties were as follows:

	As at December 31,	
	2020	2019
	Baht	Baht
Cash and cash equivalents*		
United Overseas Bank (Thai) Public Company Limited	3,827,395,674	1,311,384,160
* Cash and cash equivalents also include deposits for customers' accounts		
Company's deposits on behalf of customers		
UOB Kay Hian Private Limited	439,600,123	164,021,466
UOB Kay Hian (Hong Kong) Limited	1,205,961,210	1,215,108,416
	<u>1,645,561,333</u>	<u>1,379,129,882</u>
Receivables from foreign securities company		
UOB Kay Hian Private Limited	9,739	12,951,666
Securities business receivables and Derivatives business receivables		
UOB Kay Hian Private Limited	3,437,363	-
UOB Kay Hian (Hong Kong) Limited	83,856,714	3,779,673
	<u>87,294,077</u>	<u>3,779,673</u>

	As at December 31,	
	2020	2019
	Baht	Baht
Interest receivables		
United Overseas Bank (Thai) Public Company Limited	20,527	-
Securities business payables and Derivatives business payables		
UOB Kay Hian Private Limited	6,020,824	1,814,514
UOB Kay Hian (Hong Kong) Limited	154,275,862	26,142,606
	<u>160,296,686</u>	<u>27,957,120</u>
Other receivable		
UOB Kay Hian Private Limited	287,254	-
	<u>287,254</u>	<u>-</u>
Other payables		
UOB Kay Hian Private Limited	6,342,096	6,606,055
UOB Kay Hian (Hong Kong) Limited	155,600	175,600
	<u>6,497,696</u>	<u>6,781,655</u>

UOB-Kay Hian Holdings Limited agreed to provide in the limit of USD 20 million or approximately Baht 604 million. The repayment period is due within 1 year and interest approximating UOB-Kay Hian Holdings Limited's cost of fund will be charged on outstanding balance. However, during the years ended December 31, 2020 and 2019, the Company did not have any drawdown from such credit facility.

Significant transactions with related parties are as follows:

	For the years ended	
	December 31,	
	2020	2019
	Baht	Baht
Brokerage income		
UOB Kay Hian Private Limited	3,790,260	3,173,338
UOB Kay Hian (Hong Kong) Limited	5,079,883	4,640,576
UOB Asset Management (Thailand) Company Limited	24,510,072	21,954,263
	<u>33,380,215</u>	<u>29,768,177</u>
Fee and service income		
UOB Kay Hian Private Limited	-	2,942,603
Interest income		
United Overseas Bank (Thai) Public Company Limited	24,012,225	17,526,552

	For the years ended December 31,	
	2020 Baht	2019 Baht
Other income		
UOB Asset Management (Thailand) Company Limited	117,871	140,461
UOB Kay Hian Private Limited	1,589,469	-
	<u>1,707,340</u>	<u>140,461</u>
Fee expense		
United Overseas Bank (Thai) Public Company Limited	233,040	349,608
Commission fees		
UOB Kay Hian Private Limited	206,726	294,109
Personnel expenses - Insurance premium		
UOB-Kay Hian Holdings Limited	5,656,358	5,636,951
Fee expenses under service agreement		
UOB Kay Hian Private Limited	13,200,000	13,856,320
Dividend payment		
UOB-Kay Hian Holdings Limited	2,485,000	24,850,000
UOB Kay Hian Private Limited	574,586	5,631,201
UOB Kay Hian (Hong Kong) Limited	22,365	223,650
	<u>3,081,951</u>	<u>30,704,851</u>
Other expenses		
UOB Kay Hian Private Limited	7,035,642	6,157,536
UOB Kay Hian (Hong Kong) Limited	1,042,011	1,734,872
	<u>8,077,653</u>	<u>7,892,408</u>

36. RISKS MANAGEMENT

36.1 Liquidity risk

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 32/2560 and Kor Thor. 33/2560 regarding “Principle for Maintaining Capital Adequacy”, the Company shall have adequate capital at the end of the day at least Baht 15 million and at least 7% of general liability.

The Company has been granted a securities business license in the form of derivatives agent in accordance with the law of derivatives agent. The Company has to maintain net liquid capital at the end of the day at least Baht 25 million and at least 7% of general liability and assets which will be placed as collateral except in case the Company discontinues operation of derivatives agent and informs the Securities and Exchange Commission, after which the Company has to maintain net liquid capital following the requirement in the first paragraph above.

Additionally, in accordance with the Regulation of Thailand Clearing House Co., Ltd. (“TCH”) Chapter 300 “Ordinary Members” regarding the “Qualification of Membership”, the Ordinary Membership is required to have shareholders’ equity at least Baht 100 million for membership operating only derivative business.

As at December 31, 2020 and 2019, the Company has net liquid capital ratio higher than the requirement of the Office of the Securities and Exchange Commission and has shareholders’ equity higher than the requirement of TCH.

The periods of time from the statements of financial position dates to the maturity dates of financial instruments as at December 31, 2020 and 2019, are as follows:

Unit : Million Baht							
Outstanding balances of financial instruments							
As at December 31, 2020							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	1,199.8	-	-	-	-	-	1,199.8
Receivables from Clearing House and broker - dealers	-	927.9	-	-	-	-	927.9
Securities business receivables and Derivatives business receivables	-	1,465.5	-	-	1,296.4	-	2,761.9
Non - collateralized investments	-	924.5	-	-	4.7	-	929.2
Financial liabilities							
Securities business payables and Derivatives business payables	-	2,408.7	-	-	-	-	2,408.7
Unit : Million Baht							
Outstanding balances of financial instruments							
As at December 31, 2019							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	666.7	-	-	-	-	-	666.7
Receivables from Clearing House and broker - dealers	-	13.0	-	-	-	-	13.0
Securities business receivables and Derivatives business receivables	-	997.1	-	-	2,031.3	-	3,028.4
Non - collateralized investments	-	380.9	-	-	4.7	-	385.6
Financial liabilities							
Payables to Clearing House and broker - dealer	-	304.1	-	-	-	-	304.1
Securities business payables and Derivatives business payables	-	757.5	-	-	-	-	757.5

36.2 Financial instruments risk

The Company has no policy for speculation in or engaging in the trading of any derivative financial instruments.

36.2.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

Outstanding significant financial assets and liabilities as at December 31, 2020 and 2019 which may be affected by fluctuation of market interest rates are as follows:

Unit : Million Baht									
As at December 31, 2020									
Outstanding balances of net financial instruments									
Reprising or maturity dates									
	Floating rate	Within 1 year	1-5 years	Over 5 years	Non- performing receivables	No interest	Total	Interest rate (% per annum)	
								Floating rate	Fixed rate
Financial assets									
Cash and cash equivalents	1,164.6	-	-	-	-	35.2	1,199.8	0.05 - 0.5	-
Receivables from Clearing House and broker - dealers	-	-	-	-	-	927.9	927.9	-	-
Securities business receivables and Derivatives business receivables	-	1,296.4	-	-	-	1,465.5	2,761.9	-	3.85 - 15.00
Non - collateralized investments	-	924.5	-	-	-	4.7	929.2	-	1.63 - 2.75
Financial liabilities									
Securities business payables and Derivatives business payables	-	-	-	-	-	2,408.7	2,408.7	-	-
Unit : Million Baht									
As at December 31, 2019									
Outstanding balances of net financial instruments									
Reprising or maturity dates									
	Floating rate	Within 1 year	1-5 years	Over 5 years	Non- performing receivables	No interest	Total	Interest rate (% per annum)	
								Floating rate	Fixed rate
Financial assets									
Cash and cash equivalents	641.2	-	-	-	-	25.5	666.7	0.10 - 1.90	-
Receivables from Clearing House and broker - dealers	-	-	-	-	-	13.0	13.0	-	-
Securities business receivables and Derivatives business receivables	-	2,031.3	-	-	-	997.1	3,028.4	-	4.95 - 15.00
Non - collateralized investments	-	380.9	-	-	-	4.7	385.6	-	2.00 - 2.85
Financial liabilities									
Payable to Clearing House and broker - dealer	-	-	-	-	-	304.1	304.1	-	-
Securities business payables and Derivatives business payables	-	-	-	-	-	757.5	757.5	-	-

36.2.2 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfil an obligation causing the Company to incur a financial loss. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statement of financial position.

TFRS 9 makes stipulations relating to impairment of financial assets using an expected credit loss model. The Company has established and maintain an appropriate credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model.

36.2.3 Foreign Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate because of changes in foreign exchange rates.

As at December 31, 2020 and 2019, the Company has not entered into forward foreign exchange contracts to hedge foreign exchange risk associated with certain securities business receivables and payables (see Note 34.1).

36.2.4 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Considerable judgment of the Company's management is necessarily required in the estimation of fair value disclosed in Notes to the financial statements. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in the current market exchange. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value. The following methods and assumptions are used by the Company in estimating fair value of financial instruments.

The approximate fair values of most financial assets and financial liabilities are based on the amounts recognized in the statement of financial position as they are short-term and non-interest sensitive except for the approximate fair values of financial assets and financial liabilities as described in Note 38.

As at December 31, 2020 and 2019, the fair values of financial assets and financial liabilities are not significant different from carrying amount.

37. FINANCIAL INFORMATION BY SEGMENT

The Company operates in 3 major segments consisting of 1) Securities and derivatives business 2) Financial advisory business and 3) Investing business and the major geographic area is in Thailand. Financial information by segment of the Company for years ended December 31, 2020 and 2019 are as follows:

	Unit : Baht							
	For the years ended December 31,							
	Securities and derivatives business		Financial advisory business		Investing business		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Brokerage fees								
- At a point in time	1,088,164,379	773,670,563	-	-	1,846,593	2,287,337	1,090,010,972	775,957,900
Fee and service income								
- At a point in time	-	-	75,177,615	22,237,720	21,411,191	19,848,686	96,588,806	42,086,406
- Over time	-	-	1,500,000	-	-	-	1,500,000	-
Interest income	56,046,260	89,797,228	-	-	9,783,984	7,177,095	65,830,244	96,974,323
Gains (losses) and return on financial instruments	(6,773,524)	(1,885,730)	-	-	55,491,981	34,702,808	48,718,457	32,817,078
Other income	29,273,996	17,530,278	1,589,468	75	-	35	30,863,464	17,530,388
Profit from operations by segment	432,660,434	185,278,613	30,488,139	7,857,910	42,090,500	26,875,139	505,239,073	220,011,662

Unallocated income and expenses

Interest income	49,874,094	73,891,162
Gain and return on financial instruments	145,320	1,387,799
Other income	4,578,486	7,516,309
Other operating expenses	(258,512,670)	(281,085,129)
Profit before income tax	301,324,303	21,721,803
Income tax expenses	(61,678,092)	(5,795,889)
Profit for the year	239,646,211	15,925,914

	As at December 31,				
	Securities and derivatives business	Financial advisory business	Investing business	Unallocated assets	Total
	Baht	Baht	Baht	Baht	Baht
Assets by segment					
2020	3,950,353,568	5,721,178	758,973,161	1,772,381,951	6,487,429,858
2019	3,160,360,056	8,302,896	383,513,213	1,171,138,460	4,723,314,625

38. FAIR VALUE MEASUREMENTS**38.1 Financial instruments measured at fair value**

Certain financial assets and financial liabilities of the Company are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2020 Baht	As at December 31, 2019 Baht		
<u>Financial assets</u>				
Non-collateralized investments				
Investments, fair value through profit or loss				
Listed securities	173,295,000	-	Level 1	Latest bid prices of the last working days of the reporting period as quoted on the Stock Exchange of Thailand.
Debt securities of private sector	751,234,513	-	Level 2	Discounted cash flow. Future cash flows are estimated based on contractual terms, discounted at rates based upon market-related rates for similar financial instruments as at the end of reporting period.
Trading investments debt securities of private sector	-	380,894,745	Level 2	Discounted cash flow. Future cash flows are estimated based on contractual terms, discounted at rates based upon market-related rates for similar financial instruments as at the end of reporting period.
Investments, fair value through other comprehensive income				
Ordinary shares	4,700,752	-	Level 3	Discounted cash flows

38.2 Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value is summarized as follows:

	As at December 31, 2020	
	Book value Baht	Fair value Baht
Financial assets		
Receivables from Clearing House and Broker - dealers	927,943,311	927,943,311
Securities business receivable and Derivative business receivables	2,761,940,053	2,761,940,053
Financial liabilities		
Securities business payables and Derivative business payables	2,408,694,752	2,408,694,752
	As at December 31, 2019	
	Book value Baht	Fair value Baht
Financial assets		
Receivables from Clearing House and Broker - dealers	12,951,666	12,951,666
Securities business receivable and Derivative business receivables	3,028,410,395	3,028,410,395
Non-collateralized investments - General Investment	4,700,752	4,700,752
Financial liabilities		
Payable to Clearing House and broker - dealer	304,104,279	304,104,279
Securities business payables and Derivative business payables	757,544,477	757,544,477

Fair values of the financial assets and financial liabilities above are considered to approximate their respective carrying value since the fair value are predominantly subject to market interest rate and mature in the short-term except general investments which use net asset value of invested company, classified as fair value hierarchy level 3.

39. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors of the Company on February 24, 2021.

Part 4 Information Certification


The Company has carefully reviewed the information in this annual report. The Company hereby certified that the information is complete, accurate and truthful and does not cause any misunderstanding and omit any significant information required for disclosure. More over, the Company hereby certifies that:

- (1) The Financial Statements and other financial details that are summarized in this form represent complete, accurate and significant information regarding the performance and the cash flow of the Company and its subsidiaries.
- (2) The Company maintains an effective disclosure system that will assure the Company discloses complete, accurate and significant information of the Company and its subsidiaries. Moreover, the Company also ensures the compliance of the system.
- (3) The Company maintains an effective internal control system and for ensuring compliance. The Company has disclosed its internal control assessment as of December 31, 2019 to the external auditor and the Audit Committee. The assessment included weaknesses of the system and significant changes of the internal control as well as any wrongdoing that may affect the financial statements reporting process of the Company and its subsidiaries.

Therefore, as evidence that these documents constitute the entire set that the Company has certified; the Company has authorized Mr. Pirahuht Usubzin to initial all pages. If any page is without an initial of Mr. Pirahuht Usubzin, the Company does not certify that the information on such page is the true copy.

Name	Position	Signature
1. Mr. Chaipat Nakmontanakum	Director, Executive Director Chief Executive Officer And authorized directors	 
2. Mr. Yothin Viriyenawat	Director, Executive Director And authorized directors	

Attorney

Name	Position	Signature
Mr. Pirahuht Usubzin	Vice President of Legal Department and Company Secretary	

UOB KayHian
Your trusted financial partner