

ANNUAL REPORT 2010

Trinity Watthana Public Company Limited

Annual Report 2010

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Financial Highlights

(unit: MB)

| Operating Results | 31/12/10 | 31/12/09 | 31/12/08 |
|---------------------------------------|----------|----------|----------|
| Total Assets | 2,197.13 | 1,656.09 | 1,565.48 |
| Current Investments | 552.56 | 336.65 | 558.56 |
| Long-term Investments | 21.31 | 265.53 | 250.39 |
| Securities Business Receivables | 982.11 | 681.32 | 423.61 |
| Total Liabilities | 891.26 | 389.21 | 296.44 |
| Borrowings | 255.00 | - | - |
| Securities Business Payables | 551.64 | 353.40 | 175.77 |
| Shareholder's Equities | 1,305.87 | 1,266.88 | 1,269.05 |
| Total Revenues | 458.94 | 364.41 | 414.64 |
| Operating and Administrative Expenses | 391.13 | 366.73 | 387.66 |
| Bad debt and doubtful accounts | 1.63 | 9.53 | 142.81 |
| Net Operating Profit (loss) | 67.81 | (2.32) | 26.98 |
| Net Profit (loss) | 38.84 | (11.85) | (125.23) |

| Key Financial Ratios | 31/12/10 | 31/12/09 | 31/12/08 |
|--|----------|--------------------|--------------------|
| Return on Asset (%) | 2.02% | (0.74%) | (6.44%) |
| Return on Equities (%) | 3.02% | (0.94%) | (9.30%) |
| Liquid Assets/Interest Bearing Debt (times) | 2.39 | -NA ⁻¹⁾ | -NA ⁻¹⁾ |
| Liquid Assets/Total Assets (%) | 27.70% | 23.07% | 45.22% |
| Debt to Equity (time) | 0.68 | 0.31 | 0.23 |
| Earnings per Share (Weighted Average) (Baht) | 0.22 | (0.07) | (0.71) |
| Fully diluted Earnings per Share (Baht) | 0.22 | (0.07) | (0.71) |
| Book Value per Share (Baht) | 7.44 | 7.22 | 7.23 |

Remarks : 1) Unable to calculate the ratio,as of 31 December 2008 and 2009 , no short term loans from financial institutions

Message from the Board of Directors

Dear Shareholders,

In 2010, the trading volume within the Stock Exchange of Thailand (SET) increased considerably although during the first five months of the year, there was only sideways movement of SET Index as a consequence of Thailand's political turmoil. Nevertheless, thanks to the local investors' confidence and continuous inflow of foreign fund to SET and Asian region during the second half of the year, SET Index in 2010 soared by 40.6% from that of the end of year 2009 and ranked the second highest in Asian region.

Overall, the Stock Exchange of Thailand (SET) in 2010 showed an improvement in terms of SET Index, market capitalization and turnover when compared to those of year 2009. As at the end of year 2010, the SET Index rose by 40.60% with the closing index on the last business day of the year at 1,032.76 points whereas the low point was at 685.89 points in February and the high point was at 1,049.79 points in November. The SET turnover for year 2010 was Baht 7,034 billion which was increased by Baht 2,605 billion from year 2009 or 58.82%, and the daily average turnover was Baht 29,066 million, increased from Baht 18,226 million in 2009. In 2010, local retail investors still played active role in SET; that is, they accounted for 62% of SET turnover and their net sell amounted to Baht 65,515 million which was increased from Baht 37,027 million in 2009 while foreign investors' turnover slightly dropped to 18.40% of SET turnover from 19.44% in year 2009. Nevertheless, foreign investors' net buy in 2010 which was made continually had reached Baht 81,415 million which significantly rose from their net buy of Baht 38,013 million in 2009. Also, it is interesting to note that in 2010, the local institutional investors' turnover improved from 6.66% in 2009 to 7.60%; however, their net sell stood at Baht 15,480 million which grew up from Baht 2,742 million in 2009. In this regard, the Company's market share in 2010 slightly fell to 1.27% from 1.31% in year 2009.

With regard to the overall investment in Thailand Futures Exchange Plc. (TFEX), there was an increase in both trading value and trading volume owing to a launch of 10 Baht-weighted gold futures, large fluctuations in TFEX and the rising trend in gold price in the global market. All these factors attracted investors to invest in gold futures and single stock futures. The total trading volume of futures in 2010 was 4,519,463 contracts which were increased from 3,075,318 contracts in 2009, with the daily average transactions of 18,676 contracts which were increased from 12,771 contracts in 2009 or by 46.24%. The increase in the trading volume of futures resulted from a rapid growth of single stock futures whose trading volume increased 5.6 times, i.e. from 145,758 contracts in 2009 to 969,353 contracts in 2010. This increase was attributed to the facts that investors have become more familiar with single stock futures and that single stock futures could be served as another alternative for investment and risk management during the period when SET was extremely bullish. In addition to single stock futures, gold futures also

attracted investors as evidenced by a nearly double increase in its trading volume; that is, the daily average transactions of gold futures increased from 1,397 contracts in 2009 to 4,014 contracts, which was equivalent to Baht 3,143 million, in 2010. This increase was due to the launch of 10 Baht-weighted gold futures. Still, the main investors in TFEX were local retail investors whose turnover in 2010 accounted for 57% of the market which was declined from 60% in 2009 whereas the turnover of the local institutional investors and foreign investors were 32.70% and 10.09%, respectively. The Company's market share in TFEX was 6.10%, falling from 7.46% in 2009 due to the growing number of business competitors.

In 2010, the Company offered various in-depth and comprehensive research products as a tool to support its clients' decision-making on investment as well as organized seminars to update its clients on any new information regularly. The Company also offered a variety of investment alternatives to its clients such as unit trust, fixed income and derivatives products. In 2010, the Company successfully generated satisfactory profits to private funds clients under its management. This successful management helped boost the clients' confidence and led to an increase in the fund's net asset value from Baht 320 million at the end of year 2009 to Baht 638 million at the end of year 2010. Additionally, as the Company has emphasized on high ethical standards in the context of good corporate governance, the Company was graded "Excellent and Shining Example of Excellent" for its 2010 Annual General Meeting of Shareholders by the Thai Investors Association and was recognized and graded by the Thai Institute of Directors Association in the Association's 2010 annual corporate governance survey as "Excellent" which is above "Very Good" that the Company had been graded for five consecutive years.

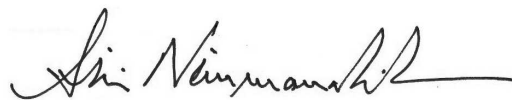
The Company's performance by quarter in 2010 mirrored the fluctuation of the SET index. The Company's brokerage commission fee rose from Baht 243.80 million to Baht 306.40 million, or by 25.68%, in accordance with the rise in trading volume of the SET whereas the commission income from derivatives business dropped from Baht 47.59 million to Baht 38.25 million, or by 19.63%, as a result of a decreased market share. Also, the fluctuation of the SET index led the Company to enjoy an increase in the Company's return on investment from Baht 2.11 million in 2009 to Baht 43.86 million. When this amount was combined with the income interest from margin loan of Baht 18.59 million and the Company's advisory service income which was increased from Baht 5.60 million to Baht 22.40 million, the Company's total revenue stayed at Baht 458.94 million which was increased from Baht 364.41 million in 2009 or by 25.94%. Also, the Company's profit from its operation and net profit were Baht 67.81 million and Baht 38.84 million, respectively.

The Company commits itself to continually provide quality products and services to its clients through an offer of various products and services such as wealth management service, derivatives and unit trust agency service, securities borrowing and lending service. Also, because of the flux of securities' and derivatives' prices, the

Company has recognized the importance of providing its clients with additional SMART Investment tools by introducing a brand-new investment tool called “Smart Port” in addition to the Smart Signal which was introduced formerly. Additionally, the Company has always enhanced its research products and the “Trinity Member” system available on the Company’s investor website (www.trinityquicktrade.com) in order to provide the clients with quick information of securities trading. Apart from the above, the Company has always developed skills of its marketing staff and employees in the same direction.

It’s the Company’s policy to create and maintain continued and sustainable growth in the long run for shareholders and at the same time, to recognize the importance of all stakeholders, i.e. clients, business counterparties, society and employees. In 2011, the Company plans to develop and offer various new products and services which were customized for each particular group as well as increase the number of research products, including provide new product as additional alternative to clients, i.e. silver and oil futures. The Company also plans to extend the trading period to cover night time so as to allow the clients whose underlying assets of their trading products are commodities which are traded constantly and worldwide, e.g. gold and silver, to better manage their risks, including to strictly control risk management of the Company’s investment. The Company will carry out its businesses with the objective of increasing the quality and range of services to meet the growing competition as well as any risks relating to politics and economy.

The Company highly hopes to receive good and strong supports from its shareholders, clients, management and employees in the pursuit of the Company’s mission and is extremely grateful of the level of commitment it has received in the past.

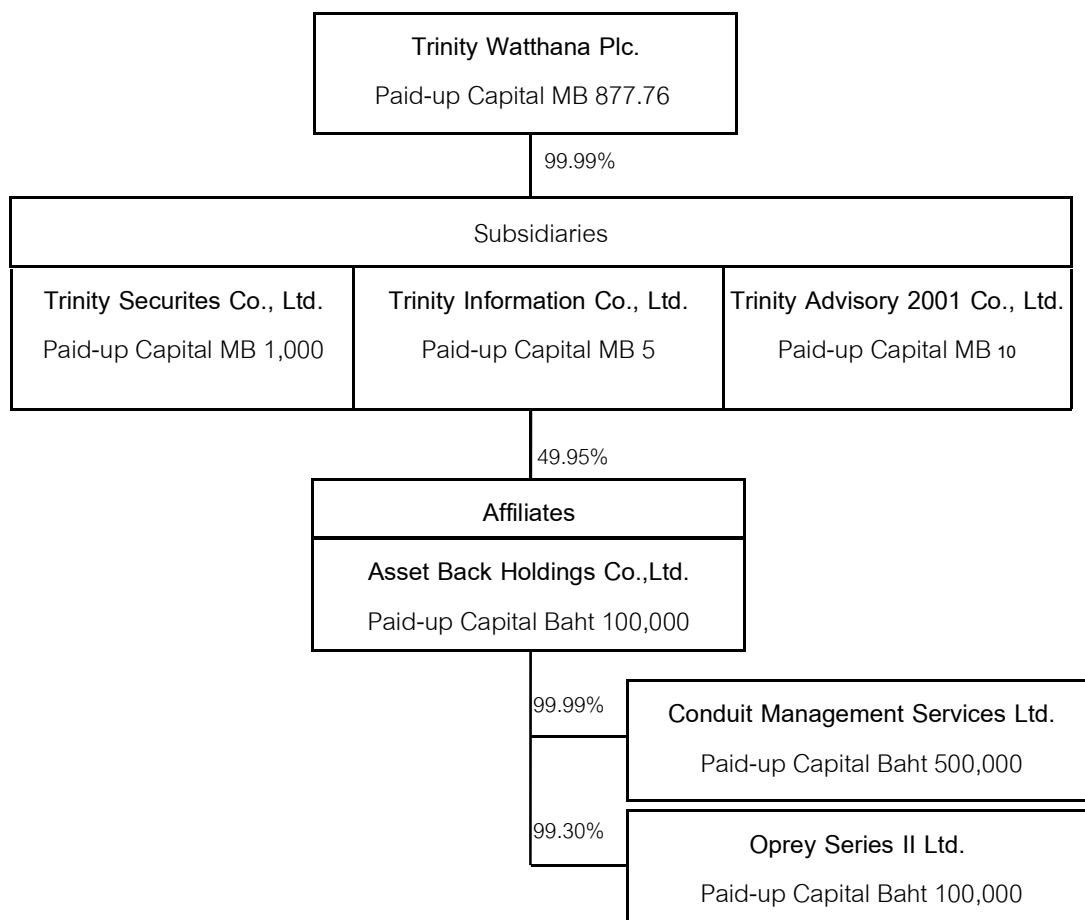


Mr. Sirin Nimmanahaeminda
Chairman of the Board of Director

Business Overview and Company's Performance

Trinity Securities Group's Structure

(including direct and indirect shareholding exceed 10 %)



Business Nature

(1) Company's Establishment and History

Trinity Watthana Public Company Limited was registered as a limited company on 31 January 2001 with an initial registered capital of Baht 300 million and it was converted into a public company on 14 August 2002. The Company is principally engaged in investment in other companies (a holding company) with Trinity Securities Company Limited as its core subsidiary. The Company was listed on the Stock Exchange of Thailand (SET) on 18 December 2002 with a registered capital of Baht 700 million, and this registered capital was increased to Baht 914 million on 24 February 2005.

As of 31 December 2010, the Company's registered capital and paid-up capital were Baht 914,125,000 and Baht 877,760,000 respectively.

Major Changes and Developments

Major changes in relation to the Company's business and management in years 2009 and 2010 are set out below.

| | |
|---------------|--|
| 2009 | The Company was graded as "Excellent" for its 2009 Annual General Meeting of Shareholders by the Thai Investors Association. |
| 2010 | The Company was graded as "Excellent and Shining Example of Excellent" for its 2010 Annual General Meeting of Shareholders by the Thai Investors Association. |
| January 2010 | The Company was notified by the Thai Institute of Directors Association (IOD) that it was recognized and graded "Very Good" for its 2009 annual corporate governance survey for the fifth year consecutively. |
| December 2010 | The Company was notified by the Thai Institute of Directors Association (IOD) that it was recognized and graded "Excellent" for its 2010 annual corporate governance survey which is above "Very Good" that the Company had been graded for five consecutive years |

(2) Business Overview of the Company and Subsidiaries

Trinity Watthana Public Company Limited is principally engaged in investment in other companies (a holding company). Presently, the Company has 3 subsidiaries whereby 99.99% of the total issued shares in each of these three subsidiaries are held by the Company. These three subsidiaries are:

(1) Trinity Securities Company Limited was registered as a limited company on 19 April 1999 under its former name of “SCB Bookclub Securities Co., Ltd.” with Siam Commercial Bank Public Company Limited as its major shareholder as of 24 May 1999. Then, on 2 March 2001, Siam Commercial Bank Public Company Limited agreed to sell its shares in SCB Bookclub Securities Co., Ltd. to Trinity Watthana Company Limited, resulting in a change of new management team. Also, the company’s name of “SCB Bookclub Securities Co., Ltd.” was renamed “Trinity Securities Co., Ltd.” on 7 March 2001, during which the company’s registered capital was Baht 500 million which was entirely paid-up. Subsequently, on 5 April 2005, the company’s registered paid-up capital was increased to Baht 750 million. Finally, on 16 February 2010, the company’s registered paid-up capital was again increased to Baht 1,000 million.

Currently, the company has been granted a license by the Ministry of Finance to engage in six 6 types of securities business, namely securities brokerage, securities trading, investment advisory, securities underwriting, securities borrowing and lending and private fund asset management. Additionally, the company has been approved by the Office of Securities and Exchange Commission to provide financial advisory service and to be a selling agent for unit trust of mutual fund. Furthermore, the company has been granted a selling agent license for derivatives brokerage on 31 July 2008 and the company accepted the transfer of all business’ activities and operations from Trinity Polaris Futures Company Limited on 1 December 2008. Trinity Polaris Futures Co. Ltd has registered its business dissolution with the Minister of Commerce since 30 September 2009 and its liquidation was completed in January 2010.

As at 31 December 2010, the company has 10 branches located in Bangkok and upcountry.

The company’s major changes and developments in years 2009 and 2010 are set out below.

| | |
|-------------------------|---|
| May 2009 | Phaholyothin and Yaowaraj Branches have been closed down, causing the total number of company’s branches to be decreased from 14 to 12. |
| 4 November 2009 | The company was granted by the Office of Securities and Exchange Commission the Derivatives License “Sor 1” which enables the company to engage in 4 types of derivatives business namely, derivatives brokerage , derivatives trading , derivatives advisory and derivatives fund management. With this license, the company is permitted by the Office to operate the derivative brokerage business automatically. However, for other businesses, the company is required to obtain the Office’s approval before running such businesses. |
| June and September 2010 | The company closed Ladphrao and Soi Soonvijai Branches, causing the total number of company’s branches to be decreased from 12 to 10 |

(2) **Trinity Advisory 2001 Company Limited** engages in financial advisory services and investment banking. The company has been approved by the Office of the Securities and Exchange Commission to provide financial advisory services within the scope outlined by the Office of the Securities and Exchange Commission. Additionally, the company is registered with the Ministry of Finance as “Type “Kor” Advisor” in the Ministry’s pool of advisors responsible for providing financial advisory services to various agencies, both government and private sectors.

| | |
|------|---|
| 2009 | <p>The company and the Investment Banking Department of Trinity Securities Company Limited were a financial advisor to Bangkok Commercial Asset Management Co., Ltd. (BAM) for its business plan study and a financial advisor to the executive management of Supalai Plc. pertaining to an acquisition of securities in Supalai Plc. by means of partial tender offer. This is regarded as the first transaction performed under the Notification of the Capital Market Commission No. TorJor. 3/2552 re: Special stipulations governing securities holding for business take-over to alleviate adverse effects from overseas financial crisis. Apart from the aforesaid jobs, the company and the Investment Banking Department of Trinity Securities Co., Ltd. provided advice in relation to business valuation and feasibility study of investment projects to both listed and non-listed companies of various industries e.g. information technology industry and construction materials industry. In this regard, they were independent financial advisor to shareholders of Siam Agro Industry Pineapple and Others Plc. (“Siam Agro”) under which they provided advice and opinions in relation to the tender offer made by Thai Pineapple Canning Industry Corp., Ltd. and the delisting of Siam Agro’s ordinary shares off the Stock Exchange of Thailand. Additionally, the company and the Investment Banking Department of Trinity Securities Co., Ltd. were independent financial advisor to shareholders of Vinythai Plc. under which they provided advice and opinions on the tender offer made by Solvay Chemicals and Plastics Holding B.V.</p> |
| 2010 | <p>The company and the Investment Banking Department of Trinity Securities Company Limited were (i) a financial advisor to R C L Plc. for its Right Offering (RO) and Private Placement (PP); (ii) a financial advisor to Loxley Plc. for Loxley ‘s subsidiary ‘s valuation; (iii) an independent financial advisor to Thai Wah Food Products Plc. ‘s Shareholders and (iv) an independent financial advisor to Quality Construction Products Plc. ‘s Shareholders</p> |

(3) Trinity Information Company Limited holds a 49.95% stake in Asset Backed Holdings Co., Ltd. with another shareholder specializing in the securitization of assets. The aforesaid shareholder has no conflict of interest with the company.

Asset Backed Holdings Co., Ltd. was incorporated on 30 July 2002 with a registered and paid-up capital of Baht 100,000. It has made investments in the following entities which were established as vehicles for securitization.

| Company | Registration Date | Registered and Paid-up Capital (Baht) | % of Shareholding (Direct and Indirect) |
|-------------------------------------|-------------------|---------------------------------------|---|
| Conduit Management Services Limited | 27 Sept 2002 | 500,000 | 99.99 |
| Osprey Series II Co., Ltd. | 1 July 2003 | 10,000 | 99.3 |

In July 2009, Asset Backed Holdings Co., Ltd. sold its shares in DAD SPV Limited for DAD SPV Limited's shareholding restructuring. In this regard, pursuant to the Notification of the Office of Securities and Exchange Commission re: Allocation of revenue available from securitization scheme under the special purpose vehicle law, the company (Asset Backed Holdings Co., Ltd.) is required to transfer all remaining assets and interests to the scheme founder, Dhanarak Asset Development Co., Ltd., upon an expiration of a special purpose vehicle's status. Nevertheless, Conduit Management Services Limited still provides securitization management service for DAD SPV Limited.

On 1 September 2010, the company registered the business dissolution and liquidated NHA SPV II Limited due to the end of the securitization scheme of National Housing Authority of Thailand (NHA) Phase II and the debentures which were issued by NHA SPV II Limited under such scheme were completely redeemed.

Trinity Watthana Public Company Limited, as a securities issuer, conducts its business through an investment in other companies (a holding company) without engaging in any business directly. As such, the Company's main income derives from its subsidiaries, e.g. Trinity Securities Co., Ltd. which is regarded as the Company's core subsidiary. As a result, this information presentation will primarily focus on Trinity Watthana Public Company Limited and Trinity Securities Co., Ltd.

Revenue Breakdown

Consolidated revenue breakdown of Trinity Watthana Plc. and its subsidiaries in 2008 ,2009 and 2010

| Revenue | Generated By | Share- holding (%) | 2008 | | 2009 | | 2010 | |
|--|--|--------------------------|--------|--------|--------|--------|--------|--------|
| | | | MB | (%) | MB | (%) | MB | (%) |
| Advisory fees | Trinity Advisory 2001 and Trinity Securities | 99.99 99.99 | 11.99 | 2.89 | 5.60 | 1.54 | 22.41 | 4.95 |
| Income from securities business | Trinity Securities | 99.99 | 282.05 | 68.02 | 284.85 | 78.17 | 361.55 | 79.89 |
| Income from Derivatives business | Trinity Securities. Trinity Polaris Futures | 99.99 49.95 | 77.09 | 18.59 | 47.59 | 13.05 | 38.25 | 8.45 |
| Other income | Trinity Watthana Plc. Trinity Securities. Trinity Advisory 2001 Trinity Polaris Futures | 99.99 | 43.51 | 10.49 | 26.37 | 7.24 | 30.33 | 6.70 |
| Total | | | 414.64 | 100.00 | 364.41 | 100.00 | 452.54 | 100.00 |

Revenue breakdown of Trinity Securities Co., Ltd. In 2008, 2009 and 2010

| Revenue | 2008 | | 2009 | | 2010 | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|
| | MB | (%) | MB | (%) | MB | (%) |
| Brokerage fees | 223.19 | 59.95 | 294.43 | 80.82 | 344.65 | 75.14 |
| Fees and Services | 30.58 | 8.21 | 10.97 | 3.01 | 35.29 | 7.69 |
| Gain (loss) from securities trading | 22.76 | 6.12 | 1.61 | 0.44 | 17.12 | 3.73 |
| Gain (loss) from derivatives trading | 8.84 | 2.37 | 1.15 | 0.32 | 5.08 | 1.11 |
| Interest and dividend | 24.11 | 6.48 | 28.76 | 7.89 | 30.38 | 6.62 |
| Interest on Margin Loans | 41.29 | 11.09 | 16.23 | 4.46 | 18.59 | 4.05 |
| Other income | 21.52 | 5.78 | 11.14 | 3.06 | 7.55 | 1.65 |
| Total | 372.29 | 100.00 | 364.29 | 100.00 | 458.66 | 100.00 |

Major Changes in the Year 2010

Securities Business

Market Conditions and Competition in Securities Business

(1) Securities Brokerage Business

A daily average turnover for the year 2010 was Baht 29,066 million, or 59.47% increase when compared to that of year 2009. This turnover was considered the highest daily average turnover since the establishment of SET in 1975. The SET index increased from 734.54 points on the last business day of year 2009 to 1,032.76 points on the last business day of year 2010 or by 40.59%. However, in 2010, the proportions of turnover (both in SET and MAI) of local retail investors slightly increased; that is, the local retail investors' turnover accounted for 62% of SET total turnover and their net sell in 2010 was Baht 65,516 million which was increased from Baht 37,027 million in 2009.

On the other hand, in 2010, the turnover contributed by foreign investors dropped to 18.4% from 19.44% in 2009, and their net buy stood at Baht 81,415 million, compared to their net sell of Baht 38,013 million in 2009. The proprietary trading account of local institutional investors was quite stable, accounting for 12.0% and 7.6% of SET total turnovers in 2010 and 2009, respectively.

Presently, there are in total 35 companies which are licensed to operate securities brokerage business. In 2010, a sharp rise in the number of local retail clients had led the securities companies with retail client base to enjoy larger market share while the market share of securities companies with foreign client base decreased. Also, small securities companies have lost their market shares to large securities companies.

Summary of the Stock Exchange of Thailand in Years 2008, 2009 and 2010

Source: The Stock Exchange of Thailand

| | 2008 | 2009 | 2010 |
|--------------------------------|-----------|-----------|-----------|
| SET Index (points) | 450 | 735 | 1,033 |
| Market Capitalization (MB) | 3,568,223 | 5,912,231 | 8,389,812 |
| Total Turnover (MB) | 3,981,230 | 4,428,979 | 7,033,974 |
| Daily Average Turnover (MB) | 16,118 | 18,226 | 29,066 |
| Dividend Yield (%) | 6.57 | 3.65 | 2.92 |
| Price to Earnings Ratio (time) | 7.01 | 25.56 | 15.35 |
| Number of Listed Companies | 525 | 535 | 540 |

| | 2008 | 2009 | 2010 |
|--|--------|--------|--------|
| | | | |
| Number of Newly-Listed Companies (IPO)* | 12 | 17 | 11 |
| Market Capitalization of New Listings (IPO) (MB)* ** | 71,011 | 11,608 | 12,588 |

* Number and market capitalization of new listings, both in the Stock Exchange of Thailand and the Market for Alternative Investment (MAI)

** Market capitalization at IPO price includes newly listed property funds

Breakdown of SET Turnover by Type of Investor

Unit: MB

| Type of Investor | 2008 | | 2009 | | 2010 | |
|--------------------|-----------|---------|-----------|---------|------------|---------|
| | Turnover | % | Turnover | % | Turnover | % |
| Local Institution | 560,376 | 7.04% | 590,330 | 6.66% | 1,067,181 | 7.59% |
| Broker's Portfolio | 783,739 | 9.84% | 1,144,938 | 12.93% | 1,691,390 | 12.02% |
| Foreign | 2,319,423 | 29.13% | 1,721,757 | 19.44% | 2,588,294 | 18.04% |
| Local Retail | 4,298,922 | 53.99% | 5,400,934 | 60.97% | 8,721,029 | 61.00% |
| Total | 7,962,460 | 100.00% | 8,857,958 | 100.00% | 14,067,895 | 100.00% |

Trading Value and Market Share of Securities Companies 2009-2010

Source: The Stock Exchange of Thailand

| 2009 | | | 2010 | | |
|---------|---------------|------------------|---------|---------------|------------------|
| Company | Turnover (MB) | Market Share (%) | Company | Turnover (MB) | Market Share (%) |
| KIMENG | 922,859 | 10.68% | KIMENG | 1,579,680.54 | 12.76% |
| ASP | 493,029 | 5.71% | CGS | 735,436.72 | 5.94% |
| KTZ | 472,494 | 5.47% | ASP | 650,854.81 | 5.26% |
| PST | 441,288 | 5.11% | KGI | 575,663.52 | 4.65% |
| CGS | 417,361 | 4.83% | PST | 570,889.62 | 4.61% |
| PHATRA | 384,294 | 4.45% | KTZ | 569,681.15 | 4.60% |
| TNS | 378,114 | 4.38% | FSS | 560,482.04 | 4.53% |
| BLS | 352,289 | 4.08% | TNS | 557,730.32 | 4.51% |

| 2009 | | | 2010 | | |
|----------|---------------|------------------|----------|---------------|------------------|
| Company | Turnover (MB) | Market Share (%) | Company | Turnover (MB) | Market Share (%) |
| KGI | 335,534 | 3.88% | BLS | 540,634.09 | 4.37% |
| CS | 290,219 | 3.36% | PHATRA | 519,502.89 | 4.20% |
| AYS | 284,388 | 3.29% | CS | 495,654.47 | 4.00% |
| BFITSEC | 258,621 | 2.99% | UBS | 436,354.63 | 3.53% |
| UBS | 244,941 | 2.84% | KS | 429,985.07 | 3.47% |
| CNS | 224,244 | 2.60% | SCBS | 399,324.55 | 3.23% |
| TSC | 219,154 | 2.54% | TSC | 332,580.49 | 2.69% |
| SCBS | 215,898 | 2.50% | UOBKHST | 318,881.78 | 2.58% |
| KS | 206,777 | 2.39% | DBSV | 313,204.79 | 2.53% |
| GLOBLEX | 196,515 | 2.27% | CNS | 294,628.72 | 2.38% |
| MACQ | 189,460 | 2.19% | MACQ | 275,293.02 | 2.22% |
| FSS | 186,085 | 2.15% | GLOBLEX | 265,942.43 | 2.15% |
| DBSV | 173,836 | 2.01% | AYS | 261,789.46 | 2.12% |
| UOBKHST | 172,811 | 2.00% | CLSA | 231,558.85 | 1.87% |
| AIRA | 153,346 | 1.77% | KKS | 186,823.27 | 1.51% |
| CLSA | 149,906 | 1.74% | SICSEC | 183,257.16 | 1.48% |
| KKS | 135,984 | 1.57% | JPM | 160,205.96 | 1.29% |
| SICSEC | 128,952 | 1.49% | BFITSEC | 143,632.37 | 1.16% |
| JPM | 128,345 | 1.49% | TNITY | 140,380.91 | 1.13% |
| ACLS | 125,926 | 1.46% | AIRA | 130,813.24 | 1.06% |
| TNITY | 115,805 | 1.31% | CIMBS | 114,625.38 | 0.93% |
| SCIBS | 111,406 | 1.29% | SCIBS | 106,559.12 | 0.86% |
| FES | 91,762 | 1.06% | US | 103,552.20 | 0.84% |
| ZMICO | 89,536 | 1.04% | FES | 90,313.79 | 0.73% |
| IVG | 74,683 | 0.86% | IVG | 76,749.96 | 0.62% |
| MERCHANT | 71,196 | 0.82% | ACLS | 19,799.71 | 0.16% |
| FINANSA | 68,022 | 0.79% | MERCHANT | 4,038.01 | 0.03% |
| US | 66,736 | 0.77% | | | |

| 2009 | | | 2010 | | |
|---------|---------------|------------------|---------|---------------|------------------|
| Company | Turnover (MB) | Market Share (%) | Company | Turnover (MB) | Market Share (%) |
| CIMBS | 62,094 | 0.72% | | | |
| CIMB-GK | 8,387 | 0.10% | | | |

Remarks: The trading volume from proprietary trading accounts has been excluded in market share calculation since November 2009.

The decrease of Trinity Securities Co., Ltd.'s market share from 1.31 % to 1.13% was mainly caused by the exclusion of the trading volume under the company's proprietary trading account in the market share calculation which was required by SET and has been in use since November 2009. If the trading volume under the company's proprietary trading account was included, the company's market share would slightly decrease from 1.31% to 1.27% only. Nevertheless, the trading volume made by the company's clients increased, compared to that of 2009. In 2010, the company's target client base was retail investors which include both individuals and corporate, and these clients represented the Company's core client base whose turnover had increased by 37.36% from that of year 2009. Also, there was a considerable increase in the trading activities under the company's proprietary trading account by 176.46%. In this regard, 81.68% of the company's clients have a cash account and 5.88% of the company's clients have trading through credit balance account. The internet trading had a trading volume that accounts 12.44% of overall volume. In the past year, the company was not overly dependent on any large account and no single account was over 10% of the total trading volume.

Breakdown of Turnover Classified by Client

Unit: MB

| Type of Client | 2008 | | 2009 | | 2010 | |
|-------------------|------------|--------|------------|--------|------------|--------|
| | Turnover | % | Turnover | % | Turnover | % |
| Local Retail | 82,228.14 | 46.27 | 86,453.83 | 74.65 | 118,755.78 | 66.65 |
| Local Institution | 9,174.21 | 5.16 | 14,864.90 | 12.84 | 19,003.29 | 10.67 |
| Foreign | 404.17 | 0.23 | 800.23 | 0.69 | 2,579.18 | 1.45 |
| Others | 85,916.48 | 48.34 | 13,685.86 | 11.82 | 37,836.57 | 21.24 |
| Total | 177,723.00 | 100.00 | 115,804.82 | 100.00 | 178,174.82 | 100.00 |

Remarks: "Others" refers to Trinity Securities Co., Ltd.'s proprietary trading.

Breakdown of Turnover Classified by Account

Unit: MB

| Type of Account | 2008 | | 2009 | | 2010 | |
|--------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | Turnover | % | Turnover | % | Turnover | % |
| Cash Account | 161,970.50 | 91.14 | 95,485.53 | 82.45 | 145,527.47 | 81.68 |
| Credit Balance Account | 7,095.58 | 3.99 | 8,727.98 | 7.54 | 10,473.53 | 5.88 |
| Internet Trading Account | 8,656.92 | 4.87 | 11,591.31 | 10.01 | 22,173.82 | 12.44 |
| Total | 177,723.00 | 100.00 | 115,804.82 | 100.00 | 178,174.82 | 100.00 |

(2) Underwriting Business

The company's main underwriting activities in years 2009 and 2010 were summarized and set out below.

In 2009, the income from the underwriting business declined when compared to that of year 2008 as a result of the SET high volatility which caused many companies to delay their listings. In this year, the company was an underwriter of short term debentures issued by Osprey Series II Co. Ltd. which was under the securitization scheme of the National Housing Authority.

In 2010, the company earned service fee from being an underwriter(right issue) for the private placement of RCL Plc.

(3) Private Fund Asset Management

Up to the present, the Office of Securities and Exchange Commission (SEC) has granted 45 licenses for provision of private fund management service. Nevertheless, it is not easy to set up a working unit to deal particularly with private fund management due to a limited number of personnel and capital fund. Also, an investment follow-up system requires a relatively high investment fund. Additionally, if a company wishing to provide the private fund management service does not have a large client base or if it does not have connection with large commercial banks nor is it in the banks' network, an establishment of a new private management fund is quite difficult given that the majority of clients are the bank's clients. In other words, without (proper) economy of scale, it is not possible for such company to earn sufficient income or it may take long time before the company could earn sufficient income as targeted. Because of these facts, many companies providing the private fund management service decided to end or cease the provision of this service by transferring this service to asset management companies. Presently, there are only 26 active companies providing private fund management service, among which 21 are asset management companies and 5 are securities companies.

As of 31 December 2010, the Trinity Securities Co., Ltd. provided private fund asset management service to 52 clients with the total net asset value rising from Baht 320 million at the end of year 2009 to Baht 638 million at the end of year 2010.

(4) Securities and Derivatives Trading

Trinity Securities Co., Ltd. invested in both short-term debt instruments whose term is not longer than 90 days and long-term debt instruments such as government bonds and debentures, including the securities listed for trading purpose and derivatives falling within the scope of the derivatives brokerage business which was transferred from Trinity Polaris Futures Co., Ltd. in December 2008.

In 2010, the company generated income from its investment in equity instruments, derivatives and fixed income in the total of Baht 43.85 million which already included trading profit and loss, interest income and dividend from the investments. As at 31 December 2010, the company's investment in fixed income for trading purpose and available for sale was Baht 386.09 million while the company's investment in equity instruments and mutual funds stood at Baht 153.79 million and Baht 5.53 million, respectively, and the off-balance sheet fair value of derivatives was at Baht 135.81 million.

(5) Securities Borrowing and Lending Business (SBL)

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

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

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

As at the end of 2010, there were 113 clients opening securities borrowing and lending accounts with the company.

Outlook for Securities Business in 2011

Generally, the revenue structure of a securities company consists of brokerage fees, fees and service income from investment banking, gain from portfolio investment and fees from private fund management service. Based on the above revenue structure, it is obvious that the growth of a securities business is closely linked with the performance of the capital market.

The outlook of securities business is, therefore, directly related to SET index. Also, the daily average turnover in the SET has a strong correlation with the earnings of securities companies. Past statistics indicate that total turnover is correlated with the market capitalization; that is, the total turnover generally amounts 2 times the market capitalization. Hence, daily average turnover will increase as the SET index increases as a result of the rise in securities prices and will increase as well when new listings are added to the market. These two factors will result in a larger total market capitalization. However, since 2005, the total turnover has been lower than the double amount of market capitalization. This lower amount was caused by the country's instable domestic economic and political situation and the investors' lack of confidence.

In 2010, a fund raising through an issue of equity instruments in both primary and secondary markets was Baht 90,355.6 million which was increased from that of year 2009 by 156.8%. This increase resulted from an economic recovery and SET improvement. In 2010, there were 11 new companies (4 companies in SET and 7 companies in MAI) and 4 new property funds listed on the Stock Exchange of Thailand with a total fund raising of Baht 12,587.6 million, compared to Baht 11,607.6 million of year 2009 when there were 17 new companies and 5 new property fund listed on the Stock Exchange of Thailand.

In 2010, the total market capitalization (calculated at IPO price) in both SET and MAI stood at Baht 77,768.1 million which was increased by 243% from that of the previous year. The industries making the highest amount of fund raising were property and construction group whose fund raising reached Baht 30,798.1 million (which was mainly derived from BTS Group Holdings Plc. (BTS)), followed by service industry whose fund raising amounted to Baht 30,595.4 million (which was mainly derived from THAI Airways International Plc. (THAI)).

In 2011, it was forecast that the investment situation in SET would be affected by the inflow and outflow of investment funds as well as local and global economic situations. Although Thai economy has shown a steady expansion, it is advisable to keep a weather eye on the US's economic recovery and public debt problem of European countries. An upward adjustment of interest rate in accordance with the rising inflation is another factor to keep an eye on. Additionally, in 2011, Thailand will have a general election which implies that the political stability both before and after the election must be taken into consideration. The dispute over the land between Thailand and

its neighbor which becomes more intense now is the other factor requiring attention. It was also forecast that there would be various fluctuations in SET and the SET turnover in the first half of the year would be lower than that of year 2010. However, if the domestic political situation returns to its normalcy, the dispute with its neighbor is peacefully settled and the government successfully increases the investors' confidence, it is expected that the investment in SET would be better in the second half of the year.

Competition in Securities Business

The change to sliding-scale commission fee calculation which became effective from 1 January 2010, including the liberalization of securities brokerage commissions which will take effect on 1 January 2012 have resulted in a more intense competition in securities business since 2010. Accordingly, each securities company is urged to enhance the quality of its services both in terms of investment advice and securities research to be of high quality, including to maintain its current client base and to offer a wider range of investment products which are in the interest of its clients in order to create more opportunities and varieties in investment strategies and to generate higher returns on investment to its clients. Additionally, each securities company is required to develop its internal working system to meet severe competition and to increase its capacities in financial advisory and securities underwriting. Also, it is expected that securities companies would compete one another in the private fund management business and each company would offer a more variety of financial products and services in both capital and financial markets.

Because of the forecast that the operating results of listed companies in 2011 would be better than those in 2010 and the financial liquidity would be high, including the low interest rate at present, it was believed that the private fund management business would continue growing with high net worth group as its core client base. If any small entrepreneurs which do not have client base or market share comparable to those of commercial banks or asset management companies under commercial banks' supervision desire to attract new clients, they need to show that they have always maintained high performance in investment or a continual high track record in order to attract new clients to use their services instead of those offered by fund managers backed by commercial banks or renowned asset management companies.

The company commenced this business 5 years ago and the funds managed by the company have enjoyed continuous growth. Therefore, it can be assured and proven that the asset under management by Trinity Securities Co., Ltd. can provide satisfactory yields to investors.

Business Strategy

Trinity Securities Co., Ltd. is firmly committed to compete in the securities brokerage business to accomplish two goals: to increase its local retail client market share and to expand its client base to cover more institutional investors. To achieve these goals, the company strives to enhance and offer investment information that is accurate, comprehensive and timely, to boost its sales staff's calibers to be of high quality and expertise in introducing various types of financial instruments as alternatives for investment i.e. equity shares, fixed income and derivatives such as stock futures, gold futures, to the clients, including to provide securities brokerage support services such as securities borrowing and lending, private fund management and securities underwriting. At present, there are 10 branches in Bangkok and upcountry, covering 10 provinces. Additionally, the company developed tools for investment decision-making called "Smart Signal"/ "Smart Port" with training on how to use such tools for the company's staff and a seminar for clients. Also, the company has increased before and after trading services via www.trinityquicktrade.com.

Financial Advisory Business

Competition in Financial Advisory Business

2010 was considered another bearish year for the financial advisory business which was mainly caused by the political turmoil in the first half of the year. The total number of newly listed companies/property funds on the Stock Exchange of Thailand (SET) and Market for Alternative Investment (MAI) was 15, decreased from 22 of year 2009. However, the fund raising through equity instruments by the above newly listed companies/property funds in both SET and MAI collectively amounted to Baht 90,356 million which was increased by 156.8% from year 2009. This increase was mainly derived from the fund raisings in the secondary market by BTS Group Holdings Plc. (BTS) and THAI Airways International Plc. (THAI).

Financial Advisory Services

In 2009, Trinity Advisory 2001 Co., Ltd. and the Investment Banking Department of Trinity Securities Co., Ltd. were a financial advisor to Bangkok Commercial Asset Management Co., Ltd. (BAM) for its business plan study and a financial advisor to the executive management of Supalai Plc. pertaining to an acquisition of securities in Supalai Plc. by means of partial tender offer. This is regarded as the first transaction performed under the Notification of the Capital Market Commission No. TorJor. 3/2552 re: Special stipulations governing securities holding for business take-over to alleviate adverse effects from overseas financial crisis. Apart from the aforesaid jobs, the company and the Investment Banking Department of Trinity Securities Co., Ltd. provided advice in relation to business valuation and feasibility study of investment projects to both listed and non-listed companies of various industries e.g. information

technology industry. In this regard, they were independent financial advisor to shareholders of Siam Agro Industry Pineapple and Others Plc. ("Siam Agro") under which they provided advice and opinions in relation to the tender offer made by Thai Pineapple Canning Industry Corp., Ltd. and the delisting of Siam Agro's ordinary shares off the Stock Exchange of Thailand. Additionally, the company and the Investment Banking Department of Trinity Securities Co., Ltd. were independent financial advisor to shareholders of Vinythai Plc. under which they provided advice and opinions on the tender offer made by Solvay Chemicals and Plastics Holding B.V.

In 2010, the company and the Investment Banking Department of Trinity Securities Company Limited were financial advisor to various industries. For instance, they were (i) a financial advisor to R C L Plc. for its Right Offering (RO) and Private Placement (PP); (ii) a financial advisor to Loxley Plc.'s for Loxley 's subsidiary 's valuation (iii) an independent financial advisor to Thai Wah Food Products Plc.' Shareholders and (iv) an independent financial advisor to Quality Construction Products Plc. ' Shareholders

Competition in Financial Advisory Business

Given that currently there are over 70 companies licensed by the Office of Securities Exchange Commission to engage in the financial advisory business, plus a certain amount of independent groups engaging in this business, the competition in financial advisory business was extremely intense. To meet this intense competition, the company has placed an emphasis on the quality of the work, including experience and expertise of its staff, network relation and creativity to offer new types of financial instruments.

Business Strategy

Trinity Advisory 2001 Co., Ltd. and the Investment Banking Department of Trinity Securities Co., Ltd. have a policy to offer a full range of services to its clients by fostering a close working relationship through its Corporate Client program. The clients will be served on an ongoing basis and the services offered by the company are diversified to cover all aspects whether fund raising through equity or debt instruments, securitization of assets or providing financial advisory service on mergers and acquisitions. The company also has a policy to conduct research on new products/services to be served as financial instruments such as derivatives that can help a business to reduce its risks of cost management. The company is confident that possessing high caliber staffs with experience and know-how can help the company compete in providing quality services to clients.

Derivatives Brokerage Business

Market Conditions and Competition in Derivatives Brokerage Business

Thailand Futures Exchange Plc. (TFEX) enjoyed a continuous growth in 2010. That is, the total trading volume of derivatives contracts in year 2010 was 4,519,436 contracts or equivalent to 18,676 contracts a day which was increased by 46.24% from those of the end of year 2009, i.e. 12,771 contracts a day. This increase was considered 22.74 times the trading volume in year 2006 which was the first year of derivatives trading in TFEX. In other words, from its commencement, TFEX has a compound annual growth rate (CAGR) at 98.46%. In 2010, the most popular traded derivatives remained the same as last year, i.e. SET50 Index futures which accounted for 55% of TFEX turnover, followed by gold futures and single stock futures whose proportions in TFEX were 10.1% and 4.7%, respectively which were increased from 2009, the first year of their trading. Nevertheless, option trading did not gain much interest from investors and it accounted for 2.4% of TFEX turnover in 2010 which was slightly dropped from 3.1% in 2009. In addition, in 2010, TFEX launched a new product, i.e. interest rate futures, which has not become popular among investors yet.

The growth in the TFEX turnover in 2010 resulted from the investors' better understanding of the products, an increase in proprietary trading account's number, the market situation which experienced various fluctuations and the rising gold price in the world market. Additionally, a launch of 10-Baht weighted gold futures in 2010 gained a lot of interest from investors. Also, there was an offer of additional underlying assets of single stock futures which are interest rates and government bonds. As a result, as at 30 December 2010, the total number of pending contracts on TFEX was 77,955 contracts with a total of 41,880 [active] derivatives accounts. This was increased by 42% from year 2009 when there were 29,546 contracts.

Still, the main investors in TFEX were local retail investors as in SET. In 2010, the local retail investors' turnover accounted for 57.21% of the market whereas the turnovers of the local institutional investors and foreign investors were 32.70% and 10.09%, respectively.

Currently, TFEX has 41 members which provide derivatives brokerage service whereby 36 of which are general members and 5 of which are gold futures members. In 2010, the company's market share as rated by trading volume ranked no.4 with a total value equivalent to 6.1% of TFEX turnover.

Summary of Derivatives Transaction

Source: Thailand Futures Exchange Plc.

| | 2008 | | | 2009 | | | 2010 | | |
|--|-----------|---------|-----------|-----------|---------|-----------|-----------|---------|-----------|
| | Futures | Options | Total | Futures | Options | Total | Futures | Options | Total |
| Trading volume (contracts) | 2,102,936 | 45,684 | 2,148,620 | 2,979,814 | 95,504 | 3,075,318 | 4,412,119 | 107,317 | 4,519,436 |
| Pending (contracts) | 22,274 | 473 | 22,747 | 27,979 | 302 | 28,281 | 77,158 | 797 | 77,955 |
| No. of transactions (transactions) | 1,072,088 | 24,485 | 1,096,573 | 1,476,295 | 46,477 | 1,522,772 | 1,833,803 | 53,875 | 1,887,660 |
| Daily average trading volume (contracts) | 8,652 | 185 | 8,837 | 12,378 | 393 | 12,771 | 18,233 | 443 | 18,676 |
| Daily average no. of transactions (transactions) | 4,462 | 99 | 4,561 | 6,139 | 191 | 6,330 | 7,578 | 223 | 7,801 |

Breakdown of TFEX Trading Volume Classified by Types of Product

| Trading Volume (Contracts) | 2008 | | 2009 | | 2010 | |
|----------------------------|-----------------|--------|-----------------|--------|-----------------|--------|
| | No. of Contract | % | No. of Contract | % | No. of Contract | % |
| Futures | 2,102,936 | 97.87% | 2,979,814 | 96.89% | 4,412,119 | 97.63% |
| - Gold | - | - | 311,591 | 10.13% | 971,423 | 21.49% |
| - Interest Rate | - | - | - | - | 41 | 0.00% |
| - Single Stock | 3,838 | 0.18% | 145,758 | 4.74% | 969,353 | 21.45% |
| - SET50 Index | 2,099,098 | 97.70% | 2,522,465 | 82.02% | 2,471,302 | 54.68% |
| Options | 45,684 | 2.13% | 95,504 | 3.11% | 107,317 | 2.37% |
| - SET50 Index | 45,684 | 2.13% | 95,504 | 3.11% | 107,317 | 2.37% |
| - Call | 21,229 | 0.99% | 47,218 | 1.54% | 55,166 | 1.22% |
| - Put | 24,455 | 1.14% | 48,286 | 1.57% | 52,151 | 1.15% |
| Total (contracts) | 2,148,620 | 100% | 3,075,318 | 100% | 4,519,436 | 100% |

Breakdown of TFEX Turnover Classified by Investor

Unit: Contract

| Type of Investor | 2008 | | 2009 | | 2010 | |
|--------------------|-----------|--------|-----------|--------|-----------|--------|
| | Turnover | % | Turnover | % | Turnover | % |
| Retail | 2,430,872 | 56.57 | 3,711,079 | 60.34 | 5,171,434 | 57.21 |
| Local Institutions | 1,133,686 | 26.38 | 1,746,976 | 28.40 | 2,955,662 | 32.70 |
| Foreign | 732,682 | 17.05 | 692,581 | 11.26 | 911,776 | 10.09 |
| Total | 4,297,240 | 100.00 | 6,150,636 | 100.00 | 9,038,872 | 100.00 |

Derivatives Turnover and Market Share of TFEX's Members in 2009 and 2010

Source: Thailand Futures Exchange Plc

| 2009 | | | 2010 | | |
|---------|-------------------------------|---------------------|---------|-------------------------------|---------------------|
| Company | Trading Volume (Contracts) | Market Share (%) | Company | Trading Volume (Contracts) | Market Share (%) |
| KEST | 660,970 | 10.75% | GBS | 1,211,266 | 13.40% |
| PST | 602,565 | 9.80% | PST | 835,699 | 9.25% |
| KGI | 478,790 | 7.78% | KEST | 715,188 | 7.91% |
| TNITY | 458,912 | 7.46% | TNITY | 551,623 | 6.10% |
| GBS | 446,469 | 7.26% | KGI | 509,403 | 5.64% |
| PHATR | 275,795 | 4.48% | PHATR | 437,176 | 4.84% |
| BLS | 241,870 | 3.93% | KTZ | 381,436 | 4.22% |
| ASP | 214,069 | 3.48% | ASP | 353,090 | 3.91% |
| TNS | 210,120 | 3.42% | MTSGF | 292,444 | 3.24% |
| KTZ | 197,156 | 3.21% | CGS | 292,153 | 3.23% |
| JPM | 155,412 | 2.53% | BLS | 275,425 | 3.05% |
| SCBS | 148,809 | 2.42% | AFC | 271,368 | 3.00% |
| KKS | 145,442 | 2.36% | FSS | 263,611 | 2.92% |
| ACLS | 131,277 | 2.13% | TNS | 197,180 | 2.18% |
| CNS | 127,746 | 2.08% | CS | 187,776 | 2.08% |
| AYS | 122,907 | 2.00% | BSEC | 169,732 | 1.88% |

| 2009 | | | 2010 | | |
|---------|-------------------------------|---------------------|---------|-------------------------------|---------------------|
| Company | Trading Volume (Contracts) | Market Share (%) | Company | Trading Volume (Contracts) | Market Share (%) |
| CS | 120,783 | 1.96% | JPM | 154,683 | 1.71% |
| CGS | 119,650 | 1.95% | YLG | 150,606 | 1.67% |
| SSEC | 114,705 | 1.86% | SCIBS | 149,424 | 1.65% |
| FSS | 103,506 | 1.68% | KS | 146,422 | 1.62% |
| KS | 102,550 | 1.67% | CNS | 123,283 | 1.36% |
| BSEC | 96,544 | 1.57% | KKS | 122,872 | 1.36% |
| MPSEC | 94,071 | 1.53% | SCBS | 122,779 | 1.36% |
| SCIBS | 88,786 | 1.44% | FES | 120,957 | 1.34% |
| UBS | 82,375 | 1.34% | HGF | 117,901 | 1.30% |
| TSC | 74,799 | 1.22% | AYS | 107,899 | 1.19% |
| AFC | 74,620 | 1.21% | DBSV | 103,488 | 1.14% |
| MTSGF | 65,195 | 1.06% | GTWM | 82,093 | 0.91% |
| YLG | 50,659 | 0.82% | UBS | 78,151 | 0.86% |
| DBSV | 48,984 | 0.80% | UOBFT | 77,932 | 0.86% |
| FSL | 41,652 | 0.68% | ACLS | 75,751 | 0.84% |
| AIRA | 40,466 | 0.66% | TSC | 66,978 | 0.74% |
| ZMICO | 39,312 | 0.64% | SSEC | 66,044 | 0.73% |
| HGF | 37,949 | 0.62% | US | 58,606 | 0.65% |
| FES | 33,033 | 0.54% | UOBKH | 52,423 | 0.58% |
| UOBKH | 23,405 | 0.38% | CLSAT | 50,844 | 0.56% |
| UOBFT | 20,220 | 0.33% | AIRA | 40,759 | 0.45% |
| CLSAT | 16,241 | 0.26% | CIMBS | 16,695 | 0.18% |
| CIMBS | 15,142 | 0.25% | IVG | 7,173 | 0.08% |
| GTWM | 14,995 | 0.24% | MPSEC | 539 | 0.01% |
| US | 8,943 | 0.15% | | | |
| IVG | 3,742 | 0.06% | | | |

Outlook for Derivatives Brokerage Business in 2011

It was forecast that in 2011 the trading volume in TFEX would continue increasing with a target daily average transactions of over 20,000 contracts, compared to the daily average transactions of 18,676 contracts in 2010. TFEX's growth in 2010 was strongly associated with a rapid growth of single stock futures whose trading volume was 5.6 time increase from 145,758 contracts in 2009 to 969,353 contracts in 2010. The rapid growth of single stock futures resulted from the facts that the investors have become more familiar with the product and it could be served as another alternative for investment and risk management when SET was extremely bullish. Additionally, gold futures became more popular among investors as evidenced by a nearly double trading volume, i.e. from a daily trading volume of 1,397 contracts in 2009 to 4,014 contracts a day in 2010 which was equivalent to Baht 3,143 million. This popularity resulted from a launch of 10-Baht weighted gold futures in August 2010 and the "Gold Futures Roadshow" which was implemented to continually provide and enhance investors' knowledge of TFEX in all regions. A daily average trading volume of 10-Baht weighted gold futures was 1,716 contracts, equivalent to Baht 327 million. In 2010, TFEX also accepted six new members which are specialized in gold futures trading to support gold futures trading and to provide investors with more channels of investment.

In 2011, TFEX commits itself to enhancing product liquidity by jointly organizing trading promotion activities with its member companies in order to provide knowledge and trading strategies to investors; supporting a production of wide range of comprehensive research on TFEX products; launching new products for trading in TFEX as additional investment alternatives to investors e.g. silver and oil futures as well as extending the trading period to cover night time so as to allow the clients whose underlying assets of their trading products are commodities which are traded constantly and worldwide, e.g. gold and silver, to better manage their risks.

It was forecast that the competition in derivatives brokerage business in year 2011 would be more intense due to the liberalization of securities brokerage commissions which may force TFEX member companies to increase their income from TFEX to compensate the income previously available from securities trading in SET. Also, TFEX's policy to recruit additional members could be one main factor driving the competition in TFEX to be stronger than the previous year.

Business Strategy

Trinity Polaris Futures Co., Ltd. has a policy to be a leader in the derivatives brokerage business. In this regard, the company set its business strategy by focusing on providing an efficient trading system, especially the internet trading system through the following website: www.trinityquicktrade.com under the program called "iWinner" which has been developed by the company to facilitate and enable the clients to have adequate information from

both equities and derivatives and can made a trading transaction on the same PC screen. Additionally, the company plans to develop relevant tools and offer accurate, comprehensive and timely information so as to equip its clients with information necessary for making a proper investment decision. The company also introduced a new tool called “Smart Signal” which is designed and applied a quantitative analysis and academic research to help clients make decision for investment in SET50 Index Futures. In 2011, the company has a policy to offer an additional decision-making tool for derivatives under the product so called “Smart Port” which had applied a quantitative analysis and academic research for investment signal and to enhance the caliber of its employees through the training courses on a new financial instruments which can help them to provide service and facilitate the company’s clients to the maximum extent.

Risk Factors

1. Risks in Securities Business

(1) Risks from SET's Fluctuation and Economic Situation in Thailand

As of 31 December 2010, Trinity Watthana Plc.'s main income derived from (i) equity and derivatives brokerage income, (ii) service income from advisory and underwriting businesses, and (iii) income from proprietary portfolio in securities and derivatives which were equivalent to 75.10%, 4.88% and 9.55% of the Company's total income, respectively. The aforesaid income structure indicates that the Company has been exposed to risks from the fluctuation within SET and TFEX, including economic and political situations, both locally and internationally. If any of the aforesaid factors negatively affects the investors' confidence, the securities' and derivatives' trading volume will be lower which will lead to lower turnovers. Accordingly, the brokerage fees that the Company would earn from its securities and derivatives businesses will decline as well.

To cope with the fluctuation, Trinity Watthana Plc. has a policy to invest more in securities, both listed and non-listed securities and to increase its income-generating source by offering a private fund management service, a fixed income trading service and agency service for unit trust in order to provide diversification and reduce risk from dependence on brokerage income. At the same time, the provision of the aforesaid services can be regarded as an offer of additional services to existing clients as well as a market expansion to attract new clients.

(2) Risks from Competition in Securities Business

It is expected to see an intense competition in the securities business due to a large number of securities company, which are 38 at present and major of them have a retails based customers. Since 1 January 2010, the brokerage commission fee which was previously fixed at 0.25% and 0.15% for general and online trading, respectively, has been replaced by the sliding scale commission rate which will be implemented for 2 years before a kick-off of the liberalization of brokerage commission in 2012.

To compete in providing quality services, Trinity Securities Co., Ltd. has set an objective of actively building and expanding its client base whether individuals, corporate or institutions. This includes emphasizing the quality of research in order to provide clients with high quality and timely information for investment decision as well as offering an alternative investment on derivatives in TFEX when appropriate. This would enhance the clients' opportunity to gain from their investment even though the market went down. The company is also set to raise the caliber of the marketing team through training. All the new financial products have been introduced and educated to our marketing

staff such as Single Stock Futures, Gold Futures, Securities Borrowing and Lending (SBL) in order to offer clients more alternatives for investment that will be suited to their needs. The company also establishes a call center to provide clients with various marketing activities, training for all new financial products, and to assist problem handling. Communication channels will also be emphasized in expediting the flow of vital information to the clients.

(3) Risks from Underwriting

The risk from the underwriting arises when an underwriter fails to offer all securities as intended. In such case, an underwriter is obliged to accept and book the remaining securities as its investment, and this may weaken its liquidity position and there will be gain or loss from the disposal of those securities. In 2010, Trinity Securities Co., Ltd. was an underwriter of equity instrument issued under a private placement for 1 company, and there was no remaining securities for which Trinity Securities Co., Ltd. had to book in its portfolio account.

However, in order to reduce any possible risks in the future, the Company has set a policy in relation to its underwriting business; that is, details of the securities, including offering price and market conditions must be thoroughly considered and analyzed, a survey on needs of clients and investors must be conducted, and a securities underwriting proposal must be submitted to the Investment Committee for consideration prior to giving acceptance to be an underwriter of any securities.

(4) Risks from Default Payment

Factors giving rise to risks from clients' default payment in securities business include SET's condition and stock speculation, especially the net settlement trading during a bear market. The Company attempted to reduce the aforesaid risks by placing a strong emphasis on client acceptance consideration process in order to select creditworthy clients. Furthermore, a credit line is established which is commensurate with the client's financial position or collateral balance. Stringent rules for credit balance selection, requirement for additional and forced sale of collateral are also established and put in place when necessary. Additionally, a strict follow-up and action process will be taken in case where the clients are in default of payment.

In October 2008, SET's Index drastically plunged due to the financial crisis in the US. This plunge led to a decline in the values of the collaterals placed by the company's margin loan debtors. Additionally, owing to the drop of the securities' prices to their floors for 4 business days consecutively, the forced sale of collaterals as required by the company's rules was not possible. All of these had forced the company's debtors to enter into debt acknowledgement letters and to perform their debts in installments. As at 31 December 2010, Trinity Securities Co., Ltd.'s obligations which exceeded the collaterals' values and for which doubtful-debt allowance must be set was Baht

153.50 million or equivalent to 16.43% of the company's capital fund. In this regard, the company had already set allowance for doubtful account for the above debt in full after deducting the collateral value thereof.

(5) Risks from Investment Due to Change in Securities and Derivatives Prices, Interest Rate and Foreign Exchange Rate

The Company and its subsidiaries have short-term and long-term investments in securities for trading and available-for-sale, including derivatives in TFEX. These investments are priced at their fair values. The Company calculates the fair values of their investments in securities for trading and available for sales from the last bidding prices of those securities on SET at the end of the last business day of the year, and the fair value of unit trust is calculated from net asset value of the fund at the end of the year. Based on the above calculation method, the value of securities may change in accordance with changes in prices or interest rates on the last business day of the year. In addition to the investments in securities and derivatives, the Company also invests in foreign currency. In order to calculate the value of its investment in foreign currency, the Company bases its calculation on the foreign exchange rate announced on the last business day of the year by the Bank of Thailand or on the forward contract in case that the Company has executed the contract in order to reduce the risk posed by foreign exchange rate.

Pursuant to the Company's balance sheet ended on 31 December 2010, the Company's total investment in securities was Baht 573.87 million or 26.13% of total assets which was decreased from Baht 602.18 million or by 36.36% of the year 2009. The aforesaid investment was divided into an investment in fixed income, e.g. promissory notes, bills of exchange given aval by bank and debentures which was increased from Baht 297.75 million to Baht 398.76 million or by 69.49% of the total investment; an investment in listed securities which was increased from Baht 38.90 million to Baht 158.29 million; an investment in other securities and mutual funds in the amount of Baht 13.33 million. On the other hand, the Company's investment in its affiliates was decreased to Baht 241.23 million due to the Company's sale of its shares in Thai Laminate Manufacturer Co., Ltd. in 2010.

In 2010, the Company gained a total return on investment of Baht 38.98 million; of which (i) Baht 29.08 million was attributable to trading profits; (ii) Baht 21.01 million was interests and dividends from securities held for trading and available-for-sale; (iii) Baht 11.31 million was unrealized losses from investment for trading; and (iv) Baht 0.20 million was unrealized profit presented in shareholders' equity. In addition, the Company recognized the gain of Baht 6.40 million under the equity method from its investment in affiliates. Also, given that the Company has invested in derivatives and foreign currency, as of 31 December 2010, the off-balance sheet fair value of such derivatives was Baht 135.81 million and the investment in foreign currency according to the forward contract was Baht 15.11 million with the return from the investment in the amount of Baht 5.08 million.

The short-term and long-term investments in securities and derivatives for which the Company is required to present at their fair values may pose risks from change in prices, foreign exchange rate and interest rates of the securities and derivatives. In this regard, the Company has a policy to control risk and limit loss of each security and each account. Also, the Company requires that its proprietary account manager regularly report the investment strategies and associated risks to the Company's Proprietary Committee so as to ensure that the risks from the Company's investments are at acceptable level.

(6) Risks from Staff Turnover

The Company's main income derives from securities and derivatives business. In 2009 and 2010, the income from securities and derivatives business represented 94.94% and 88.34% of the combined income of the Company and its subsidiaries, respectively. Personnel are regarded as a vital factor for the operation and expansion of the securities and derivatives business which is a service business. It is expected that personnel poaching would become more intense after the liberalization of this industry.

Nevertheless, to reduce this risk, the Company has a policy to enhance knowledge of its personnel at all levels on a continual basis to increase and develop the personnel's competency as well as to cultivate a sense of loyalty in them. Additionally, the Company provides remuneration packages and other standard benefits which are suitable and competitive in the market.

(7) Risks from Failure or Disruption of Securities and Derivatives Trading System

Securities and derivatives trading system is a computer system essential for operating the Company's businesses. Any disruption or failure of the system certainly has direct impacts on clients as well as the Company's operation and credibility. Presently, the Company has provided a sound and sufficient computer system management and IT staff to support the Company's businesses. In doing so, the Company has set policies and compliances regarding IT security which have been approved by the Company's Board of Directors. Such policies and compliances include an establishment of back-up office (Disaster Recovering Center: DRC) at Rama II branch to provide support in case of the head office's system failure or disruption, a measure to prevent any unauthorized access to significant information, a provision and restoration of back-up information and an installation of security system for the computer center at the head office.

In 2010, Trinity Securities Co., Ltd. experienced 1 disruption of the securities trading system which was caused by the system maintenance and upgrade that was performed on the company's actual trading system, rather than the test system as it was originally intended. This disruption resulted in a temporary suspension of the trading

system. In order to prevent this kind of disruption from happening again, the company required that the computer system for testing and operating must be completely separated. With regard to the derivatives trading system, Trinity Securities Co., Ltd. encountered a problem of failing to open the system in time due to inconsistency between the dates in the server which was caused by the system's test run performed to support new products. To prevent this kind of problem, an additional requirement that the dates on all server computers must be checked prior to opening the system is stipulated.

(8) Risks from Business Operating under Strict Rules, Regulations, Notifications and Supervision from the Regulatory Authorities

Trinity Securities Co., Ltd., and Trinity Advisory 2001 Co., Ltd. are the Company's subsidiaries which operate securities business, financial advisory business and derivatives brokerage business, respectively. These three types of business are under the supervisions of the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and Thailand Futures Exchange Plc. (TFEX). As such, these subsidiaries are required to strictly comply with rules, regulations and notifications, both currently existing and those to be issued in the future, of these three regulatory authorities. The business operations of the three subsidiaries under stringent rules and regulations may pose significant risks and limitations on their business policies, business natures, business strategies, and future operation results.

In addition to the aforementioned risks and limitations, a business operation under stringent rules and regulations may expose these subsidiaries to superfluous responsibility resulting from the mistakes made by their staff, for instance, mistakes from securities trading operation, securities trading, securities underwriting and financial advisory activities. In these cases, each company may be required to be in charge of the fines or penalties or punishment such as warning, deducting score, suspending or canceling license; all of these may adversely affect the Company's operation. However, each of these three companies has established procedures to actively monitor its operation and oversee the conduct of its staff. In this regard, a staff manual and the audit and internal controls have been provided. An effective risk management has been always in place. With these things and activities, the Company is, therefore, confident that any material effects on the Company's operation are kept to the minimum extent. Up until the present, the Company has never faced any problems or accusations which result in a suspension or cancellation of its license.

2. Risks from Financial Advisory Business

In addition to the income from securities business, the Company enjoys incomes from financial advisory service from both Trinity Securities Co., Ltd. and Trinity Advisory 2001 Co., Ltd. In 2010, the income from this business comprised 4.88% of the combined income of the Company and its subsidiaries. The main risk in financial advisory business is that the company is required to be jointly responsible with its clients for disclosure of true, sufficient and comprehensive information to the public. The company has minimized this risk by focusing on the quality of its service; that is, the staff must be knowledgeable and capable as well as have profound experience so as to provide service to clients correctly and efficiently. The company also places emphasis on a study of the client's background prior to acceptance of any work.

Organization Structure

Trinity Watthana Public company Limited



Shareholding Structure

1. The Company 's securities and the right for voting

Trinity Watthana Public Company Limited

As of 31 December 20010, the Company's registered capital was Baht 914,125,000 and the Company's paid-up capital was Baht 877,760,000 which was divided into 175,552,000 ordinary shares with a par value of Baht 5 each. Each Company's ordinary share has equal voting right.

Trinity Securities Company Limited

As of 31 December 2010, the company's registered capital was Baht1,000 million which was fully paid up and divided into 100,000,000 ordinary shares with a par value of Baht 10 each.

2. Shareholders

According to the closing of share registration on March 11th, 2011, the list of top 10 shareholders are as follow.

| Name of Shareholders | Number of Shares | Percentage |
|---------------------------------------|--------------------|--------------|
| Krung Thai Bank Plc. | 34,125,000 | 19.44 |
| Raffles Nominees (PTE) Limited | 25,948,600 | 14.78 |
| Com-link Co., Ltd. ¹ | 24,915,000 | 14.19 |
| Thailand Equity Fund | 15,000,000 | 8.54 |
| Amethyst Holding Limited | 9,619,700 | 5.48 |
| Thai NVDR Co., Ltd. | 7,625,325 | 4.34 |
| Kovithvathanaphong Group ² | 7,935,000 | 4.52 |
| Mrs. Kanitha Subpa-Asa | 1,150,000 | 0.65 |
| Mr.Boonmee Piyathamwuthikul | 1,100,000 | 0.63 |
| Mr.Anuwat Paisakamas | 1,045,000 | 0.60 |
| Total | 128,430,025 | 73.16 |

Remarks :

1. Owners of Com-link Co., Ltd. with stakes over 10% include Mr. Siritaj and Mrs. Supin Rojanapruek (18.63%), Ms. Juthiporn Suksriwong (14.45%), Santiburi Co., Ltd. (10%) and others (56.93%).

2. Kovithvathanaphong Group² refers to Mr. Pakhawat Kovithvathanaphong, Ms. Panipak Kovithvathanaphong and Ms. Pranisa Kovithvathanaphong.

Trinity Securities Co.,Ltd.

The list of top 10 shareholders as of December 31st,2010 are as follow.

| Name of Shareholders | Number of Shares | Percentage |
|---------------------------------|--------------------|---------------|
| Trinity Watthana Plc. | 99,999,994 | 99.99 |
| Mr. Pakhawat Kovithvathanaphong | 1 | 0.00 |
| Mrs. Kanitha Subpa-Asa | 1 | 0.00 |
| Mr. Kampanart Lohacharoenvanich | 1 | 0.00 |
| Mr. Charnchai Kongthongluck | 1 | 0.00 |
| Ms. Suwannee Limpanavongsaen | 1 | 0.00 |
| Mrs. Niyada Changtrakul | 1 | 0.00 |
| Total | 100,000,000 | 100.00 |

3. Dividend Payment Policy

The company and its subsidiaries has the following dividend policy:

1. Trinity Watthana Plc. has a policy to pay a dividend of at least 30% of net profit for the year.
2. Trinity Securities Co., Ltd. has a policy to pay a dividend of at least 30% of net profit for the year.
3. Trinity Advisory 2001 Co., Ltd. and Trinity Information Co., Ltd. have a policy to pay a dividend at least 10% of net profit for a year.

The Company and subsidiaries have many committees such as the Board of Directors, the Audit Committee and the Nomination and Remuneration Committee. The Boards of Directors and Managements of the Company and subsidiaries are comprised of qualified persons possessing all qualifications specified under Section 68 of the Public Limited Company Act B.E. 2535 and the Notification of the Capital Market Advisory Board

A. Trinity Watthana Public Company Limited

1) Board of Directors

As of 31 December 2010, the Board of Directors consist of 11 members, namely

1. Mr. Sirin Nimmanahaeminda Chairman, Independent Director
and Chairman of the Audit Committee

| | |
|------------------------------------|--|
| 2. Mr. Panja Senadisai | Independent Director and the member of Audit Committee and Chairman of the Nomination and Remuneration Committee |
| 3. Mr. Pairote Varophas | Independent Director and member of the Audit Committee |
| 4. Mr. Pote Videtyontrakich | Director and member of the Nomination and Remuneration Committee |
| 5. Mr. Abhichart Arbhabhira | Independent Director and member of the Audit Committee |
| 6. Mr. Surachai Suksriwong | Director and member of the Nomination and Remuneration Committee |
| 7. Mr. Tawan Puntawong | Director and member of the Nomination and Remuneration Committee |
| 8. Mr. Panop Svetarundra* | Director |
| 9. Mr. Pakhawat Kovithvathanaphong | Director |
| 10. Mrs. Kanitha Subpa-Asa | Director |
| 11. Mr. Charnchai Kongthongluck | Director |

Notes : *appointed to be Director on 12 May 2010 and registered with the Ministry of Commerce on 25 May 2010

Ms. Suwannee Limpanawongsaen (Trinity Securities Co., Ltd.) serves as the Board's secretary.

The Company's Board of Directors are in charge of setting the Company's overall policies which will be served as guidelines to be complied with by other companies in the Group. The boards of directors of the companies in the Group, i.e. the Boards of Directors of Trinity Securities Co., Ltd., Trinity Information Co., Ltd., and Trinity Advisory 2001 Co., Ltd. are required to report the operations of their companies directly to the Company's Board of Directors.

Authorized Directors

To bind the Company, two of the following six authorized directors shall sign together with the Company's seal affixed: Mr. Sirin Nimmanahaeminda, Mr. Abhichart Arbhabhira, Mr. Surachai Suksriwong, Mr. Pakhawat Kovithvathanaphong, Mrs. Kanitha Subpa-Asa or Mr. Charnchai Kongthongluck.. (According to the Company's affidavit dated 25 May 2010)

Scope of Duties and Responsibilities of the Board of Directors of Trinity Watthana Plc.

1. To perform duties in accordance with relevant laws, the Company's objectives and articles of association, including legitimate resolutions of the general meeting of shareholders.

2. To establish business goals for the Group companies, to monitor, supervise and ensure that the Group companies operate their businesses in compliance with rules or regulations of related entities, to ensure a disclosure of adequate information to shareholders and all related parties and to ensure a transparent management for the utmost benefits of the shareholders.
3. To set targets, guidelines, policies, business plans and budgets for the Group companies and to supervise and ensure that the management of the boards of directors of the Group companies is in line with the assigned policies. An exception applies in the following cases where the Board of Directors are required to seek approval from the meeting of the shareholders prior to commencement: the matters required by the law to be passed by the resolution of the meeting of the shareholders such as capital increase/decrease; acquisition or transfer of a company's business; takeover or merger of a company's business with other persons, amendment to a company's memorandum of association or articles of association; or provision of remuneration to directors.
4. To set committees in the number deemed appropriate by the Board of Directors to supervise the Company's business as Audit Committee, Nomination and Remuneration Committee.
5. To appoint Chief Executive Officers and Presidents of the Group companies.
6. To appoint operational committees for certain types of works such as Credit Committee, Investment Committee and Proprietary Committee and to assign roles, responsibilities and authorities of such operational committees.
7. To approve a pledging of any assets or property of the Company or subsidiaries as a collateral or as a part of contingent liability.
8. To approve an execution of any agreement which causes contingent liabilities over the Group companies and whose amount exceeds the limit assigned to the Operational Committee or authorized person.
9. To approve an investment for business expansion and joint venture with other entrepreneurs.

The above duties and responsibilities assigned to the Board of Directors do not include an authority allowing the Board of Directors to approve the transactions which may cause the Board themselves or any conflicting parties to have interest or conflict of interest of any manner with the Company. Also, the Board of Directors are required to seek approval from the shareholders for an engagement in any connected transactions and the acquisition or disposition of key assets of the Company in accordance with the stipulations of the Stock Exchange of Thailand.

2) The Audit Committee

As of 31 December 2010, the Audit Committee consists of 4 independent directors, namely

- | | |
|------------------------------|---|
| 1. Mr. Sirin Nimmanahaeminda | Chairman with accounting and finance background |
| 2. Mr. Panja Senadisai | Member with accounting and finance background |
| 3. Mr. Pairote Varophas | Member with accounting and finance background |

4. Mr. Abhichart Arbhabharama Member

Mr.Chitchai Jamgomai (Trinity Securities Co., Ltd.) serves as the Audit Committee's secretary.

Scope of Duties and Responsibilities of the Audit Committee

1. To review and ensure that the financial reports of the Company and subsidiaries are accurate and disclose adequate financial information.
2. To monitor and ensure that the Company and subsidiaries have appropriate and efficient internal control system and internal audit .Also ensure that the internal audit and compliance department has an independent working procedure. Moreover, to approve the nomination, the transfer, the terminate of the management of Internal Audit and Compliance department.
3. To supervise and ensure that the Company and subsidiaries have operated their businesses in accordance with the Securities and Exchange Act, stipulations of the Stock Exchange of Thailand or other related laws.
4. To select, nominate and appoint an auditor of the Company and subsidiaries including to set the remuneration of the auditor based on the independentability, reliability and sufficiency of resources of that auditing firm as well as experience of the person assigned to be the Company's auditor. To set up at least once a year meeting with the auditor without the interfere from the Management.
5. To correctly and completely disclose the Company's information in case where there is a connected transaction or a transaction which may give rise to conflict of interest.
6. To prepare and publish a report on the Audit Committee's tasks in the Company's Annual Report whereby the first-mentioned report shall be signed by the Chairman of the Audit Committee.
7. Any other assignments from the Directors which have been approved from the Audit Committee

3) The Nomination and Remuneration Committee

As of 31 December 2010, the Nomination and Remuneration Committee consists of:

- | | |
|-----------------------------|----------|
| 1. Mr. Panja Senadisai | Chairman |
| 2. Mr. Pote Videtyontrakich | Member |
| 3. Mr. Surachai Suksriwong | Member |
| 4. Mr.Tawan Puntawong | Member |

Mrs. Niyada Changtrakul (Trinity Securities Co., Ltd.) serves as the Nomination and Remuneration Committee's secretary.

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. To propose the remunerations of directors of the Company and subsidiaries to the Company's Board of Directors for consideration and further forward to the shareholders meeting for approval.
2. To review and propose a remuneration budget for the Management and the staffs of the Company and subsidiaries to the Board of Directors for approval.
3. To select and nominate the persons to fill in the positions of Director or Chief Executive Officer upon the term thereof expires or when a vacancy arises in such position and propose to the Company's Board of Directors for approval or to the meeting of shareholders, as the case may be.
4. To propose the annually compensation budget for Company and affiliates 'Management and staffs to Board of directors for approval
5. To establish an appropriate performance appraisal guidelines for determining annual remuneration for Directors and senior executives from the level of President upwards.

4) Management

Trinity Watthana Plc. appointed Mr. Pakhawat Kovithvathanaphong, an executive director, to be the Company's Chief Executive Officer (CEO) to liaise, supervise and ensure that the business operations of subsidiaries are consistent with the policies set by the Company's Board of Directors.

The Company does not have a management team given the nature of the Company's business as a holding company which does not have direct operation. However, the Company's Board of Directors are responsible for setting business policies for subsidiaries to follow.

Scope of Duties and Responsibilities of the Chief Executive Officer

1. To carefully prepare and propose the Company's business plan and annual budget to the Company's Board of Directors for approval and to follow up and supervise the Company's operation to be in line with the plan.
2. To set the Company's business directions as well as internal management which includes finance, marketing, human resources and other operation works.
3. To make decision on any activities relating to the Company's operation.
4. To allocate remunerations/rewards approved by the Nomination and Remuneration Committee to Managements, staffs or employees of the Company or any person working for the Company.
5. To propose an appointment, transfer or terminate the employment contract of any Presidents to the Company's Board of Directors.

6. To approve an employment, appointment, transfer or termination of employment contract of employee as well as to designate salaries and remunerations for employees of all levels. The CEO may authorize any person to take care of this work for him/her.

The above duties and responsibilities assigned to the Chief Executive Officer do not include an authority allowing the Chief Executive Officer to approve the transactions which may cause himself/herself or any conflicting parties to have interest or conflict of interest of any manner with the Company. Also, the Chief Executive Officer is required to seek approval from the shareholders for an engagement in any connected transactions and the acquisition or disposition of key assets of the Company in accordance with the stipulations of the Stock Exchange of Thailand.

.B. Trinity Securities Company Limited

1) Board of Directors

As of 31 December 2010, the Board of Directors consists of 9 members, namely

- | | |
|------------------------------------|--|
| 1. Mr. Pakhawat Kovithvathanaphong | Chairman |
| 2. Mr. Panja Senadisai | Independent Director and Member of the Audit Committee |
| 3. Mr. Pairote Varophas | Independent Director and Member of the Audit Committee |
| 4. Mr. Abhichart Arbhabhira | Independent Director and Chairman of the Audit Committee |
| 5. Mrs. Kanitha Subpa-Asa | Director |
| 6. Mr. Charnchai Kongthongluck | Director |
| 7. Ms. Suwannee Limpanawongsaen | Director |
| 8. Mrs.Niyada Changtrakul | Director |
| 9. Mr.Visit Ongpipatanakul | Director |

Ms. Suwannee Limpanawongsaen (Trinity Securities Co., Ltd.) serves as the board's secretary.

Authorized Directors

To bind the company, two of the following five authorized directors shall sign: Mrs. Kanitha Subpa-Asa, Mr. Charnchai Kongthongluck , Ms. Suwannee Limpanawongsaen ,Mrs.Niyada Changtrakul or Mr. Visit Ongpipatanakul

Scope of Duties and Responsibilities of the Board of Directors of Subsidiary Companies

1. To perform duties in accordance with relevant laws, the company's objectives and regulations , including legitimate resolutions of the general meeting of shareholders.

2. To review and propose the company's business plan and annual budget to the Chief Executive Officer and further forward to the Board of Directors of Trinity Watthana Plc. for approval and to follow up and supervise the company's operation to be in line with the plan.
3. To approve any change or additions in the company's annual expenditure budget during the period when there is no meeting of the Board of Directors of Trinity Watthana Plc. and to propose such change or additions to the Board of Directors of Trinity Watthana Plc. for acknowledgment in their next meeting.
4. To set, assess and review the company's business strategies to correspond to the company's business plan. To approve any internal authorization. In this regard, the board of directors may authorize any person to take care of this work for them.
5. To approve the company's risk management policies and to ensure that the risk management is implemented in accordance with the policies.
6. To appraise the performance of the company and employees.

The above duties and responsibilities assigned to Board of Directors do not include an authority allowing the Board of Directors to approve the transactions which may cause themselves or any conflicting parties to have interest or conflict of interest of any manner with the Company. Also, the Board of Directors are required to seek approval from the shareholders for an engagement in any connected transactions and the acquisition or disposition of key assets of the company in accordance with the stipulations of the Stock Exchange of Thailand.

Authorization by the Board of Directors

The Meeting of the Board of Directors No. 2/2007 held on 23 February 2007 approved an authorization of two authorized directors to perform any actions for or on behalf of the company. These two authorized directors may then authorize staff of any divisions in the company or subsidiaries to perform any actions for or on behalf of the company within the scope or responsibilities delegated to each director.

2) The Audit Committee

As of 31 December 2010, the Audit Committee consist of 3 independent directors who are also members of the Audit Committee of Trinity Watthana Plc. The list of the Audit Committee are shown below.

- | | |
|-------------------------------|---|
| 1. Mr. Abhichart Arbhabhirama | Independent Director and Chairman |
| 2. Mr. Panja Senadisai | Independent Director and Member of the Audit Committee, with accounting and finance background |
| 3. Mr. Pairote Varophas | Independent Director and Member of the Audit Committee, with accounting and finance background |

Mr.Chitchai Jamgomai (Trinity Securities Co., Ltd.) serves as the committee's secretary.

Scope of Duties and Responsibilities of Independent Directors and Audit Committee

The scope of duties and responsibilities of independent directors shall be as specified by the rules and regulations of the Securities and Exchange Commission whereas the scope of duties and responsibilities of the Audit Committee shall be the same as those of the Audit Committee of Trinity Watthana Plc.

3) Other Operational Committees

Apart from the board of directors, the company also sets up various operational committees to supervise and control each particular task as set out below.

3.1) Executive Committee

Executive Committee Members

Chief Executive Officer (CEO)

Presidents

Managing Director

Executive Director

Associate Members

Department Heads

Roles and Duties of the Executive Committee

1. To perform duties and exercise powers as delegated to them by the company's board of directors which include to approve budgets, business plans and various operational activities of the company which are in the ordinary course of or in connection with the businesses of the company or other companies in the group.
2. To set policies and strategies concerning:
 - 2.1 Asset allocation, i.e. investment limit for each transaction or a provision of various services by the company and debt management;
 - 2.2 Determination of price/service fee for each transaction and service;
 - 2.3 Investment
 - 2.4 Risk management, i.e. risk indicators and risk limit of the company; and
 - 2.5 Anti-money laundering and guidelines on how to report any doubtful action.
3. To decide on an investment in any projects under the business plans which were approved under clause 1, including IT investment, especially an investment in the company's IT Architecture form.
4. To monitor, evaluate and review the business plans, budgets, policies and projects as mentioned in clauses 1-3.
5. To delegate responsibilities and authorities for operations of any tasks/activities.

3.2) Investment Committee

The Investment Committee can be divided into two committees as follows:

3.2.1 Private Fund Management Committee

Committee

Mr. Pakhawat Kovithvathanaphong

Mr. Charnchai Kongthongluck

Mrs. Kaewkamol Tantixalerm

Mr. Chatpong Talabnak

Roles and Duties of the Private Fund Management Committee

1. To define the Securities Universe for investment
2. To give an opinions on investment strategy and investment trend
3. To supervise an overall operation of the fund and provide resolution in case where the returns on investment do not turn out as targeted.

3.2.2) Underwriting Committee

Permanent Members

Mr.Charnchai Kongthongluck

Ms.Suthang Khonsilpa

Ms. Anong Yuvahong

Mr. Singkorn Chalardkitsirikul

Mr. Woravit Sinyoo

Associate Members

Head of Investment Banking Department

Head of Fixed Income Department

Roles and Duties of the Underwriting Committee

1. To approve an underwriting of any equity instrument, debt instrument, derivatives and any other types of financial instruments.
2. To stipulate criteria for risk management and risk control.
3. To approve criteria for allocation of underwritten securities or instruments to clients or target investors.

Underwriting Committee's Authority

The Underwriting Committee are authorized to approve a securities underwriting in types of best effort deal

and firm underwritten deal whereby the credit lines of such underwritings shall fall within the limit approved by the company's board of directors. The credit line exceeding the approved limit shall be approved by the Board of Directors of Trinity Watthana Plc. The Underwriting Committee's authority to approve a securities underwriting is illustrated below.

- Securities Underwriting through Best Effort Deal basis

| Credit Line | Type of Securities | Criteria for Endorsement by Authorized Persons |
|--|--------------------|--|
| More than Baht 200 million | equity instrument | Board of Directors |
| More than Baht 300 million | debt instrument | |
| Less than or equal to Baht 200 million | equity instrument | All members of the Underwriting Committee |
| Less than or equal to Baht 300 million | debt instrument | |
| Less than or equal to Baht 100 million | equity instrument | Two third of the quorum required for the meeting of the Underwriting Committee |
| Less than or equal to Baht 200 million | debt instrument | |

- Securities Underwriting through Firm Underwritten basis

| Credit Line | Type of Securities | Criteria for Endorsement by Authorized Persons |
|--|--------------------|---|
| More than Baht 75 million | equity instrument | Board of Directors |
| More than Baht 100 million | debt instrument | |
| Less than or equal to Baht 75 million | equity instrument | All members of the Underwriting Committee* |
| Less than or equal to Baht 100 million | debt instrument | |
| Less than or equal to Baht 30 million | equity instrument | Two third of the quorum required for the meeting of the Underwriting Committee* |
| Less than or equal to Baht 50 million | debt instrument | |
| Less than or equal to Baht 5 million | equity instrument | Two third of the Capital Market Committee** |

Remarks : * Associate Members shall be counted as authorized persons

** Associate members are not included as authorized persons

3.3) Credit Committee

As of 31 December 2009, the Credit Committee consist of:

Group A Mr. Charnchai Kongthongluck
 Ms. Suwannee Limpanawongsaen
 Mrs. Kulnada Rujjanavate

Group B Mr. Visit Ongpipatanakul
 Mr. Singkorn Chalardkitsirikul
 Mr. Woravit Sinyoo
 Mr. Theerachai Rojanaratha

Roles and Duties of the Credit Committee

1. To establish guidelines for assessment of client 's financial position (credit scoring).
2. To approve criteria for appraisal of client's credit lines.
3. To approve credit lines for trading of equity, debt instruments, derivatives and credit balance.
4. To approve securities for borrowing and lending together with the interest rate on Credit Balance and SBL accounts.
5. To approve and designate the type of collateral,either securities or financial instruments .Also to specify the Interest rate for cash collateral.
6. To approve fee and commission charged to clients.
7. To collect outstanding debts and doubtful debts.
8. To control risks according to the company's policy.

Credit Committee's Authority

The Credit Committee are authorized to approve any credit lines to retail clients, corporate clients and institutional clients whereby the approved credit lines must fall within the limit approved by the Board of Directors. The company authorized the Credit Committee to approve an opening of account and the adjustment of credit line for trading of equity ,debt instruments and derivatives as set out below.

| Credit Line | Type of Securities | Criteria for Endorsement by Authorized Persons |
|---|---|---|
| 1. Retail and Corporate Clients More than Baht 200 million More than Baht 200 million More than Baht 30 million | equity instrument debt instrument derivatives | the Board of Directors of Trinity Watthana Plc. |
| More than Baht 100 million but not exceeding Baht 200 million More than Baht 100 million but not exceeding Baht 200 million | equity instrument debt instrument | All members of the Credit Committee. |

| Credit Line | Type of Securities | Criteria for Endorsement by Authorized Persons |
|---|--------------------|---|
| More than Baht 10 million but not exceeding Baht 30 million | derivatives | |
| More than Baht 50 million but not exceeding Baht 100 million | equity instrument | One authorized member of the Credit Committee from Group A jointly signs with 2 authorized members of the Credit Committee from Group B |
| More than Baht 5 million but not exceeding Baht 10 million | derivatives | |
| More than Baht 30 million but not exceeding Baht 100 million | debt instrument | Director or President or Deputy Managing Director or Executive Director of Fixed Income Department jointly signed with 1 authorized member of the credit committee from Group A |
| More than Baht 3 million but not exceeding Baht 50 million | equity instrument | Two authorized members of the Credit Committee or one regional manager jointly signs with one authorized member of the Credit Committee. |
| More than Baht 1 million but not exceeding Baht 5 million | derivatives | |
| Not more than Baht 30 million | debt instrument | Head of Fixed Income Department |
| Not more than Baht 0.3 million | derivatives | An Authorized member of the Credit Committee or one regional manager. |
| Not more than Baht 0.5 million | | |
| Not more than Baht 3 million | equity instrument | Head of Sales, a Branch Manager or an Assistant Branch Manager. |
| Not more than Baht 1 million | derivatives | |
| 2. Institutional Clients | | |
| More than Baht 200 million | equity instrument | the Board of Directors of Trinity Watthana Plc. |
| More than Baht 500 million | debt instrument | |
| More than Baht 50 million | derivatives | |
| More than Baht 100 million but not exceeding Baht 200 million | equity instrument | All members of the Credit Committee. |
| More than Baht 100 million but not exceeding Baht 500 million | debt instrument | |
| More than Baht 10 million but not exceeding Baht 50 million | derivatives | |

| Credit Line | Type of Securities | Criteria for Endorsement by Authorized Persons |
|--|--------------------|--|
| More than Baht 50 million but not exceeding Baht 100 million | equity instrument | One authorized member of the Credit Committee from Group A jointly signs with 2 authorized members of the Credit Committee from Group B (Excluding a subaccount of fund managed by Asset Management Company, the authorized go to one authorized member of the Credit Committee Group A) |
| More than Baht 5 million but not exceeding Baht 10 million | derivatives | |
| More than Baht 50 million but not exceeding Baht 100 million | debt instrument | One of the following persons jointly signs with one authorized member of the Credit Committee from Group A: Director, President, Deputy Managing Director or Executive Director of Fixed Income Department. |
| Not more than Baht 50 million | equity instrument | Two authorized members of the Credit Committee. |
| Not more than Baht 5 million | derivatives | |
| Not more than Baht 50 million | debt instrument | Head of Fixed Income Department |
| 3. Private Fund Clients | | |
| No limit | All types | Director, President or Deputy Managing Director of Wealth Management Department |

3.4) Proprietary Committee

The Proprietary Committee consists of:

Permanent Member

Mr. Pakhawat Kovithvathanaphong

Mrs. Kanitha Subpa-Asa

Mr. Charnchai Kongthongluck

Ms. Suwannee Limpanawongsaen

Rotating Member

Heads of Investment Banking Department

Proprietary Trader

Roles and Duties of the Proprietary Committee

1. To establish guidelines and investment strategy for Company's proprietary portfolio in general. And to consider each securities when necessity is required.
2. To set and approve exposure limit for an investment in each type of financial instruments/securities subject to the total limit approved by the company's board of directors.
3. To select financial instrument/securities for investment under the approval framework from the Board of Directors
4. To approve issue limit , issuer limit, counter party limit and bidding limit for financial instrument/securities under the authorized given .
5. To select and appoint the Fund Manager ,Foreign Broker ,or Commercial Bank both Domestic and Foreign for Company's foreign investment
6. To stipulate policy and risk indicators i.e. foreign exchange risk ,credit risk ,market/price risk ,legal risk etc. and Risk Limit for each types of business' risk exposure.
7. To monitor risk management to comply with the guidelines as specified.
8. To monitor the performance of portfolio and provide solution in case where the performance does not turn out as targeted.
9. To thoroughly consider the investment in type of direct investment prior to proposing to the Board of Directors.

3.5) Business Continuity Management Committee

The Business Continuity Management Committee consists of :

Mr. Charnchai Kongthongluck
Mr. Visit Ongpipatanakul
Mr. Singkorn Chalardkitsirikul
Mr. Woravit Sinyoo
Mrs.Niyada Changtrakul
Ms.Suthang Khonsilpa
Ms. Suwannee Limpanawongsaen

Roles and Duties of Business Continuity Management Committee

1. To consider and review Business Continuity Plan and propose to Board of Directors
2. To Monitor the operation and ensure that it compliance with the plan and allocate adequate resources in order to perform efficiently as policy designated

3. To design and approve for the action plan for Business Continuity Plan and prioritize the plan and provide adequate and efficient resources as needed
4. To appoint the committee to monitor the plan and rehearse the plan at least once a year.
5. Review the rehearsal plan and revise the plan if needed, report the operational result to the Board of Directors

4) Management as of 31 December 2010 consists of

| | |
|-----------------------------------|--|
| 1. Mr.Pakhawat Kovithvathaphong | Chief Executive Officer |
| 2. Mrs. Kanitha Subpa-Asa | President |
| 3. Mr.Charnchai Kongthongluck | Managing Director |
| | Product and Marketing Management Business Unit |
| 4. Mr. Visit Ongpipatanakul | Executive Director |
| 5. Mrs.Niyada Changtrakul | Deputy Managing Director |
| | Corporate Communication Business Unit |
| 6. Ms.Suwannee Limpanavongsaen | Deputy Managing Director – Support Business Unit |
| 7. Ms.Suthang Khonsilpa | Deputy Managing Director – Investment Banking |
| 8. Mrs. Arparadee Lekhakul | Deputy Managing Director – Financial Consultant |
| 9. Mr. Singkorn Chalardkitsirikul | Deputy Managing Director – Financial Consultant |
| 10. Mr. Woravit Sinyoo | Deputy Managing Director – Financial Consultant |
| 11. Ms.Anong Yuvahong | Deputy Managing Director – Investment Banking |
| 12. Mrs. Kaewkamol Tantixalerm | Deputy Managing Director – Wealth Management |
| 13. Mr. Theerachai Rojanaratha | Deputy Managing Director – Fixed income |

Scope of Duties and Responsibilities of Presidents

1. To propose business plan and annual budget to the Chief Executive Officer and the subsidiaries' boards of directors for consideration.
2. To supervise and ensure that the company's operation is in line with the stipulated plan and policies.
3. To perform internal management including finance, marketing, human resources and other operation works.
4. To jointly make a decision with the Chief Executive Officer with regard to any activities relating to the company's operation.
5. To jointly make a decision with the Chief Executive Officer with regard to an allocation of remunerations/rewards, approved by the company's board of directors, to the company's staffs or employees or any persons working for the company.

6. To manage risks in accordance with the policies and propose the report thereof to the company's board of directors for acknowledgement.
7. To approve the expenses within the limit or annual expenditure budget approved by the company's board of directors.

The above duties and responsibilities assigned to Presidents do not include an authority allowing the presidents to approve the transactions which may cause themselves or any conflicting parties to have interest or conflict of interest of any manner with the company. Also, the presidents are required to seek approval from the shareholders for an engagement in any connected transactions and the acquisition or disposition of key assets of the company in accordance with the stipulations of the Stock Exchange of Thailand.

Management's Authority

The company authorizes the Management to approve any disbursement of expense, amortization and a handling of losses from operation within the amount levels as outlined below.

| Type of Transaction | Amount (Baht) | Authorized Persons |
|--|-----------------------|--|
| 1. Amortization of loss from sale or depreciation of assets* | No limit | President or Managing Director or Director, totaling two persons. |
| 2. Error expense arising from error trading | More than Baht 50,000 | President or Managing Director or Director |
| | Less than Baht 50,000 | One Deputy Managing Director or Senior Vice President or any higher rank |
| | Less than Baht 20,000 | One Deputy Managing Director or Department Head for the level of Senior Vice President or Regional Manager or any higher rank. |
| | Less than Baht 10,000 | A Head of Sales or Branch Manager or any person of higher rank |
| | Less than Baht 5,000 | One Assistant Branch Manager |

*Amortization of loss from sale or depreciation of key assets of the company includes receivables or investment. The Management is required to propose this transaction to the Board of Directors for consideration prior to take action.

In case of capital expenditure, the Management is required to prepare an annual capital expenditure budget to seek approval from the Board of Directors of Trinity Watthana Plc. with an exception for an urgent case where no budget is available and the required expense is less than 20% of the annual capital expenditure budget. In such case, approval from two directors of the company is required.

C. Trinity Advisory 2001 Company Limited

1) Board of Directors

As of 31 December 2010 the Board of Directors consists of 3 members, namely

- | | |
|------------------------------|----------|
| 1. Mrs. Kanitha Subpa-Asa | Chairman |
| 2. Ms. Anong Yuvahong | Director |
| 3. Mrs. Maneerat Jangjamjitt | Director |

Authorized Directors

To bind the Company, two of the following three authorized directors shall sign together : Mrs. Kanitha Subpa-Asa, Ms. Anong Yuvahong and Mrs. Maneerat Jangjamjitt

Scope of Duties and Responsibilities of the Board of Directors

The scope of duties and responsibilities of the board of directors of Trinity Advisory 2001 Co., Ltd. is outlined by the scope of duties and responsibilities of the board of directors of subsidiary companies. (See the Scope of Duties and Responsibilities of the Board of Directors of Subsidiary Companies for further details.)

2) Management as of 31 December 2010 Consists of:

- | | |
|-----------------------------|--------------------------|
| 1. Mrs. Kanitha Subpa-Asa | President |
| 2. Ms. Anong Yuvahong | Deputy Managing Director |
| 3. Ms. Maneerat Jangjamjitt | Executive Director |

D. Trinity Information Company Limited

1) Board of Directors

As of 31 December 2010, the board of directors consists of 4 members, namely

- | | |
|------------------------------------|----------|
| 1. Mr. Pakhawat Kovithvathanaphong | Chairman |
| 2. Mrs. Kanitha Subpa-Asa | Director |
| 3. Mrs. Niyada Changtrakul | Director |
| 4. Ms. Suwannee Limpanavongsaen | Director |

Authorized Directors

To bind the Company, two of the following four authorized directors shall sign together : Mr. Pakhawat Kovithathanaphong, Mrs. Kanitha Subpa-Asa, Mrs. Niyada Changtrakul and Ms. Suwannee Limpanavongsaen.

Scope of Duties and Responsibilities of the Board of Directors

The scope of duties and responsibilities of the board of directors of Trinity Information Co., Ltd. is outlined by the scope of duties and responsibilities of the board of directors of subsidiary companies. (See the Scope of Duties and Responsibilities of the Board of Directors of Subsidiary Companies for further details.)

2) Management

As of 31 December 2010 there is no Management Team since the operation of the company is to invest in other company as a Holding Company.

Selection and Nomination of Directors and Management

The Board of Directors of the Company assign the Nomination and Remuneration Committee to select and nominate a qualified person to replace the director who retired by rotation or to fill in a vacancy in the Board of Directors or Management due to other reasons. The aforesaid selection and nomination can be broken down in steps as shown below.

1. To review the size, the structure and the composition of the Board of Directors and seek out what is suitable for the organization and in line with the changing business environment .The Board of Directors 's body should be comprised of qualified persons who have knowledge, ability ,experiences to contribute to the Company for a sustainable growth.
2. To review general and specific qualifications of directors ,independent directors and Chief Executive Director and/or to add any criteria for selection of these qualified persons in order to fit with the situation and requirements of SET .
3. After the selection stage, the Nomination and Remuneration Committee shall propose the list of the nominated persons to the Board of Directors for approval. In case of director nomination, the Chairman of the Board of Directors shall propose such list to the general meeting of shareholders for approval.

Management's Remuneration

Trinity Watthana Public Company Limited

A. Cash Remuneration

Directors

In 2010, 11 members of the Board of Directors collectively received meeting allowance in the total amount of Baht 4,600,000 and no compensation(bonus) has been paid for the service Year 2009. The Company has reserved directors' bonus for the amount of Baht 1,760,000 for year 2010 according to the Board of Directors' resolution No.1/2011 .Remunerations provided to each individual director in 2010 and 2009 are set out below.

| | Directors | 2010 Meeting Allowance | 2009 Director's Bonus | 2009 Meeting Allowance | 2008 Director's Bonus |
|-----|---------------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| 1. | Mr. Sirin Nimmanahaeminda | 1,320,000 | - | 1,320,000 | - |
| 2. | Dr. Pongsathorn Siriyodhin | 80,000 | - | 240,000 | - |
| 3. | Mr. Suwit Udomsab | - | - | 80,000 | - |
| 4. | Mr.Tawan Puntawong | 240,000 | - | 140000 | - |
| 5. | Mr.Panop Svetarundra | 140,000 | - | - | - |
| 4. | Mr. Panja Senadisai | 540,000 | - | 540,000 | - |
| 5. | Mr. Pairote Varophas | 540,000 | - | 540,000 | - |
| 6. | Mr. Abhichart Arbhabhira | 540,000 | - | 540,000 | - |
| 7. | Mr. Pote Videtyontrakich | 240,000 | - | 240,000 | - |
| 8. | Mr. Surachai Suksriwong | 240,000 | - | 240,000 | - |
| 9. | Mr. Pakhawat Kovithvathanaphong | 240,000 | - | 240,000 | - |
| 10 | Mrs. Kanitha Subpa-Asa | 240,000 | - | 240,000 | - |
| 11. | Mr.Kampanart Lohachareonvanich | - | - | 220,000 | - |
| 12. | Mr. Charnchai Kongthongluck | 240,000 | - | - | |
| | Total | 4,600,000 | - | 4,58000 | - |

Management

-None-

B. Other Remunerations

Directors

In 2010 and 2009, the Company provided a Directors and Officers Liabilities Insurance for the Company and subsidiaries in the amount of Baht 50 million.

Trinity Securities Company Limited

A. Cash Remuneration

Directors -None-

Management

| | 2009 | | 2010 | |
|--|-------------------|------------|-------------------|------------|
| Type of Remuneration | No. of Management | Amount | No. of Management | Amount |
| Salary and Bonus | 13 | 34,221,610 | 13 | 43,445,950 |
| Provident Fund Contribution and Others | 13 | 6,197,148 | 13 | 9,777,330 |

B. Other Remunerations

Directors and Management

In 2010, the Company provided a Directors and Officers Liabilities Insurance for the Company and subsidiaries in the amount of Baht 50 million.

Directors and Managements

Trinity Watthana Public Company Limited

| | |
|---|--|
| Mr. Sirin Nimmanahaeminda Chairman , Independent Director and Chairman of the Audit Committee (Authorized Director) | |
| Age 64 Years | |
| Highest Educational MBA Stanford University | |
| Qualification | |
| No. of share and holding % As at December 31, 2010 | 5,000 shares 0.003% |
| Family Relationship with other Executives | -none - |
| Professional Experience Over past 5 Years | |
| 2002 - Present | Chairman and Chairman of the Audit Committee - Trinity Watthana Plc. |
| 2007 - 2010 | Risk Management Director - PTT Exploration and Production Plc. |
| 2006 - 2010 | Independent Director and Member of The Remuneration Committee PTT Exploration and Production Plc. |
| 2008 - Present | Director - Loxley Plc. |
| 2005 - 2007 | Chairman - Thai Sri Insurance Co., Ltd. |
| 2000 - Present | Executive Chairman - Niyom Panich Group |
| 1993 - Present | Chairman and Member of The Risk Management Committee - Advance Agro Plc |
| 2006 - 2007 | Director and Executive Committee - Thai Airways International Plc |
| 2000 - 2006 | Director - Wang Sinsap Co., Ltd., Tunladawan Co.,Ltd. |

| | |
|--|---|
| Mr. Panja Senadisai Independent Director and Member of the Audit Committee Chairman of the Nomination and Remuneration Committee | |
| Age 63 years | |
| Highest Educational MBA Suffolk University | |
| Qualification | |
| | Certificate of Director Certification Programme (DCP) 2002 |
| | Certificate of Audit Committee Program (ACP) 2004 |
| | Certificate of Role of the compensation Committee Program 2007, Thai Institute of Directors Association(IOD) |
| | Certificate of Capital Market Academy (CMA) |
| | Certificate of Corporate Governance for Directors and Executives Public Director Institute (PDI) |
| No.of share and holding% As at December 31, 2010 | - |
| Family Relationship with other Executives | -none - |

Professional Experience (Last 5 Years)

| | |
|----------------|--|
| 2002 - Present | Independent Director/Member of the Audit Committee/Chairman of the Nomination and Remuneration Committee - Trinity Watthana Plc. Independent Director/Member of the Audit Committee -Trinity Securities Co., Ltd. |
| 2007 - 2009 | Independent Director -Trinity Polaris Futures Co.,Ltd. |
| 2006 - 2009 | Director/Executive Director/Member of the Remuneration Committee Government Saving Bank Plc. |
| 2005 - Present | Director/Chairman of the Audit Committee - Pylon Plc. |
| 2004 - Present | Chairman - Deva Property Plc |
| 2003 - Present | Chairman / Member of the Audit Committee - Rasa Property Development Plc. |
| 2000 - Present | Director ,Chairman of the Audit Committee and member of the Remuneration Committee - Somboon Advance Technology Plc. |
| 1983 - Present | Director - KCE Electronics Plc. |
| 1993 - 2007 | Director and member of the Remuneration Committee - SMC Motors Plc. |
| 1999 - 2006 | Director/Adviser/Member of the Remuneration Committee CVD Entertainment Plc. |

Mr. Pairote Varophas Independent Director and Member of the Audit Committee

Age 60 Years

Highest Educational Master of Marketing and Finance Northwestern University, U.S.A.

Qualification Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)

No.of share and holding % As at December 31, 2010 12,500 shares 0.007%

Family Relationship with other Executives -none-

Professional Experience (Last 5 Years)

| | |
|-----------------|--|
| 2002 - Present | Independent Director/Member of the Audit Committee Trinity Watthana Plc., Trinity Securities Co., Ltd. |
| 2007 - 2009 | Independent Director - Trinity Polaris Futures Co.,Ltd. |
| 2005 - Present | Chairman - Siam Appraisal and service Co.,Ltd. |
| 2003 - Present | Director/Executive Vice Chairman - Samart Corporation Plc. ,Samart Telcoms Plc. Subsidiaries and affiliated companies of Samart Corporation Plc. |
| 2003 - Mar 2006 | Director - Samart I-Mobile Plc. |
| 2002 - Jan 2003 | Audit Committee/Independent Director - Samart Telcoms Plc. |

| | |
|--|---|
| Mr. Pote Videtyontrakich Director and member of the Nomination and Remuneration Committee | |
| Age 58 Years | |
| Highest Educational Qualification | MBA Harvard Graduate School of of Business Administration U.S.A. Certificate of Director Certification Program (DCP), Certificate of Chairman 2000 Program, Thai Institute of Directors Association(IOD) |
| No.of share and holding % As at December 31, 2010 | - |
| Family Relationship with other Executives | -none - |
| Professional Experience (Last 5 Years) | |
| Dec 2002 - Present | Director /Member of the Nomination and Remuneration Committee Trinity Watthana Plc. |
| 2007 - Present | Director - Lasta Multimedia Co.,Ltd.(Vietnam) Professional Services Inc.,Ltd (Philippines) |
| 2006 - Present | Director - Ticon Industrial , Connection Plc. |
| 2005 - Present | Director - Easy Buy Plc. |
| 2002 - Present | Managing Director - Private Equity (Thailand) Co., Ltd. |
| 1999 - Present | Director - Vinythai Plc. |
| 2006 - 2009 | Director - Kantana Group Plc. , S&P Syndicate Plc |

| | |
|--|---|
| Mr. Abhichart Arbhabhira Independent Director and Member of the Audit Committee | |
| Age 65 years | |
| Highest Educational Qualification | Bachelor of Laws Thammasart University The Thai Bar - Institute of Legal Education Thai Bar Association |
| No.of share and holding% As at December 31, 2010 | - |
| Family Relationship with other Executives | -none- |
| Professional Experience Over past 5 Years | |
| Sep 2004 - Present | Independent Director/Member of the Audit Committee - Trinity Watthana Plc. |
| May 2005 - Present | Independent Director / Chairman of the Audit Committee Trinity Securities Co., Ltd |
| 2000 - Present | Attorney and Legal Advisor |
| 2007 - 2009 | Independent Director - Trinity Polaris Futures Co.,Ltd. |

Mr. Surachai Suksriwong Director and member of the Nomination and Remuneration Committee
(Authorized Director)

Age 45 Years

Highest Educational Master of Law (LL.M.)

Qualification International Trade and Banking, Washington College of Law
The American University, U.S.A.

No.of share and holding% As at December 31, 2010 -

Family Relationship with other Executives - none -

Professional Experience (Last 5 Years)

| | |
|-----------------------|--|
| 2006 - Present | Director /Member of the Nomination and Remuneration Committee Trinity Watthana Plc. |
| 2007 - Present | Director - Eternal Energy Plc. |
| 1995 - Present | Advisor - Com-Link Co., Ltd. |
| 1994 - Present | Chairman of the Advisory Board - Ong Ka Rak Thanee Co., Ltd. , Exhibition & Conference Co., Ltd , Poo Num Fah Co., Ltd. |
| 1993 - Present | Chairman of the Advisory Board - Khao Khor Thanee Co., Ltd., Nana Telecommunication Co.,Ltd. |
| 1992 - Present | Chairman of the Advisory Board - Hin Rong Kla Thanee Co., Ltd. |
| 2002 - 2004 | Advisor to the Vice President of the National Assembly The National Assembly |

Mr. Pakhawat Kovithvathanaphong Director and Chief Executive Director (Authorized Director)

Age 62 years

Highest Educational MBA (Finance) Wharton School ,University of Pennsylvania,U.S.A.

Qualification Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)
Certificate of National Defense College (Joint Program with Private Sector)
Certificate of Capital Market Academy (CMA)

No.of share and holding% As at December 31, 2010 5,300,000 Shares 3.04%

Family Relationship with other Executives -none-

Professional Experience (Last 5 Years)

| | |
|-----------------------|---|
| 2001 - Present | Chief Executive Officer/ Director - Trinity Watthana Plc. President/Chairman - Trinity Information Co., Ltd. Chairman - Trinity Securities Co., Ltd |
| 2005 - 2010 | Director - Thai Laminate Manufacturer Co.,Ltd. |
| 2005 - 2009 | Director - Trinity Polaris Futures Co.,Ltd. |

Professional Experience (Last 5 Years)

| | |
|----------------|---|
| 2008 - Present | Advisor to Financial Economics : Master Program National Institute Development Administration |
| 2009 - Present | Vice President/Chairman to Executive Committee Thai Listed Companies Association |
| 2007 - 2008 | Advisor to Executive Committee - Thai Listed Companies Association(TLCA) |
| 2010 - Present | Advisor Association of Securities Companies(ASCO) Director - Thailand Securities Finance Corporation (TSFC) |
| 2005 - 2009 | Vice President - Thai Bond Market Association |
| 2000 - Present | Performance and Agreement Committee State Enterprise Policy Office Ministry of Finance |
| 1999 - Present | Independent Director and Audit Committee - Land and Houses Plc. |
| 1998 - Present | Director Finance Program Faculty of Commerce and Accountancy Thammasat University |
| 2008 | Director - Thai Securities Depository Co.,Ltd.(TSD) |
| 2001 - 2007 | Director - Trinity Advisory 2001 Co.,Ltd. |
| 2003 - 2006 | Director - Thai Listed Companies Association (TLCA) |
| 2001 - 2004 | Director - Stock Exchange of Thailand |
| 1995 - 2003 | Director - Chumporn Palm Oil Industry Plc. |

Mr. Tawan Puntawong Director and member of the Nomination and Remuneration Committee

Age 56 Years

Highest Educational Qualification Master of Business (MBA) Thammasat University

Qualification

No.of share and holding% As at December 31, 2010 -

Family Relationship with other Executives -none-

Professional Experience (Last 5 Years)

| | |
|----------------|---|
| 2009 - Present | Director /Member of the Nomination and Remuneration Committee Trinity Watthana Plc. |
| 2009 - Present | Executive Vice President/Director Treasury and Capital Market Sectors Financial Management Group Krungthai Bank Plc. |
| 2004 - 2008 | Senior Vice President Treasury and Capital Market Sectors Krungthai Bank Plc. |

Mr. Panop Svetarundra Director

Age 48 Years

Highest Educational Qualification MBA SASIN Graduate Institute of Business Administration of Chulalongkorn

No.of share and holding% As at December 31, 2010 -

Family Relationship with other Executives -none-

Professional Experience (Last 5 Years)

| | |
|----------------|---|
| 2010 - Present | Director - Trinity Watthana Plc. Senior Vice President / Director of Treasury Department - Krungthai Bank Plc. |
| 2008 - 2010 | Vice President/Department Head Treasury Department - Krungthai Bank Plc |
| 2007 - 2008 | Vice President Treasury Department - Krungthai Bank Plc. |
| 1998 - 2006 | Head of FX Marketing Group & vice President - BNP Paribas Bangkok Branch |

Ms. Kanitha Subpa-Asa Director (Authorized Director)

Age 56 Years

Highest Educational Qualification MBA (Finance) Wharton School University of Pennsylvania U.S.A.
Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)
Certificate of Capital Market Academy (CMA)

No.of share and holding% As at December 31, 2010 1,150,000 Shares 0.66%

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

| | |
|----------------|---|
| 2001 - Present | Director - Trinity Watthana Plc. Trinity Information Co., Ltd. President/Director - Trinity Securities Co., Ltd. Trinity Advisory 2001 Co., Ltd. |
| 2005 - Present | Director - Thai Laminate Manufacturer Co., Ltd. |
| 2005 - 2009 | Director - Trinity Polaris Futures Co.,Ltd. |

Mr. Charnchai Kongthongluck Director (Authorized Director)

Age 51 Years

Highest Educational Qualification MBA (Accounting) - Thammasat University
Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)
Certificate of Capital Market Academy (CMA)

No.of share and holding% As at December 31, 2010 -

Family Relationship with other Executives - none -

Professional Experience Over past 5 Years

| | |
|----------------|--|
| 2009 - Present | Director - Trinity Watthana Plc. |
| 2001 - Present | Director / Managing Director - Trinity Securities Co.,Ltd. |
| 2005 - 2009 | Director - Trinity Polaris Futures Co.,Ltd. |

Managements

Mr. Pakhawat Kovithvathanaphong Director and Chief Executive Director (Authorized Director)

Age 62 years

Highest Educational MBA (Finance) Wharton School ,University of Pennsylvania,U.S.A.

Qualification Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)
Certificate of National Defense College (Joint Program with Private Sector)
Certificate of Capital Market Academy (CMA)

No.of share and holding% As at December 31, 2010 1 Share 0%

Family Relationship with other Executives -none-

Professional Experience (Last 5 Years)

| | |
|----------------|---|
| 2001 - Present | Chief Executive Officer/ Director - Trinity Watthana Plc. President/Chairman - Trinity Information Co., Ltd. Chairman - Trinity Securities Co., Ltd |
| 2005 - 2010 | Director - Thai Laminate Manufacturer Co.,Ltd. |
| 2005 - 2009 | Director - Trinity Polaris Futures Co.,Ltd. |
| 2008 - Present | Advisor to Financial Economics : Master Program National Institute Development Administration |
| 2009 - Present | Vice President/Chairman to Executive Committee Thai Listed Companies Association |
| 2007 - 2008 | Advisor to Executive Committee - Thai Listed Companies Association(TLCA) |
| 2010 - Present | Advisor - Association of Securities Companies(ASCO) Director - Thailand Securities Finance Corporation (TSFC) |
| 2005 - 2009 | Vice President - Thai Bond Market Association |
| 2000 - Present | Performance and Agreement Committee State Enterprise Policy Office Ministry of Finance |
| 1999 - Present | Independent Director and Audit Committee - Land and Houses Plc. |
| 1998 - Present | Director - Finance Program Faculty of Commerce and Accountancy Thammasat University |

Professional Experience (Last 5 Years)

| | |
|-------------|---|
| 2008 | Director - Thai Securities Depository Co.,Ltd.(TSD) |
| 2001 - 2007 | Director - Trinity Advisory 2001 Co.,Ltd. |
| 2003 - 2006 | Director - Thai Listed Companies Association (TLCA) |
| 2001 - 2004 | Director - Stock Exchange of Thailand |
| 1995 - 2003 | Director - Chumporn Palm Oil Industry Plc. |

Ms. Kanitha Subpa-Asa Director,President (Authorized Director)

Age 56 Years

Highest Educational MBA (Finance) Wharton School University of Pennsylvania U.S.A.

Qualification Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)
Certificate of Capital Market Academy (CMA)

No.of share and holding% As at December 31, 2010 1 Share 0%

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

| | |
|----------------|---|
| 2001 - Present | Director - Trinity Watthana Plc. Trinity Information Co., Ltd. President/Director - Trinity Securities Co., Ltd. Trinity Advisory 2001 Co., Ltd. |
| 2005 - Present | Director - Thai Laminate Manufacturer Co., Ltd. |
| 2005 - 2009 | Director - Trinity Polaris Futures Co.,Ltd. |

Mr. Charnchai Kongthongluck Director,President (Authorized Director)

Age 51 Years

Highest Educational MBA (Accounting) ,Thammasat University

Qualification Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)
Certificate of Capital Market Academy (CMA)

No.of share and holding% As at December 31, 2010 -1 Share 0%

Family Relationship with other Executives - none -

Professional Experience Over past 5 Years

| | |
|----------------|--|
| 2009 - Present | Director , President - Trinity Watthana Plc. |
| 2001 - Present | Director / Managing Director - Trinity Securities Co.,Ltd. |
| 2005 - 2009 | Director - Trinity Polaris Futures Co.,Ltd. |

Mr. Visit Ongpipatanakul Director (Authorized Director)

Age 47 Years

Highest Educational MBA University of Florida,U.S.A.

Qualification Master of Arts(Business Laws) Chulalongkorn University

No.of share and holding% As at December 31, 2010 0 Share 0%

Family Relationship with other Executives - none -

Professional Experience Over past 5 Years

| | |
|----------------|--|
| 2010 - Present | Director , member of Executive Committee - Trinity Securities Co.,Ltd. |
| 2008 - 2010 | Member of Executive Committee - Trinity Securities Co.,Ltd. |
| 2001 - 2008 | Director - Trinity Securities Co.,Ltd. |

Ms.Suwannee Limpanavongsaen Director (Authorized Director)

Age 46 Years

Highest Educational MBA , Thammasat University

Qualification Certificate of Director Accreditation Program(DAP),
Thai Institute of Directors Association(IOD)

No.of share and holding% As at December 31, 2010 1 Share 0%

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

| | |
|----------------|---|
| 2008 - Present | Director - Trinity Securities Co., Ltd. |
| 2007 - Present | Deputy Managing Director - Trinity Securities Co., Ltd. |
| 2001 - Present | Director - Trinity Information Co.,Ltd. |
| 2008 - Present | Member of the Audit Committee - Salee Colour Plc. |
| 2001 - 2007 | Deputy Managing Director - Trinity Information Co.,Ltd. |

Mrs.Niyada Changtrakul Deputy Managing Director : Corporate Communication Business Unit

Age 51 years

Highest Educational Master of Science(Industrial Relations) West Virginia University, U.S.A.

Qualification

No.of share and holding% As at December 31, 2010 1 share 0 %

Family Relationship with other Executives -none-

Professional Experience Last 5 Years

| | |
|----------------|--|
| 2009 - Present | Director - Trinity Securities Company Limited |
| 2007- Present | Deputy Managing Director - Trinity Securities Company Limited |
| 2001 - 2007 | Deputy Managing Director - Trinity Information Company limited |
| 2001 - Present | Director - Trinity Information Co.,Ltd. |

Mrs.Arparadee Lekhakul Deputy Managing Director

Age 61 years

Highest Educational Qualification Business Administration The University of Thai Chamber of Commerce

No.of share and holding% As at December 31, 2010 -0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Last 5 Years

2004 - Dec 2010 Deputy Managing Director - Trinity Securities Co., Ltd.

2001 - 2003 Executive Director - Trinity Securities Co., Ltd.

Mr.Singkorn Chalardkitsirikul Deputy Managing Director

Age 56 Years

Highest Educational Qualification BS - Information System Institute of Technology and Vocational Education

No.of share and holding% As at December 31, 2010 -0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Last 5 Years

2004 - Present Deputy Managing Director - Trinity Securities Co., Ltd

2001 - 2003 Executive Director - Trinity Securities Co., Ltd.

Mr.Woravit Sinyoo Deputy Managing Director

Age 47 years

Highest Educational Qualification B.B.A.Finance (Second Class Honors) Bangkok University

No.of share and holding% As at December 31, 2010 0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

2004 - Present Deputy Managing Director - Trinity Securities Co.,Ltd.

2001 - 2003 Executive Director - Trinity Securities Co., Ltd.

Ms.Suthang Khonsilpa Deputy Managing Director

Age 47 years

Highest Educational Qualification MBA (Finance) Chulalongkorn University

Certificate of Director Certification Programme(DCP),
Thai Institute of Directors Association(IOD)

No.of share and holding% As at December 31, 2010 0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Last 5 Years

| | |
|----------------|---|
| 2008 - Present | Deputy Managing Director - Trinity Securities Co.,Ltd. |
| 2008 | Acting Managing Director - Trinity Polaris Futures Co.,Ltd. |
| 2001 - 2008 | Director - Trinity Advisory 2001 Co.,Ltd. |

Mrs.Kaewkamol Tantixalerm Deputy Managing Director

Age 49 years

Highest Educational MBA Sasin Graduate Institute Chulalongkorn University

Qualification

No.of share and holding% As at December 31, 2010 0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

| | |
|---------------------|--|
| June 2005 - Present | Deputy Managing Director - Trinity Securities Co., Ltd |
| 2004 - June | Senior Vice President and Private Wealth Group Head Ayudhya JF Asset Management Limited |
| 2003 - 2004 | Vice President - Bangkok Bank Public Company Limited |

Ms.Anong Yuvahong Deputy Managing Director

Age 42 years

Highest Educational MBA (Finance) Pittsburg University,U.S.A.

Qualification

No.of share and holding% As at December 31, 2010 0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

| | |
|----------------|---|
| 2008 - Present | Deputy Managing Director - Trinity Securities Co., Ltd. |
| 2007 - 2008 | Director - Trinity Advisory 2001 Co.,Ltd. |

Ms.Theerachai Rojanaratha Deputy Managing Director

Age 58 years

Highest Educational Bachelor of Public Administrations (Monetary)

Qualification Chulalongkorn University

No.of share and holding% As at December 31, 2010 0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

| | |
|----------------|---|
| 2010 - Present | Deputy Managing Director Trinity Securities Co., Ltd. |
| 2001 - 2010 | Executive Director Trinity Securities Co., Ltd. |

Corporate Governance

The Board of Directors of Trinity Watthana Plc. have recognized the importance of their roles and responsibilities in promoting corporate governance within the Company so as to ensure that the Company's operation is transparent and competitive which will, accordingly, lead the Company towards sustainable growth and enables the Company to provide greater benefits to its shareholders in the long run while other stakeholders are taken into account at the same time. The Company's Board of Directors, therefore, considered and revised its principles of good corporate governance by applying the principles of good corporate governance for listed companies 2006, which were issued by the Stock Exchange of Thailand, and adhered to the following corporate governance policies and principles:

Corporate Governance Policy

By virtue of the resolution passed by the meeting of the Company's Board of Directors No. 2/2011 on 23 February 2011, the Board of Directors reviewed and revised Item 5 of the Company's corporate governance policies by placing more emphasis on the non-infringement of all stakeholders' rights. The Company's corporate governance policies after the revision are set out below.

1. The Company's Board of Directors are responsible for the Company's overall business operation and ensuring that the Company's business has sustainable growth as well as provides benefits to its shareholders and other stakeholders in the long run including concerns in social and environmental issues.
2. The Company shall conduct its business in accordance with relevant laws and regulations issued by the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, Bond Electronic Exchange (BEX) and Thailand Futures Exchange Plc. (TFEX). In this regard, the Company set additional ethical business practice for its employees and directors which is reviewed on a regular basis.
3. Any actions performed by the boards of directors of the Company and subsidiaries, including the Management's resolution to any problems shall be transparent and open for audit, and adequate information is disclosed to all related parties. Additionally, any transaction which may cause conflict of interest shall be controlled and disclosed properly in accordance with the requirements of the Company and regulatory authorities.
4. The Company shall maintain, protect and encourage its shareholders to exercise their rights, both their fundamental rights under the law and those in addition to fundamental legal rights. In so doing, the Company will provide them with the adequate information to be considered at each meeting and encourage them to fully participate in the meeting.
5. The Company shall ensure that the rights of the Company's stakeholders are treated properly and equally and that any infringement of human rights, intellectual property or copyright of the Company's stakeholders,

i.e. clients, business partners/alliances, creditors and employees which are the vital human resources of the Company, does not exist. Also, the Company will make appropriate contributions to the society.

6. The Company shall operate and conduct its businesses with due diligence and care by concerning with benefits and risks. In this regard, the Company provides proper internal control, internal audit and risk management to cover various concerned aspects.

7. The Company shall maintain an appropriate balance within the Board of Directors. To achieve this, the Company specifies that the minimum number of independent director is three and each year, one-third of the Company's directors with the longest term in the office shall vacate their offices. The Company also requires that a proper ratio of non-executive directors to executive directors be established whereby such ratio shall reflect and correspond to the Company's shareholder structure and business environment.

The Company has disclosed its corporate governance policies on its website to inform all related parties of these policies.

Chapter 1 Shareholders' Rights

The Company encourages its shareholders to exercise their rights and avoid any actions that violate those rights. Also, the Company makes every endeavor to manage its shareholders' rights efficiently and effectively.

In 2010, the Company convened one Annual General Meeting of shareholders, and in order to maintain the rights and equality among shareholders, the Company performed as follows:

- organized a meeting which is convenient to the shareholders;
- published all information concerning meeting date, time and venue, meeting agenda, including related rules and regulations and information which may be required by the shareholders for decision-making on the Company's website at least 30 days prior to the meeting date (in 2010, the Company published the information on the website on 19 March 2010) whereby the information is the same as that contained in the hard copy sent to the shareholders on 10 April 2010;
- allowed the shareholders to submit any queries about the meeting agenda in advance via sending an inquiry e-mail to this e-mail address: ir@trinitythai.com from the date when the meeting documents are published on the Company's website until one week (7 days) prior to the meeting date;
- allowed adequate time (at least 1 hour) for registration to attend the meeting;
- prior to the meeting's commencement, notified the shareholders of relevant rules and voting procedures to be followed and applied in the meeting which would be recorded in the minutes of the meeting;

- provided the shareholders with adequate information concerning the meeting within a proper period of time which is longer than that set by law. In this regard, each item on the meeting agenda was accompanied by the opinion of the Board of Directors, and the voting rules/procedures for crucial items on the meeting agenda were provided;
- allocated appropriate time during the meeting for the shareholders to raise questions and express opinions freely whereby no agenda shall be added without giving prior notice to the shareholders;
- required the chairpersons of the Board of Directors, the Audit Committee, the Nomination and Recruitment Committee, the Company's CEO and auditor to attend the meeting to provide explanations or answers for any questions raised by the shareholders; and
- prepared and delivered the minutes of the meeting to the Stock Exchange of Thailand and disseminated the same through the Stock Exchange of Thailand's information channels and on the Company's website no later than 14 days after the meeting date.

Chapter 2 Equal/Fair Treatment to Shareholders

The Company shall treat all shareholders equally and fairly. In addition to the protection of shareholders' rights under Chapter 1, the Company shall perform as follows to ensure that all shareholders are treated equally and properly.

2.1 Establishment of Shareholders' Meeting Processes to Promote Equitable Treatment Among Shareholders

1) To allow minor shareholders to propose meeting agenda and/or to nominate any person(s) to be the Company's director in advance

The Board of Directors' Meeting have allowed minor shareholders to propose meeting agenda and to nominate any person(s) to be the Company's directors in advance since 2008. The minor shareholders which are eligible to do so may be a single or group of shareholders holding collectively at least 3% but not exceeding 5% of the Company's total issued shares and it/they must hold such shares continuously for at least 12 months. Also, it/they must have remained the Company's shareholder(s) until the date on which the Company's share registration book is closed for the purpose of convening the Company's Annual General Meeting of shareholders. In this regard, the Board of Directors established criteria and procedures for such proposal and nomination and notified the shareholders of the criteria, procedures and related documents for consideration of the same via the Company's website and information channels of the Stock Exchange of Thailand whereby the proposal and nomination period was fixed for at least one month.

For the upcoming 2011 Annual General Meeting of shareholders, the Company has notified the shareholders to propose meeting agenda and to nominate any person(s) to be the Company's directors via the Company's website and information channels of the Stock Exchange of Thailand on 4 January 2011. In this regard, the shareholders were required to present the documents in the form prescribed by the Company to the Company's secretary by 14 February 2011 so that the documents will be further presented to Company's Board of Directors for consideration. However, no shareholder proposed any meeting agenda nor nominated any person to be the Company's directors for 2011 Annual General Meeting of Shareholders.

2) To provide a proxy form with an option that allows the shareholders to appoint the Company's independent directors as their proxies in addition to the Company's directors and Management. That is, the Company includes a list of its independent directors in the proxy form which was prepared in the format prescribed by the Ministry of Commerce to facilitate the shareholders' proxy appointment. This proxy form also allows the shareholders to provide comments/opinions in support of their voting on each item on the agenda. The Company makes this proxy form available and discloses information regarding relevant procedures on the Company's website at least 30 days in advance of the meeting date.

3) To provide all present shareholders with ballot papers, each of which contains options to vote against or to refrain from voting, for all items on the agenda.

4) To provide ballot papers for the shareholders to appoint the Company's director individually.

2.2 Measures to Prevent Misuse of the Company Insider Information by the Company's Directors and Management for Their Own Benefits or Others' Benefits

Directors, Management and employees of Trinity Watthana Plc. and subsidiaries are required to strictly comply with stipulations in the Compliance Manual which contains various rules and regulations regarding business ethics for the Company, Management and employees including securities trading by the employees.

Besides, the Company set the guidelines for prevention of a conflict of interest with the Company and the client's confidentiality as follows:

1) Departments having access to insider information are required to have clear-cut separation from others; that is, the marketing function (front office) are segregated from other supporting function (back office) e.g. Financial Consultant Department, Investment Banking Department, Research Department, Capital Market Department, Fixed Income Department, Private Banking Department, Proprietary Trading division are separated from Operation Department, Accounting and Finance Department, Internal Audit and Compliance Department, Human Resources Department and Information Technology Department.

2) If the Company agrees to be a financial advisor to any company which is a competitor of the Company's client or which engages in a business similar to that of the Company's client, the Company is required to inform such client that the Company now accepts the job that may cause conflict of interest to the client so that the client can use such information in choosing its financial advisor.

3) Prior to taking any jobs from clients, it is the employee's duty to inform the Company of whether or not the employee has any direct or indirect interest in that particular job.

4) The employee shall not buy or sell the securities of the company under his/her supervision as a financial advisor nor shall the employee perform any action in favor of any client of the Company unless such securities have been previously obtained and approved for trading by the Management.

5) Rules for contact other departments or companies have been established; i.e.

- In case of work-related contact, the contact shall be approved by the department head and only the head of the related department or company can be contacted.
- In case of non-work-related contact, the contact shall be in accordance with the ethical practice.

6) The listing or delisting of securities on Restricted List / Research List or Watch List of both the Research Department and Investment Banking Department shall be implemented. Additionally, a use of the Company insider information by relevant officers shall be checked.

7) A measure to ensure the security of information access has been established through:

- a use of personal access codes/passwords to segregate users according to the client accounts. This includes separating the level of access as well, among different groups of users according to their job duties and responsibilities, e.g. officer, supervisor;
- a use of personal access codes/passwords to restrict access to information for individuals so that they can view only information relevant to themselves; and
- a highly secured procedure for transmission of data and sending of documents between each company and their related parties to ensure that only intended recipients will receive such information.

8) Securities Trading by Directors, Management and Employees

8.1) Stipulations on Securities Trading Accounts Opening by Employee

- An employee of the Company or subsidiaries shall open his/her own securities trading account with Trinity Securities Co., Ltd. only with prior approval from his/her department head.
- If the employee has a securities trading account with other brokers prior to the date on which these stipulations take effect or prior to working with the Company or subsidiaries, that em-

employee must cease to use that account from the effective date of these stipulations. However, the employee is allowed to sell the securities remained in that account until no security is left in such account, and then proceeds to close that account immediately.

- The employee is prohibited from opening a securities trading account for himself/herself by using nominee such as parents, spouse, siblings, relatives or friends.

8.2) Rules for Securities Trading by Directors and Management

The Company's directors are required to inform their securities trading accounts opened with Trinity Securities Co., Ltd. or other securities companies, including those of their spouses and children under 20 years old. The Company's directors are also required to allow the Company to request and check their information on a case-by-case basis e.g. the case where the Company agrees to underwrite rights issue of listed company.

The Company's Management involving in accounting information and financial statements which have not been publicly disclosed are prohibited from trading the Company's securities from the 15th day of the month after the last day of the quarter or accounting period until the date on which the Company publicly discloses such information.

Also, the directors of the Company and subsidiaries are prohibited from trading the Company's and/or subsidiaries' securities from the date of receipt of documents calling for the meeting of the board of directors for acknowledgement of the quarterly financial statements or financial statements of any accounting periods until the date on which such financial statements are published. An exception applies in necessary case and in case where the trading of such securities is not based on any insider information of the Company. In such cases, a memorandum regarding the securities trading shall be given to the compliance officer for record and for being served as evidence in complying with corporate governance.

8.3) Working Rules for Accounting and Finance Department

An accounting and finance officer shall strictly maintain the confidentiality of all accounting information including the Company's financial statements. The officer shall not notify or perform any action to let any unauthorized parties have such information and shall maintain confidentiality of information between divisions. Also, the officer shall not use any information known to him/her from working to trade the Company's securities for himself/herself or for any related persons. In this regard, an accounting and finance officer is prohibited from trading the Company's securities from the last day of a quarter or an accounting period until the date on which the Company publicly discloses such information. In necessary case and in case where the trading of such securities is not based on any insider information of the Company, a memorandum seeking approval from department head shall be made and a copy of the memorandum shall be given to the compliance officer for record and for being served as evidence

in complying with corporate governance.

9) Requirement for Report of Securities Holding by Directors and Management

The Company requires its directors and Management to report on their holdings of the Company's securities in accordance with Section 59 and the Notification of the Securities and Exchange Commission No. SorJor. 14/2540 re: Preparation and Disclosure of Securities Holding Report dated 1 July 1997. The Company also requires its directors and managements to submit copies of their securities holding reports (Form 59-2) to the Company's secretary every time the report is submitted to SEC for further report to the Company's Board of Directors. As of 31 December 2010, the shareholding of the Company's Board of Directors and the Management are as set out below.

| Name-Surname | Ordinary Shares | | |
|---------------------------------|-----------------|-----------|------------------------|
| | 31 Dec 10 | 31 Dec 09 | Increase (Decrease) |
| Mr. Sirin Nimmanahaeminda | 5,000 | 5,000 | - |
| Mr. Panja Senadisai | 75,000 | 75,000 | - |
| Mr. Pairote Varophas | 12,500 | 12,500 | - |
| Mr. Abhichart Arbhabhira | - | - | - |
| Mr. Pote Videtyontrakich | - | - | - |
| Mr. Surachai Suksriwong | - | - | - |
| Mr. Tawan Pantawong | - | - | - |
| Mr. Panop Sawetaroon | - | - | - |
| Mr. Pakhawat Kovithvathanaphong | 5,410,000 | 5,410,000 | - |
| Mrs. Kanitha Subpa-Asa | 1,150,000 | 1,150,000 | - |
| Mr. Charnchai Kongthongluck | - | - | - |

10) The Internal Audit and Compliance Department is required to strictly audit and supervise the use of information by the Company's directors, Managements and employees to prevent any misuse of Company insider information and to report the audit result (if any issue arises) directly to the Audit Committee for consideration and further action.

2.3 Disclosure of Information Concerning Interests of the Company's Directors and Management and Their Related Persons to the Board of Directors

The Company has established rules for report of interests by the Company's directors, Management and their related persons, including those of the subsidiaries in order to assist the Board of Directors in considering the transaction which may cause conflict of interest with the Company and in making a proper decision thereon by focusing on the Company's overall benefits. In this regard, the interested directors or Management shall not take part in the decision-making on the transaction which may cause conflict of interest with the Company.

Pursuant to the rules, the directors and Management are required to report their interests immediately after taking their positions and to regularly review the information concerning their interests by the end of January each year. Also, the directors and Management shall report their interests upon an occurrence of any changes that fall within the scope of the rules within 30 days from the date of the change by preparing and giving the report to the Company's secretary for further submission to the Chairmen of the Board of Directors and Audit Committee within 7 business days. In addition, they have to report such matter to the Board of Directors for acknowledgement in the following meeting of the Board of Directors.

Chapter 3 Rights of Stakeholders

3.1 Treatment of Stakeholders' Rights

According to Item 4 of the Company's corporate governance policies, the Company has always recognized and ensured that the rights of various stakeholders, i.e. shareholders, clients or business partners, creditors, employees and competitors, whether their rights and obligations under the law or the agreements made with the Company, are properly protected and fair to all concerned parties. Also, the Company will ensure that there is no infringement of human rights and intellectual property or copyrights of the Company's stakeholders. To accomplish such targets, the Company will perform as follows:

Shareholders: The Company commits itself to conducting business in the way that is satisfactory to the shareholders by supervising and ensuring that the Company's business will have a sustainable growth and provide benefits to the shareholders in the long term. The Company also ensures that complete and reliable information is disclosed to all concerned parties.

Clients: The Company aims to establish customer's satisfaction by continually improving and developing its employees' calibers and working systems in order to provide services which meet the client's need. In providing the service of securities analysis research, the Company focuses on rapidity and correctness of information which is not affected by any distortion.

Business Partners/Alliances: The Company does not and will not perform any actions which may mislead its business partners/alliances about material contents of the deal. In this regard, the Company avoids disclosing, distorting and providing false or incorrect information to the business partners/alliances.

Creditors: The Company always complies with the conditions concerning a borrowing or a purchase of goods and services as agreed and never infringes any intellectual property or copyright.

Employees: The Company recruits and employs capable and experienced personnel to work for it, encourages team work, enhances and develops its employees' potentials on a regular basis. The Company has set policies and guidelines on staff's remunerations and fringe benefits since 2001 and these policies and guidelines have been revised and updated from time to time to ensure that the employees are provided with appropriate and fair remunerations and benefits which can, in turn, motivate them to work for the Company to their maximum extent. In addition, the Company treats its employees who open securities trading accounts with the Company equally with the Company's clients and strictly complies with Labor Protection Act.

Besides, the Company has provided its employees with opportunities to make suggestions and comments or to propose any guidelines for any activities involving employees through their representatives who were elected as members on various committees of the Company e.g. Employee Relations Committee, Fringe Benefit Committee, Provident Fund Committee (for Employee).

Competitors: The Company supports and promotes fair business competition. At the same time, the Company acts against and does not cooperate with any competitors violating the rules or regulations of regulatory authorities.

3.2 Compensatory Measures for Interested Party Suffering Damages from Company's Tort and Channels for Interested Party's Participation

The Company provides various channels to receive complaints from clients and sets clear-cut working process to ensure that every single complaint is treated seriously, fairly and properly. The Company also decided to take part in the dispute resolution through arbitration which can be regarded as an additional alternative for the clients to claim for damages economically within a short time. Additionally, the Company encourages the employees to notify the Board of Directors of any issues relating to law violation, accuracy of the financial statements, defect(s) in internal control system or misconduct by giving a notice through the Compliance and Internal Audit Department or directly notifying any director or member of the Audit Committee who is not in the Management team so that an instruction to investigate the facts is issued and a report on fact investigation is given to the Board of Directors. In this regard, the name of the person giving the notice will not be revealed to the Management.

In 2009, the Company did not have any disputes with any interested parties.

3.3 Environment and Corporate Social Responsibility

The Company has actively continued its anti-global warming project from last year by encouraging its staff to help save energy in various ways e.g. to save power during lunch break, to switch on lights only in necessary area and to use air conditioner in energy-save mode. The Company also promotes the use of office equipment and stationery which are recyclable and environmentally-friendly such as office paper and New Year's gifts for clients and business partners/alliance. Apart from the anti-global warming project, the Company has continued the project called "One Hundred Thousand Pieces for Children" under which many pieces of paper which were used for one side are collected and bound together as notebooks for further use. These notebooks were then distributed to underprivileged students when scholarship was offered by the "Trinity Volunteer Club". (The club was formed by Trinity's staff with the main objective of implementing a variety of CSR activities to create a better society and it has been strongly supported by the Company and Management.) The "One Hundred Thousand Pieces for Kids" project has been run for the third year now. Besides promoting the maximum use of paper, this project also helps and provides educational opportunity to children in society.

Aside from the above-mentioned projects, in 2010, various provinces in Thailand encountered serious flooding and natural disaster. In order to help alleviate these problems, The "Trinity Volunteer Club" made their way to offer basic necessities and blankets to help people in Lopburi who faced and suffered from the flooding in this area. The Trinity Volunteer Club also raised and collected the donations to help the Company's employees working in Ayudhaya and Lopburi branches including those working in the south of Thailand where there was flooding. The money and blankets available from the donation were also donated to people suffering other natural disasters in other areas through "Krob Krua Khao Helps Flooding Victims" Program of TV Channel 3 and the 3rd "Khao Khon Klai Nao For Kids" Program of the MCOT (Channel 9).

As to moral enhancement through Dhamma/meditation practicing and merit-making, the "Trinity Buddhist Club" organized various religious activities throughout year 2010 such as inviting holy monks to give sermons on morality to the Company's employees on a regular basis, sustaining and preserving Buddhist's ceremonies by offering candles to temples during the Buddhist's Lent and performing "Kratin" ceremony, i.e. an annual hosting of merit-making ceremony to collect donations to help renovate old temples, as well as holding a merit-making and Dhamma/meditation practicing at temples. In addition to the Company's employees, clients were always invited to participate in these activities.

The Company strongly believes that it is not only required to perform its duties as a company, but it is also obliged to make contributions to the society and country for sustainable growth and development of the country and

business industry. With this belief in mind, the Company encourages its Management who have profound knowledge and expertise in capital market and other branches of knowledge to be members of any boards or working committees of both state and private sectors. Following are examples of the Company's Management's participations in the boards or committees as previously mentioned.

| | |
|----------------------------------|--|
| Mr. Pakhawatt Kovithvathanaphong | <p>Advisor to The Stock Exchange of Thailand</p> <p>Advisor to Association of Securities Companies</p> <p>Vice President and Chairman of Executive Committee, Thai Listed Companies Association</p> <p>Advisor to Financial Economics: Master Program, National Institution of Development Administration</p> <p>Member to Performance and Agreement Committee, State Enterprise Policy Office, Ministry of Finance</p> <p>Director-Finance Program, Faculty of Commerce and Accountancy, Thammasat University</p> |
| Mr. Charnchai Kongthongluck | <p>Director, Association of Securities Companies</p> <p>Vice President, Futures Industry Club</p> |
| Mrs. Niyada Changtrakul | Advisor to Financial Business Human Resources Management Club |
| Ms. Suwannee Limpanavongsaen | Director of Compliance Club |
| Mr. Pisit Porntangjitlikit | Director of IT Club |

3.4 Occupational Health, Safety and Environment at Workplace

The Company has always recognized the importance of occupational health, safety and environment at workplace for its employees which was provided in the business ethics section of the Company's Compliance Manual. Because of this recognition, the Company established the policy concerning occupational health, safety and environment at workplace and has made this policy effective since 1 July 2010. This policy was made known to all employees via the Company's intranet system and e-mail. To comply with the policy, the Occupational Health, Safety and Environment at Workplace Committee was appointed with main duties of considering policies and plans for occupational safety; considering rules and preparing manual for occupational safety; providing suggestions on how to improve working procedures, equipment and workplace to meet the required standards; and designating all supervisors to be in charge of and support all activities that creates or enhances occupational safety of employees. All members of the Company's Occupational Health, Safety and Environment at Workplace Committee attended and passed the training course required by relevant ministerial regulation. In this regard, the Committee will hold occupa-

tional safety training for the employees' representatives and a fire drill for the Company once a year.

3.5 Alliance with Anti-Misconduct and Bribery for Business Purpose

One fundamental rule of the Company as shown in the business ethics section of the Company's Compliance Manual relates to an acceptance of remuneration from service provision or other rewards. This rule requires that *"The Company, its employees or agents shall not promise to give, give, demand for or accept any remuneration (rewards) which may cause or be in conflict with the duties they have towards their clients in a normal course of business."* Because of this rule, the Company decided to be in alliance with the Anti-Misconduct in Thai Private Sectors Program which was established through a cooperation between Thai Institute of Directors Association, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association and Thai Bankers' Association in accordance with the resolution passed by the Board of Director's Meeting No. 1/2011 held on 25 January 2011. In this regard, the Company also supports the Collective Action Coalition's Declaration which aims at enhancing business competitiveness and developing the country.

Chapter 4 Information Disclosure and Transparency

4.1 Information Disclosure

The Company's Board of Directors have recognized the importance of the disclosure of correct, transparent and timely information, both financial and general information which is deemed material. For the purpose of information disclosure, the Company provides the information in both Thai and English languages. The information which has been disclosed by the Company so far includes duties performance by the Board of Directors and Committees, meeting attendance record of each director, corporate governance policies and compliance results, business ethics, environment and society policies, remuneration policy for directors and high-ranking Management, remunerations paid to directors, etc. The Company has disclosed the information through various information channels and media of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, including its website and Annual Report delivered to the Company's shareholders and related parties.

Since 2009, the Board of Directors has approved a policy concerning information disclosure which is prepared to serve as a guideline for information communication and disclosure. This policy covers the following issues: person in charge of information communication/disclosure; communication with analysts; information-block period, web board use etiquette; rumor clarification; policy review; stipulations on policy violation etc.

4.2 Report of the Board of Directors

The Company's Board of Directors have recognized their duties and responsibilities to supervise the accuracy of the consolidated financial statements of the Company and subsidiaries and financial information shown

in the Company's Annual Report. Such financial statements are required to be carefully prepared in accordance with the generally accepted accounting principles and standards and adopted appropriate accounting policies in consistency. Also, adequate material information of the Company shall be disclosed in the Note to the Financial Statements as reported in the Report of the Board of Directors' Responsibilities for financial statements (Appendix 3) and the Annual Report.

The Company's Board of Directors have assigned the Audit Committee consisting of independent directors to review and ensure that the Company's financial statements are accurately prepared and adequate information is disclosed therein; that the Company's internal control system and internal audit are proper and efficient; and that the connected transactions or transactions with conflict of interest are disclosed correctly and completely. The Audit Committee's opinions on the above issues were proposed to the Board of Directors for approval and were included in the Report of the Audit Committee (Appendix 3) and the Annual Report. The Board of Directors were of the opinion that the financial statements of the Company and its subsidiaries as of 31 December 2010 are accurate, complete, adequate and reliable.

4.3 Investor Relations

Presently, the Company has not yet set up its own Investor Relations division given that the Company's communication with investors, shareholders and analysts is still minimal. Nevertheless, the Company makes its information available through a channel which is convenient for the investors to gain access, i.e. its website. The information available on the Company's website includes the Company's quarterly operating results and other relevant information, e.g. shareholder structure after the closing of share register, which is updated regularly. The Company's website is also connected with those of regulatory bodies and provides channel for queries and comments. Investors may contact the Company to request information or give comments to the Company by sending e-mails to the following e-mail address: ir@trinitythai.com for which the Company has particularly arranged relevant officers to provide answers.

Chapter 5 Board of Directors' Responsibility

5.1 Board of Directors' Structure

1) Balance of Authority by Non-Executive Directors and Consolidation or Segregation of the Board of Directors' Chairman and CEO Positions

As of 31 December 2010, the Company's Board of Directors consists of 11 members who perform their duties on behalf of the shareholders. These 11 members include:

- 4 directors representing the Company's major shareholders, namely Mr. Tawan Pantawong, Mr. Pote Videtyontrakich, Mr. Surachai Suksriwong and Mr. Panop Svetarundra
- 4 independent directors consisting of Mr. Sirin Nimmannaeminda, Mr. Panja Senadisai, Mr. Pairote Varophas and Mr. Abhichart Arbhabhirama; and
- 3 executive directors consisting of Mr. Pakhawat Kovitvathanaphong, Mrs. Kanitha Subpa-Asa and Mr. Charnchai Kongthongluck.

Presently, the Company's Audit Committee consists of 4 members. At this point, it is apparent that the number of the Company's independent directors is equivalent to one third of the Board of Directors. It is also obvious that the eight non-executive directors who merely act on behalf of the shareholders represent 73% of the Board of Directors which is deemed as high proportion. Additionally, the Chairman of the Board of Directors who has been selected from independent directors chairs the Audit Committee in segregation from the position of Company's CEO. These facts help assure that the Company's directors have performed their duties on behalf of the shareholders and a proper balance of authority is in place.

2) Qualifications of Directors, Independent Directors and Nomination Process

The Nomination and Remuneration Committee established criteria for selection of directors and independent directors in accordance with the requirements prescribed by concerned regulatory authority which had been revised in 2008. In this regard, the Committee required that the Company's independent directors shall possess the following qualifications which are in addition to the minimum requirements.

With regard to the qualifications of a director, the Nomination and Remuneration Committee required that the Company's directors shall have no prohibited traits under relevant SEC notifications; possess all qualifications as specified in the Public Company Limited Act; have knowledge, capability and professional experience that can help develop the Company's businesses.

In accordance with the director nomination procedures under Clause 9.2, the Company had allowed minor shareholders to nominate any person(s) to be the Company's directors to the Company's Annual General Meeting for consideration as detailed in Chapter 2 by 14 February 2011; however, there was no nomination proposal submitted to the Company's secretary. The Nomination and Remuneration Committee reported their duties performance during year 2010 as shown in Appendix 3 and the report was disclosed in the Company's Annual Report.

3) Directorship Information Disclosure

To consider an efficiency of the duties performance by the Company's directors, the Committee takes into account the positions taken by each director in other companies annually to ensure that such directorship does not

affect each director's performance of his/her duties as the Company's director, and the aforesaid information was disclosed in Appendix 1 and the Company's Annual Report for the shareholders' information. With regard to the director whose term is expired, the Committee shall provide the shareholders with adequate information of all candidates to replace the director whose term is expired.

4) Policies and Procedures for Being Directors of Other Companies by Management

To ensure an efficient performance of duties as the Company's Management, the Company set the following policies and procedures for being directors of other companies by the Management:

Policies Concerning Being a Director of Other Companies

- Being a director in less than 5 companies
- Not being an authorized director of any other companies unless an approval from the Company's Board of Directors is obtained. In this regard, the act of being an authorized director in other companies shall not adversely affect the Management's work for the Company
- Remuneration from being a director in other companies (if any) shall be deemed as income of the Management.
- Information on being a director in other companies shall be completely disclosed.

Procedures for Taking Directorship in Other Companies

- Providing information on his/her directorship in other companies to the Company's secretary, including the change in the position (if any).
- Providing reasons in case where he/she desires to be an authorized director of other companies.
- The Company's secretary shall propose relevant information to the Company's Board of Directors for approval in case where a member of the Management desires to be a director in more than 5 companies or an authorized director of other companies.

5) Company's Secretary

The Company's Board of Directors have always recognized the importance of the roles and responsibilities of a company's secretary. In compliance with Section 89/15 of the Stock and Exchange Commission Act (No. 4) B. E. 2551, the Board of Directors, therefore, appoint Miss Suwannee Limpanavongsaen, the Deputy Managing Director in charge of Support Business Unit, to be the Company's secretary who shall report directly the CEO. The job description and responsibilities of the Company's secretary are as follows:

- coordinate and ensure that all activities of the Board of Directors are performed in accordance with relevant laws, rules, regulations, including the resolutions passed by the Board of Directors and the shareholders' meeting;
- prepare and retain a directors' register;
- prepare and retain all notices for the Board of Directors' meeting, supporting documents and minutes of the Board of Directors' meeting fully and completely;
- prepare and retain all notices for shareholders' meeting, supporting documents and minutes of the shareholders' meeting fully and completely;
- provide the Company's directors with fundamental information regarding laws and rules which the directors should be informed of in discharging their duties as the Company's directors;
- take care and be responsible for a preparation and retention of the Company's Information Report Form (Form 56-1) and Annual Report (Form 56-2)
- retain the interest report prepared and submitted by the Company's directors or Management.

5.2 Committees and Operational Committees

The Company's Board of Directors established various committees such as Audit Committee and Nomination and Remuneration Committee to assist in specific tasks. Most members of the committees are non-executive directors and a certain amount of independent directors are chairmen of committees. The Chairman of the Board of Directors is neither a member nor a chairman of any committees except Audit Committee (See List of Management and Their Responsibilities under Clause 9.1 for further details)

Additionally, the Company's Board of Directors approved an establishment of various operational committees to control and supervise operational works at the operational level of the Group. Key operational committees include Executive Committee, Credit Committee, Investment Committee, Proprietary Committee. (See Lists of Committees and Their Responsibilities under Clause 9.1 for further details)

5.3 Board of Directors' Roles and Responsibilities

1) Leadership and Vision for Corporate Governance

The roles, duties and responsibilities of the Company's Board of Directors, various committees and the Management as described in Clause 9.2 reflect (i) an assignment of leadership degree based on each group's responsibility and (ii) the independence in decision-making for the utmost benefits of the Company and shareholders in general. Generally, the Company's Board of Directors are responsible for approving the Company's business visions, strategies, targets, plans and budgets proposed by the Management and ensuring that proper report, follow-

up and assessment of the business operation are in place. The Company's vision and mission are published in the Company's website.

2) Approval and Review of Corporate Governance Policies

The Company's Board of Directors approve and review the Company's corporate governance policies and guidelines annually. In this regard, the Company communicates and makes its corporate governance policies and guidelines available on its website as well as assesses its compliance therewith at least once a year for further report to the shareholders and related authorities.

3) Business Ethics

The Company has provided a section concerning business ethics for directors, management and employees in the Company's Compliance Manual. The aforesaid section was proposed to the Company's directors for acknowledgement and made available on the Company's internal communication media so as to inform the Management and employees and so that the Management and employees can refer to it while performing their works. A training to alert the Company's employees and a follow-up on the compliance with the business ethics are regularly held. In 2008, the Company's Board of Directors approved to publish the Company's business ethics on the Company's website to disseminate and inform investors and these ethics have been observed until present.

4) Conflict of Interest Prevention

The Company's Board of Directors set a measure to control the transaction which may cause the director, Management or any conflicting party to have interest or conflict of interest of any manner with the Company. According to the measure, the information concerning interests of the director, Management or conflicting parties and their related persons shall be disclosed. In case where there is a transaction which may cause conflict of interest, the interested directors or Management shall not take part in the decision-making on such transaction.

In 2010, all inter-related transactions performed among the subsidiaries in the Group were reported to the Board of Directors for consideration. In this regard, if any transaction is comparable to the transaction made with third party, the Company will apply the arm's length basis principle to such transaction by disclosing details, value and parties of such transaction in the Note to the Company's Financial Statements, Annual Report and item 11 of SEC Form 56-1.

5) Internal Control System and Internal Audit

The Company's Board of Directors provided an internal control system which covers all concerned aspects. The system includes an establishment of a management structure with efficient check and balance, an

authorization of the Management to approve any matters, a risk management and a compliance with related regulations. The Board of Directors also set up a Compliance and Internal Audit Department to audit the Company and subsidiaries to ensure that their operations are in accordance with the specified rules and procedures and to suggest any relevant working processes to ensure that the internal control covers all aspects. The Compliance and Internal Audit Department is required to report its audit results directly to the Audit Committee and make a parallel report thereof to the Chief Executive Officer and President.

The Audit Committees of Trinity Watthana Plc. and Trinity Securities Co., Ltd. usually hold meeting which, until 31 December 2010, has been counted to 8 meetings in total. In such meetings, the accounting policies, financial reports, compliance with related rules, internal audit results and internal control system are reviewed to ensure that the aforesaid are efficient and adequate.

The Board of Directors assessed the appropriateness and adequacy of the Company's internal control system annually (see Clause 10 for further details) and were of the opinion that the Company's internal control system are adequate and appropriate for the Company's business. The Audit Committee also provided their opinions in this regard in Appendix 3 of Form 56-1 and the Company's Annual Report.

6) Risk Management

The Company has established an organizational risk management policy. That is, the Company's Board of Directors assign the executive committee to provide guiding policies and rules for management of the Company's overall risks whereby various operational committees including department heads are in charge of managing, monitoring and assessing the risks under their responsibilities in accordance with the specified framework. The aforesaid overall risks include any risks from administration, finance, investment, business, operation and management which are subject to the regulatory authorities' supervision. In addition, the Company assigns the Risk Management and Management Information Department to follow up the risk management results and regularly report the same to the executive committee and Board of Directors at the same time when the Company's operating results are reported.

The Board of Directors assessed and reviewed an adequacy and efficiency of the Company's risk management system at least once a year and were of the opinion that the Company's risk management system is adequate and appropriate for the Company's business (see Clause 10 for further details). Details of management of each risk are set out below.

Credit Risk

The Company's credit risk is in connection with investment in fixed income, receivables from clearing house and receivables from securities and derivatives businesses. To control this risk, the Management set proper policies and procedures for credit control, i.e. an establishment of credit approval authority from those of officer's level to the Credit Committee and Board of Directors as detailed in Clause 9.1; rules regulating a cluster of credit provision to any particular clients/counterparties; specification of securities eligible for credit offer; analysis of debt settlement ability of both clients and counterparties; and an annual review of credit line. Thanks to the aforesaid policies and procedures, the Company did not expect to suffer any material adverse affect from its credit provision. Also, the Company's credits are not clustered in any particular group of clients or counterparties given that the Company has a large and diversified client base.

Interest Rate Risk

The Company's material interest rate risk is in connection with deposits with financial institutions, investments in fixed income and interest-bearing borrowings. However, due to the fact that most assets and financial obligations bear (i) the interest rates that are usually adjusted according to the market rates or (ii) the fixed rates which are close to the present market rates, the Company's interest rate risk is still minimal.

Price Fluctuation Risk

The Company's price fluctuation risk is in connection with investment in securities and derivatives. To control this risk, the Management instructs the Proprietary Committee to stipulate the investment policy and requirements and rules to limit loss (Stop Loss Limit) from the Company's proprietary trading. In this regard, the Risk Management and Management Information Department is assigned to follow up the risk management and regularly report results to the Proprietary Committee both on a daily and monthly basis to ensure that the investment risks are acceptable to the Company.

Liquidity Risk

The Company's liquidity risk is in connection with the Company's assets and financial obligations. However, given that most of the Company's assets and financial obligations are short-term ones, the Company's liquidity risk is low. Nevertheless, to control this risk, the Management reviews the Company's Net Capital Ratio (NCR) report on a daily basis and instructs any departments engaging in new transactions which may have effects on the Company's liquidity to check with the Accounting and Finance Department so as to make sure that such transactions will not cause the Company's NCR to be lower than the Company's specified ratio which is higher than that prescribed by relevant regulatory authority. In case that a financial crisis arises in the Company, the Management will closely follow up and monitor all transactions.

Operation Risk

Given that operation risks are derived from in the Company's operation and working procedures for any transactions, the Company put great emphasis on the design of its internal control system to ensure that its business administration and management are correct and in accordance with all the prescribed procedures. Examples of this emphasis include a clear-cut separation between front office and back office in the Company's organization chart to create a proper balance and check; an establishment of working procedures for all transactions by taking into consideration the opinions/comments given by the Internal Audit and Compliance Department in order to create an adequate and appropriate internal control; a preparation of Compliance Manual which staff and employees may refer to while performing their jobs; a preparation of business continuous plan; and a test of various systems to ensure that they are in accordance with the requirements. Additionally, the Company established the Internal Audit and Compliance Department to monitor and ensure that all the Company's works are performed in accordance with the required procedures and related regulations whereby the Internal Audit and Compliance Department will report directly to the Company's Board of Directors.

Foreign Exchange Rate Risk

A foreign exchange rate risk is a risk arising in case where a financial instrument's value is changed due to a change in the foreign exchange rate. The Company is exposed to this risk due to the fact that it has made certain investments in derivatives denominated in foreign currency. Nevertheless, the Company entered into a forward contract to mitigate the risk. In order to control this risk, the Company's Management instructed the Proprietary Committee to set policy and stipulations for investment and limit of loss from foreign exchange rate. In this regard, the Risk Management and Management Information Department is assigned to follow up the risk management and regularly report results to the Proprietary Committee both on a daily and monthly basis to ensure that the overall investment risks are acceptable to the Company.

5.4 Board of Directors' Meeting

The Company's Board of Directors usually schedule their meetings in advance. The meeting is usually held to set and formulate the Company's business plan, to consider and approve any operational plan and budget and to follow up the operating results on a continuous basis. On the other hand, the Nomination and Remuneration Committee will hold their meeting only when any issues concerning the nomination and remuneration of directors, Management or employees of the Company or subsidiaries arise. In case that the meetings are not held monthly, the Company will report its monthly operating results to the Board of Directors for consideration in the meeting held immediately after that month.

Normally, the Board of Directors and the Audit Committee will receive a notice to a meeting together with the meeting agenda at least 7 days and will receive the supporting documents at least 5 days prior to the meeting to ensure that key issues have been included. Each director may propose any issues to be included in the meeting agenda by informing the Company's secretary who will further propose the issues to the Chairman of the Board of Directors and CEO. The Company's Board of Directors deems it as a policy to allow the non-executive directors to have a meeting among themselves on a necessary basis so that they can discuss any issues together without the Management whereby the CEO shall be informed of the meeting results/resolutions.

After each meeting, the Company's secretary is required to prepare the meeting minutes to record significant information discussed in the meeting and keep the minutes both in form of hard copy and electronic file on computer so as to prevent any modification without the approval of the Board of Directors' meeting. Details in the minutes of the meeting include:

- Date and times of commencement and completion of the meeting;
- List of directors present at the meeting and absentees
- Summary of issues raised and discussed in the meeting, remarks and comments given by directors on the issues, including resolutions passed by the board and comments made by directors disagreeing with any issues (if any)
- Name of persons taking and certifying minutes

In 2010, the meetings of the Company's Board of Directors and committees as well as attendance record of each director in each meeting can be summarized as follows:

| | <u>List of Directors</u> | No. of Attendance / Total No. of Meeting | | |
|----|-----------------------------|--|------------------------|--|
| | | <u>Board of Directors</u> | <u>Audit Committee</u> | <u>Nomination and Remuneration Committee</u> |
| 1. | Mr. Sirin Nimmanahaeminda | 8/9 | 7/8 | |
| 2. | Dr. Pongsathorn Siriyodhin* | 0/3 | | |
| 3. | Mr. Panja Senadisai | 7/9 | 6/8 | 4/5 |
| 4. | Mr. Pairote Varophas | 8/9 | 6/8 | |
| 5. | Mr. Pote Videtyontrakich | 6/9 | | 3/5 |
| 6. | Mr. Abhichart Arbhabharama | 8/9 | 8/8 | |
| 7. | Mr. Surachai Suksriwong | 8/9 | | 4/5 |

| | <u>List of Directors</u> | No. of Attendance / Total No. of Meeting | | |
|-----|-------------------------------------|--|------------------------|--|
| | | <u>Board of Directors</u> | <u>Audit Committee</u> | <u>Nomination and Remuneration Committee</u> |
| 8. | Mr. Pakhawat Kovitvathanaphong | 9/9 | | |
| 9. | Mrs. Kanitha Subpa-Asa | 9/9 | | |
| 10. | Mr. Tawan Pantawong | 5/9 | | 5/5 |
| 11. | Mr. Charnchai Kongthongluck | 9/9 | | |
| 12. | Mr. Panop Svetarundra ** | 5/6 | | 3/5 |
| | Total Number of Meeting Held | 9 | 8 | 5 |

Note: * resigned from being the Company's directors on 12 May 2010.

** being appointed as the director and the appointment was registered with the Ministry of Commerce on 25 May 2010; therefore, he firstly joined the Board of Directors' Meeting No. 4/2010.

In 2010, the meetings of the boards of directors and committee of Trinity Securities Co., Ltd. as well as the attendance record of each director in each meeting can be summarized as follows:

| | <u>List of Directors</u> | No. of Attendance / Total No. of Meeting | |
|----|-------------------------------------|--|------------------------|
| | | <u>Board of Directors</u> | <u>Audit Committee</u> |
| 1. | Mr. Pakhawat Kovithvathanaphong | 8/8 | |
| 2. | Mrs. Kanitha Subpa-Asa | 8/8 | |
| 3. | Mr. Panja Senadisai | 6/8 | 6/8 |
| 4. | Mr. Pairote Varophas | 8/8 | 6/8 |
| 5. | Mr. Abhichart Arbhabhira | 8/8 | 8/8 |
| 6. | Mr. Charnchai Kongthongluck | 8/8 | |
| 7. | Ms. Suwannee Limpanavongsaen | 8/8 | |
| 8. | Mrs. Niyada Changtrakul* | 8/8 | |
| 9. | Mr. Wisit Ongpipattanakul** | 4/5 | |
| | Total Number of Meeting Held | 8 | 8 |

Note: * being appointed as the director and the appointment was registered with the Ministry of Commerce on 14 January 2010; therefore, she firstly joined the Board of Directors' Meeting No. 1/2010

** being appointed as the director and the appointment was registered with the Ministry of Commerce on 8 June 2010; therefore, he firstly joined the Board of Directors' Meeting No. 4/2010

5.5 Board of Directors' Self-Appraisal

On 23 February 2011, the Board of Directors conducted a self-appraisal to assess their performance in year 2010 in the following aspects:

- Structure and qualifications of the Board of Directors
- Roles, duties and responsibilities of the Board of Directors
- Board of Directors' meeting
- Duties performance as a director
- Relationship with Management
- Self-development of directors and Management development

Based on the self-appraisal by the Board of Directors, the Board of Directors viewed as follows: The structure and qualifications of the Company's Board of Directors are "very good" level. Each member of the Board of Directors understands the roles, duties and responsibilities of a director and has sufficient knowledge and understanding of the Company's businesses. Also, the Board of Directors' emphasis on supervision of various issues is "very good", especially the supervision over the transactions that may cause conflict of interest and the preparation of the financial statements to be in accordance with the accounting standards. Material information was disclosed as required by related rules and regulations. Additionally, the Board of Directors convened their meetings regularly and efficiently; freely express their opinions in considering any matters; and are allowed to contribute constructive opinions. Last of all, the Board of Directors have a good relationship with the Management and they can discuss together any matters straightforwardly.

5.6 Directors' Remuneration

The Company's Board of Directors advised the Nomination and Remuneration Committee to focus on and comply with the following policies when making a decision on remuneration of directors and Management:

- The remuneration shall maintain justice for both Company and individual.
- The remuneration shall reflect the Company's performance.
- The remuneration shall motivate a person to perform and maintain good standard of work.
- The remuneration shall be consistent with additional works and responsibilities.
- The remuneration shall be comparable and competitive with those offered by other companies in the same/similar industry.

The remunerations of directors shall be approved by the shareholders. The remuneration policies as well as amounts of remunerations shall be disclosed in the Annual Report.

Since 2004, the Company has disclosed the remunerations of the directors on an individual basis (See Clause 9.3 for amounts of remunerations).

5.7 CEO's and Operational Committees' Remunerations

The remunerations of CEO and Operational Committees shall be assessed by the Nomination and Remuneration Committee in accordance with the agreed assessment criteria and shall be proposed to the Board of Directors for approval. The Chairman of the Board of Directors and/or the Chairman of the Nomination and Remuneration Committee shall be in charge of notifying the result to the Management. The assessment criteria include the Company's performance and business plan accomplishment, including the Company's past payment record and the results from the survey of remunerations paid by other companies in the same industry.

For 2009 and 2010, the Company disclosed the total remunerations of the Management (See Clause 9.3 for amounts of remunerations).

5.8 Director and Management Development

The Company's Board of Directors recognized and promoted a provision of training and education for its directors, Management and secretary, including the Compliance and Internal Audit Department, especially the training under the Director Accreditation Program (DAP) or Director Certification Program (DCP) in which most Company's directors have already participated. Also, the Company's Management participated in the Capital Market Academy's training program which was designed for high-ranking executives from various businesses and government sectors. When there is a new director, the Company's secretary will provide the new director with documents or information that is of benefits to the new director. Additionally, the Company's CEO will brief the new director of the Company's business nature so that the new director has good understanding of the Company's business operation.

In 2010, there was an appointment of new directors. In this regard, the Company held an orientation for these new directors in a bid to inform them of the Company's business and policy, including necessary rules and regulations under the Director's Manual which include:

- Roles and responsibilities of Board of Directors and various committees
- Code of conduct for securities business
- Business ethics for Management
- Corporate governance policy
- Rules for report of interest by Management
- Stipulations governing Company's securities trading

- Inter-related transaction policy
- Information disclosure policy
- Management's report

At the same time, the Internal Audit and Compliance Department will regularly present the rules and regulations which have been materially changed/amended to the Board of Directors and the Audit Committee at their meetings.

The high-ranking Management have made themselves ready for the development and succession of work by holding a meeting of the Management regularly. The regular meetings enable the Management to have understanding of the Company's visions and missions at the same level.

Internal Control

The Meeting of the Board of Directors of Trinity Watthana Plc. No. 2/2010 which was held on 23 February 2010 and attended by all members of the Audit Committee, and the Meeting of the Board of Directors of Trinity Securities Co., Ltd. No. 2/2010 which was held on the same date and attended by all members of independent directors and the Audit Committee, mutually assessed and concluded that the internal control system of the Company is adequate and efficient. Details of the assessment of the internal control system of the Company and subsidiaries are set out below.

Organization and Environment

The Company's Board of Directors are in charge of approving the business targets as set and proposed by the Management annually, providing an efficient management and administrative structure, a code of conduct for the Company, directors, Management and employees, with a focus on the issues of prevention of conflict of interest and use of insider information. Additionally, compliance manual on various aspects is provided to ensure that the employees understand and comply with the rules specified.

Risk Management

The Company has ensured that a proper risk management is in place by establishing several operational committees as described in section Management Structure to specifically help consider and approve any risk transaction. The Department Heads also monitor and control the risk in their job and responsibility which are included the management risk, financial risk, investment risk, operational and administrative risk with under supervision of related official parties. Apart from the operational committees, the Company has assigned the Compliance and Internal Audit Department to follow up the risk management performed by the Board of Directors and regularly report the risk management results to the Audit Committee for acknowledgment.

Management Supervision

The Company has clearly defined a scope of authority for each level of the Management and the aforesaid scope of authority is reviewed from time to time to ensure that it is efficient enough to prevent any misconduct. The Company will announce the current scope and level of authority to all related parties through the Company's internal communication channels. The Compliance and Internal Audit Department will monitor and ensure that all approvals by the Management are in compliance with the scope and level of authority. Furthermore, the Company ensures that all connected transactions which may cause a conflict of interest are performed in accordance with the rules set by the Stock Exchange of Thailand.

Information and Communication System

The Company provides its Board of Directors with significant and adequate information for decision-making by allowing enough time for the Board to consider and review any important issues before the Board's meeting is held and providing complete and comprehensive the minutes of meeting. The Company has an efficient internal communication system; that is, all employees can receive any important information through e-mail. The Company also files all vital accounting records at a secured place as well as stores all information required by regulatory bodies for a period of time as stipulated by those regulatory bodies. Additionally, while the Company's financial statements are reviewed by the Audit Committee and the auditor, the accounting policies used by the Company will also be audited and reviewed to see if they are suitable for the Company's business.

Monitoring System

The Company holds a meeting of the Board of Directors regularly to consider and check if the operation results are as targeted. The Company also reports such results to the Audit Committee for acknowledgment and improvement. In case where any material defect is found or any misconduct arises, such defect or misconduct will be reported to the Company's Board of Directors.

Auditor

The Company's auditor, Ms.Runnapa Lerdsuwanakul of Ernst & Young Office Ltd., audited the financial statements of the Company and its subsidiaries for the accounting period ended on 31 December 2010. In performing such audit work, the auditor also reviewed the Company's internal financial control system as part of his audit plan so as to obtain a reasonable confidence to express professional opinion on the financial statements. The auditor did not find any material defects which adversely affect the Company's financial position or financial statements or which require him to advise the Company to improve its internal control system. In 2010, the Company did not hire the auditor to offer any other services to the Company.

Related Parties and Connected Transactions

Transactions between Trinity Watthana Plc. Or Subsidiaries and Conflicting Parties

Details of transactions between the Company and conflicting parties in 2010 and 2009 are as follows :

| Type of Transaction | 2010 | | | 2009 | | | Justification / Rational / Terms of Transaction |
|--|------------------|-----------------------|---------------------------|------------------|-----------------------|---------------------------|---|
| | # of Transaction | Income/ Expense (THB) | Outstanding Balance (THB) | # of Transaction | Income/ Expense (THB) | Outstanding Balance (THB) | |
| Connected transactions with individuals who may have conflict of interest with Trinity Watthana Plc. - None - | | | | | | | |
| Connected transactions with individuals who may have conflict of interest with Trinity Securities Co., Ltd | | | | | | | |
| 1. Brokerage fees received from the Company's directors | 5 | 639,585 | Debtor 1,380,789 | 6 | 1,132,348 | Debtor 247,025 | Brokerage fees charged at the normal rate based on arm's length basis |
| 2. Brokerage fees received from subsidiaries' directors | 5 | 177,155 | Debtor 11,000 | 5 | 282,280 | Debtor 184,380 | |
| 3. Brokerage fees received from KTB (major shareholder) | 1 | 877,419 | - | 1 | 293,985 | Debtor 2,356,737 | |
| 4. Dividend received from the open-end fund managed by KTAM | | 799,505 | Investment 5,534,616 | | 9,500 | Investment 13,663,335 | The fund was jointly established with the SET |
| 5. Underwriting of debentures issued by Osprey Series I Co., Ltd. And Osprey Series II Co., Ltd. | | 8,997 | - | | 44,623 | - | Fee was charged at market rate |
| 6. Interest expense on promissory notes to KTB | | 21,589 | | | | | Based on the bank's normal rate applicable to general customer |

Justification and Rationale for Connected Transaction

Given that Trinity Watthana Plc. conducts its business in the form of a holding company, it is inevitable to avoid connected transactions between the Company and subsidiaries or among the Company's subsidiaries. The Company's Audit committee has reviewed all of the aforementioned connected transactions and concluded that all transactions were justifiably and reasonably conducted to provide utmost benefits to the Company and its subsidiaries.

Measures or Procedures for Approval of Connected Transactions

In the past year, the Company assigned the Audit Committee to review all connected transactions between the Company and the Company's subsidiaries with related companies. After the review, the Audit Committee was of the opinion that all connected transactions were conducted as in accordance to normal business practices, and that the Company had made payments as remunerations for the transactions based on the fair market value.

The Company has assigned the Audit Committee of Trinity Watthana Plc. and Trinity Securities Co., Ltd. To consider and approve future connected transactions which may occur between and/or among the Company, the Company's subsidiaries, and/or any conflicting parties. In this regard, the payment for the transactions will be based on the fair market value of the respective transaction.

Policy or Prospect of Connected Transactions

The Company's Board of Directors shall comply with all rules and regulations concerning connected transactions and shall not approve any transactions which may cause the Board of Directors or any conflicting parties to have interest or conflict of interest in any manners with Trinity Watthana Plc. or its subsidiaries. Such transactions shall be disclosed to the Board of Directors of Trinity Watthana Plc. for its consideration. In this regard, the Board of Directors shall comply with the laws governing securities and exchange as well as relevant regulations, notifications, instructions or stipulations of the SET, including stipulations concerning the disclosure of connected transactions and acquisitions or disposals of significant assets of the Company or its subsidiaries.

All future connected transactions between Trinity Watthana Plc. or its subsidiaries and a conflicting or interested party arises, Trinity Watthana Plc. will assign the Audit Committee to provide opinion on values, remunerations, including justification and rationale for such transaction. Based on necessity and appropriateness of such transaction. Trinity Watthana Public Company Limited will disclose all connected transactions in the Note to Financial Statements which were audited by the Company's auditor. In this regard, the Company's Board of Directors have approved in principle the trading agreements which are based on

general commercial terms and conditions for the transactions made between the Company or subsidiaries and directors, Management or related persons as follows:

“The Company and subsidiaries may engage in any connected transactions with its directors, the Management or related persons in the future. As a result, the Company has approved in principle that the Company and subsidiaries be allowed to engage in such transactions if such transactions are based on the trading agreements which are identical or similar to those engaged by and between people with ordinary prudence in the same circumstance and the negotiation power of all concerned parties are not influenced or affected by the status of director, Management or related person.”

Analysis of Financial Position and Operating Results

1) Operating Results

Income

The consolidated income of the Company and subsidiaries in 2010 increased from that of 2009 by 31.07%; that is, the Company and subsidiaries' consolidated income in 2010 was Baht 458.94 million which was increased from Baht 364.41 million in 2009. 82.65% of such consolidated income derived from the securities business which rose from Baht 287.94 million in 2009 to Baht 379.32 million in 2010. The rise in the securities business earnings was attributed to the following:

- An increase in return from the Company's investment in equity instruments and fixed income (in forms of trading gains and interest dividend) from Baht 16.36 million to Baht 38.78 million;
- An increase in a daily average trading volume of SET from Baht 18,226 million to Baht 29,066 million, resulting in a rise in brokerage fee from Baht 243.80 million to Baht 306.40 million or by 25.68%;
- An increase in the Company's interest income from margin loans from Baht 16.22 million in 2009 to Baht 18.59 million which was consistent with an increase in the amount of margin loans in Quarter 4 of 2010 as a result of the rise in trading volume. However, the income from derivative business dropped from Baht 47.59 million to Baht 38.25 million as a result of the company's decreased market share in TFEX that was caused by an increase in the number of business competitors. Nevertheless, the company's investments in derivatives has improved from loss of Baht 14.25 million in 2009 to a gain of Baht 5.07 million in 2010;
- An increase in the Company's financial advisory service fee from Baht 5.60 million to Baht 22.41 million. This increase resulted from more stable capital market's condition and better operating results of listed companies which had led to additional advisory work.
- The Company's sale of its entire shares in Thai Laminate Manufacturer Co., Ltd in June 2010 which allowed the Company to recognize sharing of equity income under the equity method until the date of sale in the amount of Baht 5.77 million which was decreased from Baht 11.02 million in 2009.

Operating Expenses

In 2010, the Company and subsidiaries incurred the operating and administrative expenses in the amount of Baht 385.05 million which was increased from Baht 348.37 million in 2009. The expenses which had significant changes include:

- Personnel expenses and Management remuneration in 2010 amounted to Baht 182.30 million and Baht 59.58 million which were increased from Baht 158.81 million and Baht 45 million in 2009, or by 14.97% and 32%, respectively. This increase varied according to the Company's overall increase in the operating results.
- The Company and subsidiaries managed to decrease its expenses in relation to office, premise and equipment from Baht 74.46 million to Baht 70.92 million because two branches were closed in 2010.

Net Profit (Loss)

In 2010, the Company and subsidiaries' profits before corporate income tax and net profits were Baht 66.18 million and Baht 38.85 million, respectively. The Company's high corporate income tax of Baht 27.3 million resulted from the profit of Baht 62.8 million which was recognized from the sale of share in its affiliate as shown in the Company's separate financial statements.

2) Financial Position

Total Assets

As of 31 December 2010, the total assets of the Company and subsidiaries amounted to Baht 2,197.13 million, of which significant items include investments in securities in the amount of Baht 573.87 million, net securities business receivables and accrued interest receivables in the amount of Baht 982.11 million and cash and cash equivalent items in the amount of Baht 56.05 million. These three main items represent 26.12%, 44.70% and 2.55% of the total assets, respectively. The total assets in 2010 were increased when compared to those of 2009 which was Baht 1,656.09 million, whereby the increase resulted from an increase in the receivables from clearing house which increased from Baht 175.46 million at the end of 2009 to Baht 436.06 million at the end of 2010 or increased by 148.53%, including the increase of margin loans from Baht 336.69 million in 2009 to Baht 659.51 million at the end of 2010. The increase in receivables from clearing house was mainly due to the increase in securities trading volume generated by clients of subsidiaries in the last three business days before the end of 2010, i.e. around Baht 1,326 million, compared to Baht 851 million for the same period of 2009.

Securities Business and Derivatives Receivables

As of 31 December 2010, Trinity Securities Co., Ltd.'s securities and derivatives business receivables and accrued interest receivables in the amount of Baht 982.11 million included margin loan receivables in the amount of Baht 659.51 million which were adequately secured as required by the Notification of the Office of the Securities and Exchange Commission (SEC). The Company categorized its securities business receivables and accrued interest receivables in accordance with the SEC's Notification re: Bookkeeping in relation to Sub-Standard Debtors of

Securities Companies as general debt in the amount of Baht 981.0 million and doubtful debt in the amount of Baht 153.50 million. In this regard, the Company has provided a provision to cover all doubtful debts in accordance with the accounting standards.

Investments in Securities and Derivatives

The Company and subsidiaries' net investments in securities as of 31 December 2010 stood at Baht 573.87 million which was decreased from Baht 602.18 million in 2009. Out of this amount, Baht 570.39 million was the Company and subsidiaries' long-term and short-term investments in securities according to their fair values or 25.96% to total asset which was increased from Baht 358.11 million in 2009 whereas the remaining Baht 3.47 million was the investment in affiliates which were booked under an equity method. This amount was decreased from Baht 244.07 million at the end of year 2009 as a result of the Company's sale of its shares in Thai Laminate Manufacturer Co., Ltd.

The long-term and short-term investments in securities include (i) an investment in fixed income, i.e. promissory notes and bills of exchange given aval by bank and debentures, in the amount of Baht 398.76 million or 69.49% of total investment and (ii) an investment in listed companies on SET in the amount of Baht 158.29 million. The remaining amount of Baht 13.33 million was invested in other securities and mutual funds.

In 2010, the Company gained a total return on investment in the amount of Baht 38.98 million; of which Baht 29.08 million is attributable to trading profits, Baht 21.01 million is in form of interests and dividends from securities held for trading and available-for-sale; Baht 11.31 million is unrealized loss from investments for trading and Baht 0.20 million is an unrealized profit presented in shareholders' equity. Overall, the Company's return on investment in 2010 increased from Baht 16.25 million of the previous year.

Also, the Company's subsidiaries invested in derivatives. As of 31 December 2010, the off-balance sheet fair value of such derivatives was Baht 135.81 million and the return on investment thereof was Baht 5.08 million which was increased from 2009 when there was a loss from investment in the amount of Bath 14.25 million.

The Company's falling amount of investment in affiliates resulted from the fact that the Company sold all of its 6,000,000 shares in Thai Laminate Manufacturer Co., Ltd., its affiliate, which was equivalent to 24% of the registered capital thereof, in the amount of Baht 243.4 million to the existing shareholders of Thai Laminate Manufacturer Co., Ltd. The Company's gain from this sale in the amount of Baht 62.8 million was shown in the Company's separate financial statements.

Liabilities

As of 31 December 2010, the Company and subsidiaries' total liabilities stood at Baht 891.26 million which was increased by 128.99% when compared to the total liabilities of Baht 389.21 million at the end of 2009. The increase in the total liabilities resulted from the borrowing of Baht 255 million for settlement payment and an increase of securities business payables and payables from clearing house from Baht 353.43 million at end year 2009 to Baht 551.65 million at the end of 2010 or by 56.08%.

Such increase was mainly due to the increase in securities trading volume generated by clients of subsidiaries in the last three business days before the end of 2010, i.e. around Baht 1,326 million, compared to Baht 851 million for the same period of 2009.

Shareholders' Equity

As of 31 December 2010, the Company and subsidiaries' shareholders' equity stood at Baht 1,305.87 million which was increased from Baht 1,266.88 million of 2009. The increase was derived from the Company and subsidiaries' earnings in 2010.

3) Contingent Liabilities

Trinity Securities Co., Ltd. as member of the Stock Exchange of Thailand (SET) and Thailand Futures Exchange Plc. (TFEX) is liable to pay a commission fee for equities and futures, membership fee for investor protection fund and other charges to SET and other working units under SET which provide securities operational services to members. These fees and charges are collected on a monthly or other periodical basis as stated in relevant agreements. Additionally, the company is obliged to pay the securities business operation fee to the Office of the Securities and Exchange Commission at the rate specified.

Also, as of 31 December 2010, the subsidiaries' contingent liabilities under long-term lease agreements for office and equipment and service agreements amounted to Baht 21.2 million which was decreased from Baht 27.4 million in 2009.

4) Liquidity

In 2010, cash and cash equivalent items of the Company and subsidiaries increased by Baht 10.69 million which was mainly derived from the cash flow available from business operation in the amount of Baht 96 million, a sale of shares in the Company's affiliate in the amount of Baht 243.4 million, and a short-term borrowing in the amount of Baht 255 million while the net cash flow spent in assets and liabilities increased to Baht 588 million. This increase was caused by the increase in (i) provisional investment by Baht 232 million, (ii) receivables from clearing house by Baht 261 million; (iii) securities business receivables by Baht 301 million; and (iii) securities business

payables by Baht 198 million. These increases were consistent with the increasing turnovers/trading volume of securities in SET. Also, a due consideration of the Company's liquid assets ratio revealed that the Company's possessed liquid assets or income-generating assets at high proportions which were equivalent to 27.70% or 70.01% of the Company's total assets, respectively.

At the ends of 2010 and 2009, Trinity Securities Co., Ltd. maintained a net capital ratio of 72.03% and 99.09%, respectively, which surpasses the minimum requirements of 7% and Baht 25-million net capital ratio as prescribed by SEC. During 2010 and 2009, the company managed to maintain a net capital ratio ranging from 40% to 286% and 30% to 99% respectively, which exceed those minimum requirements.

Report of the Audit Committee

The Company's Board of Directors resolved to appoint the Audit Committee, consisting of 4 independent directors, namely, Mr. Sirin Nimmanahaeminda, Mr. Panja Senadisai, Mr. Pairote Varophas and Mr. Abhichart Arbhabhirama.

In 2010, the Audit Committee were convened 8 meetings which the attendance report of each member of the Committee has been revealed in 56-1 form and in the annual report. The committee supervised the Company's businesses on behalf of the Board of Directors within the scope of responsibility delegated to the Audit Committee under the relevant charter. In these meetings, the Audit Committee discussed and exchanged opinions with the Company's auditor, executives from Internal Audit and Compliance Department and relevant executives. Also, in order to get a direct opinion from the external auditor with no interference from the Management, the Audit Committee held a separate meeting with the auditor on 23 February 2011 to discuss various issues.

In brief, in 2010, the Audit Committee discussed and considered the following issues:

- **Financial Statements Preparation** The Audit Committee jointly reviewed both quarterly financial statement and 2010 financial statements with the Management and/or the auditor to ensure that the financial reports of the Company and its subsidiary are accurately prepared in accordance with the accounting standards and stipulations set by the regulatory bodies and that sufficient and complete information is disclosed. Additionally, the Audit Committee reviewed the Company's disclosure of inter-related transactions performed by and between the Company, its subsidiaries and affiliates, including any connected transactions to ensure that all business conditions and rules set by the Stock Exchange of Thailand are fully complied with.

- **Internal Control System, Internal Audit and Compliance with Related Rules & Regulations** The Audit Committee considered a structure and line of command of the Compliance and Internal Audit Department, an audit plan including an audit and compliance report containing details of the Company's compliance with legal and regulatory requirements to provide opinions on the Company's internal control system and compliance with related rules and regulations

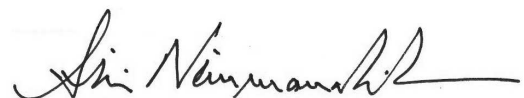
- **Risk Management** The Company's Board of Directors and the Management have recognized the importance of risk management; therefore, they established the "Risk and Information Management Department" which is responsible for assessing risk factors and providing proper risk management system to manage different risks posed by each type of business. In this regard, the Audit Committee has regularly monitored and ensured that the risk management of each unit in the Company is implemented within the approved scope and then reported the same to the Management for improvement. A risk management report is also presented to the Company's Management and Board of Directors for review on a regular basis.

- **Connected Transactions or Conflict-of-Interest Transactions** The Audit Committee reviewed the connected transactions or any transactions which may cause conflict of interests with the Company to ensure that those transactions are decided on the prudent and justified manner and for the utmost benefits to the Company.

- Company and Subsidiaries' Auditor Selection The Audit Committee selected an auditor for the Company and subsidiaries based on independence, credibility, knowledge adequacy and professional experience of the person to become the Company's auditor as well as reasonability of audit fee.

After due consideration and review, the Audit Committee is of the opinion that the Company's financial statements as of 31st December, 2010 were accurately prepared in accordance with the accounting standards and stipulations set by regulatory bodies and that sufficient and complete information was disclosed. Also, the Company has possessed a sound and efficient internal control system as well as proper internal audit and compliance audit to ensure the compliance with related rules and regulations; all of which have been regularly revised and improved to suit the changing of risks and business environment. No significant defect which may adversely affect the Company's financial report was found, and risk management has been implemented effectively in accordance with relevant measures. Additionally, no connected transaction which may cause conflict of interest was found and the inter-related transactions between the Company and related parties were performed on the arm's length basis.

For year 2011, the Audit Committee suggested that the Board of Directors seek approval from the Annual General Meeting of Shareholders to appoint Miss Rungnapa Lertsuwankul, the Certified Public Accountant of Registration No. 3516 or or Miss Pimjai Manithajornkij, the Certified Public Accountant of Registration No. 4521 of Ernst & Young Office Limited to be the Company's auditor on the ground that from the past performance on auditing services, the aforementioned auditors had performed their job professionally with good understanding on securities business and provided a useful IT's audit control procedure and advice of new accounting standards. Also, the audit fees charged to the Company and subsidiaries were appropriate and acceptable.



(Mr. Sirin Nimmanahaeminda)

Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

The Company's Board of Directors resolved to appoint the Nomination and Remuneration Committee, consisting of 4 independent directors, namely, Mr. Panja Senadisai, Mr. Pote Videtyontrakich, Mr. Surachai Suksriwong and Mr. Tawan Puntawong .

In 2010, 5 meetings of the Nomination and Remuneration Committee were convened to supervise the Company's businesses on behalf of the Board of Directors within the scope of responsibility delegated to the Nomination and Remuneration Committee. In these meetings, the Nomination and Remuneration Committee considered various issues and provided opinions as set out below.

- To select, nominate and prepare lists of qualified persons to be members of boards of directors of the Company and subsidiaries in replacement for those whose term of office expired or those who retired or resigned and present the lists to the Company's Board of Directors for approval.
- To determine an annual remuneration budget, i.e. salary adjustment budget and bonus, for the Company's Management and staff based on an appraisal criteria and the Company's overall performance and present the budget to the Company's Board of Directors for approval.
- To consider the appropriate remuneration and welfare package for the executives.
- To propose the remuneration for the Board of Directors, i.e. monthly meeting honorarium and directors' bonus and present the remuneration to the Company's Board of Directors for consider and further presentation to the Annual General Meeting of Shareholders for further approval.



(Mr. Panja Senadisai)

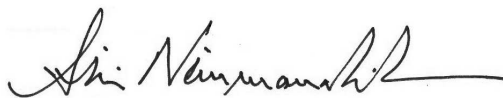
Chairman of the Nomination and Remuneration Committee

Report of the Board of Directors' Responsibilities for 2010 Financial Statements

The Company's Board of Directors have recognized their duties and responsibilities as the board of directors of a listed company to supervise and ensure that the Company's 2010 financial statements contain accurate, complete and transparent accounting information in all material aspects, and that the Company's 2010 financial statements were carefully prepared in accordance and consistent with the Generally Accepted Accounting Standards and appropriate accounting principles. The Board of Directors also emphasized on a reasonable and careful preparation of the consolidated financial statements of the Company and its subsidiaries, financial statements of the Company and financial information shown in the Company's 2010 financial statements.

To assure all stakeholders of the Company's 2010 financial statements, the Company's Board of Directors appointed the Audit Committee, consisting of 4 independent directors possessing all qualifications as required by the regulatory body and the Company whereby three of them have profound accounting and finance background, to review and ensure that the Company's financial statements and business operation are correct; that the connected transactions or transactions which may cause conflict of interest have been decided on the prudent and justified manner and for the utmost benefit of the Company; and that the Company's risk management, internal control, internal audit and corporate governance are proper and efficient.

The Company's Board of Directors are of the opinion that the consolidated financial statements of the Company and its subsidiaries and financial statements of the Company for year 2010 ended on 31 December 2010 which were jointly audited and reviewed by the Board of Directors, Management and the certified auditor present accurate and complete information on the Company's financial status, operating results and cash flows in accordance with the Generally Accepted Accounting Principles, and information therein was adequately and correctly disclosed in accordance with the related rules and regulations.



(Mr. Sirin Nimmanahaeminda)

Chairman of the Board of Directors



(Mr. Pakhawat Kovithvathanaphong)

Chief Executive Officer

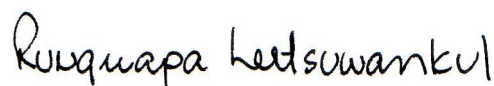
Report of Independent Auditor

To The Shareholders of Trinity Watthana Public Company Limited

I have audited the accompanying consolidated balance sheet of Trinity Watthana Public Company Limited and its subsidiaries as at 31 December 2010, the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Trinity Watthana Public Company Limited for the same year. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of Trinity Watthana Public Company Limited and its subsidiaries and the separate financial statements of Trinity Watthana Public Company Limited for the year ended 31 December 2009, as presented herein for comparative purposes, were audited by another auditor in my firm whose report dated 23 February 2010, expressed an unqualified audit opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trinity Watthana Public Company Limited and its subsidiaries and of Trinity Watthana Public Company Limited as at 31 December 2010, the results of their operations and cash flows for the year then ended, in accordance with generally accepted accounting principles.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 23 February 2011

Trinity Watthana Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2010 | 2009 | 2010 | 2009 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 56,047,761 | 45,355,336 | 1,736,036 | 1,249,665 |
| Current investments - net | 8 | 552,558,525 | 336,650,046 | - | 4,141,000 |
| Receivables from Clearing House - net | 9 | 436,061,279 | 175,459,304 | - | - |
| Securities and derivatives business receivables - net | 6, 10 | 982,114,660 | 681,321,125 | - | - |
| Short-term loans to subsidiary | 6 | - | - | 270,000,000 | 20,000,000 |
| Accrued income | | 11,456,667 | 3,415,086 | - | - |
| Accrued income - related party | 6 | - | - | 10,200,000 | 41,400,000 |
| Other derivatives assets | | 6,300 | - | - | - |
| Other current assets | | 7,577,681 | 7,962,812 | 307,075 | 386,937 |
| Total current assets | | 2,045,822,873 | 1,250,163,709 | 282,243,111 | 67,177,602 |
| Non-current assets | | | | | |
| Investments in subsidiaries - net | 12 | - | - | 979,102,664 | 729,102,664 |
| Investments in associates | 13 | 3,467,671 | 244,068,983 | - | 180,619,439 |
| Other long-term investments - net | 6, 8 | 17,844,616 | 21,463,335 | 12,310,000 | 7,800,000 |
| Long-term loan to subsidiary | 6 | - | - | - | 250,000,000 |
| Premises improvement and equipment - net | 14 | 30,223,502 | 38,649,152 | 1 | 1 |
| Goodwill - net | | 50,865,066 | 50,865,066 | - | - |
| Intangible assets - net | 15 | 15,534,149 | 18,026,252 | - | - |
| Other non-current assets | | 33,369,033 | 32,853,087 | - | - |
| Total non-current assets | | 151,304,037 | 405,925,875 | 991,412,665 | 1,167,522,104 |
| Total assets | | 2,197,126,910 | 1,656,089,584 | 1,273,655,776 | 1,234,699,706 |

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

Trinity Watthana Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------------|-----------------------------------|---------------|-------------------------------|---------------|
| | <u>Note</u> | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institution | 16 | 255,000,000 | - | - | - |
| Payables to Clearing House | | 11,260 | 31,780 | - | - |
| Securities and derivatives business payables | 6, 17 | 551,638,943 | 353,401,061 | - | - |
| Tax payables | | 24,941,535 | 2,355,288 | 1,045,268 | 24,500 |
| Accrued commission and bonus expenses | | 33,177,856 | 15,059,519 | - | - |
| Directors' remuneration payables | | 1,760,000 | - | 1,760,000 | - |
| Accrued expenses | | 18,204,780 | 15,419,141 | 406,500 | 67,708 |
| Accrued expenses - related party | 6 | - | - | 1,425,000 | 10,114,369 |
| Other derivatives liabilities | | 5,900 | - | - | - |
| Other current liabilities | | 4,222,171 | 687,599 | - | - |
| Total current liabilities | | 888,962,445 | 386,954,388 | 4,636,768 | 10,206,577 |
| Non-current liabilities | | | | | |
| Other non-current liabilities | | 2,298,750 | 2,254,892 | 197,763 | 198,437 |
| Total non-current liabilities | | 2,298,750 | 2,254,892 | 197,763 | 198,437 |
| Total liabilities | | 891,261,195 | 389,209,280 | 4,834,531 | 10,405,014 |
| Shareholders' equity | | | | | |
| Share capital | 18 | | | | |
| Registered | | | | | |
| 182,825,000 ordinary shares of Baht 5 each | | 914,125,000 | 914,125,000 | 914,125,000 | 914,125,000 |
| Issued and fully paid-up | | | | | |
| 175,552,000 ordinary shares of Baht 5 each | | 877,760,000 | 877,760,000 | 877,760,000 | 877,760,000 |
| Surplus on share capital | | 288,008,568 | 288,008,568 | 288,008,568 | 288,008,568 |
| Revaluation surplus (deficit) on investments | 8.4 | 197,616 | 57,915 | (287,000) | - |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 19 | 27,303,115 | 25,062,437 | 27,303,115 | 25,062,437 |
| Unappropriated | | 112,596,416 | 75,991,384 | 76,036,562 | 33,463,687 |
| Total shareholders' equity | | 1,305,865,715 | 1,266,880,304 | 1,268,821,245 | 1,224,294,692 |
| Total liabilities and shareholders' equity | | 2,197,126,910 | 1,656,089,584 | 1,273,655,776 | 1,234,699,706 |

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

Trinity Watthana Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|--------------|-------------------------------|--------------|
| | Note | 2010 | 2009 | 2010 | 2009 |
| Revenues | | | | | |
| Advisory fees | | 22,408,283 | 5,596,403 | - | - |
| Securities business income | 6, 20 | 361,549,529 | 284,855,430 | - | - |
| Derivatives business income | 6 | 38,251,341 | 47,594,442 | - | - |
| Gain on securities trading | 8.5 | 17,775,686 | 3,082,012 | 656,000 | 1,467,800 |
| Gain on derivatives trading | | 5,075,899 | - | - | - |
| Gain on disposal of investment in associate | 13 | - | - | 62,780,561 | - |
| Dividend income from associate | 6, 13 | - | - | 3,600,000 | - |
| Other income | 6 | 7,484,665 | 11,460,133 | 11,288,931 | 13,284,732 |
| Total revenues | | 452,545,403 | 352,588,420 | 78,325,492 | 14,752,532 |
| Expenses | | | | | |
| Operating and administrative expenses | | | | | |
| Personnel expenses | | 182,300,705 | 158,812,282 | 18,660 | 32,038 |
| Premises and equipment expenses | | 70,916,553 | 74,465,009 | 101 | 547 |
| Taxes and duties | | 1,190,711 | 994,839 | 244,477 | 8,437 |
| Fee and service expenses | 6 | 50,284,705 | 48,872,597 | 17,150,126 | 6,031,815 |
| Management benefit expenses | 21 | 59,583,280 | 44,998,758 | 6,360,000 | 4,580,000 |
| Other expenses | | 20,772,785 | 20,232,385 | 809,182 | 927,401 |
| Total operating and administrative expenses | | 385,048,739 | 348,375,870 | 24,582,546 | 11,580,238 |
| Bad debt and doubtful accounts | 11 | 1,635,569 | 9,534,584 | - | - |
| Loss on derivatives trading | | - | 14,247,235 | - | 15,399,840 |
| Impairment loss on investment in subsidiary | | - | - | - | 3,300,000 |
| Total expenses | | 386,684,308 | 372,157,689 | 24,582,546 | 30,280,078 |
| Income (loss) before share of income from investments in associates | | | | | |
| Share of income from investments in associates | 13 | 6,398,688 | 11,819,449 | - | - |
| Income (loss) before finance cost and corporate income tax | | 72,259,783 | (7,749,820) | 53,742,946 | (15,527,546) |
| Finance cost | | (6,079,468) | (4,105,966) | - | - |
| Income (loss) before corporate income tax | | 66,180,315 | (11,855,786) | 53,742,946 | (15,527,546) |
| Corporate income tax | | (27,334,605) | - | (8,929,393) | - |
| Net income (loss) for the year | | 38,845,710 | (11,855,786) | 44,813,553 | (15,527,546) |
| Earnings per shares | | | | | |
| 22 | | | | | |
| Basic earnings per share | | | | | |
| Net income (loss) | | 0.22 | (0.07) | 0.26 | (0.09) |
| Weighted average number of ordinary shares (shares) | | | | | |
| | | 175,552,000 | 175,552,000 | 175,552,000 | 175,552,000 |

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

Trinity Watthana Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------------|-------------------------------|--------------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Cash flows from operating activities | | | | |
| Income (loss) before corporate income tax | 66,180,315 | (11,855,786) | 53,742,946 | (15,527,546) |
| Adjustments to reconcile income (loss) before corporate income tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 20,374,007 | 20,626,998 | - | - |
| Amortisation of discount received on bill of exchanges | (88,388) | (357,273) | - | - |
| Bad debt and doubtful accounts | 1,635,569 | 9,534,584 | - | - |
| Bad debt recoveries | (1,120,726) | (778,161) | - | - |
| Share of income from investments in associates | (6,398,688) | (11,819,449) | - | - |
| Dividend income from associate | - | - | (3,600,000) | - |
| Unrealised (gain) loss on revaluation of investments | | | | |
| in trading securities | 11,307,272 | (4,549,150) | (656,000) | (1,467,800) |
| (Gain) loss on disposal of long-term investments | (37,776) | 1,939,358 | - | - |
| Gain on disposal of investment in associate | - | - | (62,780,561) | - |
| Impairment loss on investment in subsidiary | - | - | - | 3,300,000 |
| Gain on disposal of equipment | (2,165,875) | (1,017,454) | - | - |
| Interest expenses | 6,079,468 | 4,105,966 | - | - |
| Income (loss) from operating activities before changes in operating assets and liabilities | 95,765,178 | 5,829,633 | (13,293,615) | (13,695,346) |
| Operating assets (increase) decrease | | | | |
| Current investments | (231,637,363) | 226,819,937 | - | - |
| Receivables from Clearing House | (260,601,975) | (149,759,553) | - | - |
| Securities and derivatives business receivables | (301,308,378) | (266,471,323) | - | - |
| Amounts due from related party | - | - | - | 15,248,219 |
| Accrued income | (8,041,581) | (119,326) | 31,200,000 | (9,000,000) |
| Other current assets | 378,831 | 3,049,639 | 79,862 | (47,300) |
| Other non-current assets | (515,946) | 716,196 | - | - |
| Operating liabilities increase (decrease) | | | | |
| Payables to Clearing House | (20,520) | (78,666,101) | - | - |
| Securities and derivatives business payables | 198,237,876 | 177,628,985 | - | - |
| Other current liabilities | 30,411,944 | (4,061,765) | (5,617,942) | 1,779,935 |
| Other non-current liabilities | 43,858 | (2,127,513) | (674) | 25,512 |
| Cash from (used in) operating activities | (477,288,076) | (87,161,191) | 12,367,631 | (5,688,980) |
| Cash paid for interest expenses | (6,079,462) | (4,105,960) | - | - |
| Cash paid for corporate income tax | (8,955,854) | (4,742,686) | (8,881,260) | (3,944,869) |
| Net cash from (used in) operating activities | (492,323,392) | (96,009,837) | 3,486,371 | (9,633,849) |

Trinity Watthana Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|------------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Cash flows from investing activities | | | | |
| Acquisition of subsidiary investment | - | - | (250,000,000) | - |
| Proceeds from disposal of investment in associate | 243,400,000 | - | 243,400,000 | - |
| Acquisition of long-term investments | (4,976,917) | (21,353,831) | - | (7,800,000) |
| Proceeds from sales of long-term investments | 13,283,113 | 25,781,954 | - | - |
| Decrease in loans to related parties | - | - | - | 16,000,000 |
| Dividend received from associate | 3,600,000 | - | 3,600,000 | - |
| Acquisition of equipment | (8,162,043) | (9,115,598) | - | - |
| Proceeds from sales of equipment | 2,607,204 | 3,173,222 | - | - |
| Acquisition of intangible assets | (1,735,540) | (6,470,910) | - | - |
| Net cash from (used in) investing activities | <u>248,015,817</u> | <u>(7,985,163)</u> | <u>(3,000,000)</u> | <u>8,200,000</u> |
| Cash flows from financing activities | | | | |
| Increase in short-term loans from financial institutions | 255,000,000 | - | - | - |
| Net cash from financing activities | <u>255,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | 10,692,425 | (103,995,000) | 486,371 | (1,433,849) |
| Cash and cash equivalents at the beginning of year | 45,355,336 | 149,350,336 | 1,249,665 | 2,683,514 |
| Cash and cash equivalents at the end of year (Note 7) | <u>56,047,761</u> | <u>45,355,336</u> | <u>1,736,036</u> | <u>1,249,665</u> |
| | - | - | - | - |
| Supplemental cash flows information : | | | | |
| Non-cash items | | | | |
| Increase (decrease) in revaluation surplus (deficit) in investments | 139,701 | 9,688,437 | (287,000) | - |

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

Trinity Watthana Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

(Unit: Baht)

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|---------------|-------------------|--------------|-------------------|---------------|
| | Issued and | | Revaluation | | Retained earnings | |
| | fully paid-up | Surplus on | surplus (deficit) | | | Total |
| | share capital | share capital | on investments | Appropriated | Unappropriated | |
| Balance as at 31 December 2008 | 877,760,000 | 288,008,568 | (9,630,522) | 25,062,437 | 87,847,170 | 1,269,047,653 |
| Income and expenses recognised | | | | | | |
| directly in equity: | | | | | | |
| Investment in available-for-sale securities (Note 8.4) | | | | | | |
| Gain recognised in shareholders' equity | - | - | 56,327 | - | - | 56,327 |
| Transferred to income statements on disposal | - | - | 9,632,110 | - | - | 9,632,110 |
| Net income and expenses recognised | | | | | | |
| directly in equity | - | - | 9,688,437 | - | - | 9,688,437 |
| Net loss for the year | - | - | - | - | (11,855,786) | (11,855,786) |
| Total income and expenses for the year | - | - | 9,688,437 | - | (11,855,786) | (2,167,349) |
| Balance as at 31 December 2009 | 877,760,000 | 288,008,568 | 57,915 | 25,062,437 | 75,991,384 | 1,266,880,304 |
| Balance as at 31 December 2009 | 877,760,000 | 288,008,568 | 57,915 | 25,062,437 | 75,991,384 | 1,266,880,304 |
| Income and expenses recognised | | | | | | |
| directly in equity: | | | | | | |
| Investment in available-for-sale securities (Note 8.4) | | | | | | |
| Gain recognised in shareholders' equity | - | - | 174,533 | - | - | 174,533 |
| Transferred to income statements on disposal | - | - | (34,832) | - | - | (34,832) |
| Net income and expenses recognised | | | | | | |
| directly in equity | - | - | 139,701 | - | - | 139,701 |
| Net income for the year | - | - | - | - | 38,845,710 | 38,845,710 |
| Total income and expenses for the year | - | - | 139,701 | - | 38,845,710 | 38,985,411 |
| Unappropriated retained earnings transferred | | | | | | |
| to statutory reserve (Note 19) | - | - | - | 2,240,678 | (2,240,678) | - |
| Balance as at 31 December 2010 | 877,760,000 | 288,008,568 | 197,616 | 27,303,115 | 112,596,416 | 1,305,865,715 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |

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

Trinity Watthana Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

| | Separate financial statements | | | | | |
|--|-------------------------------|---------------|-------------------|-------------------|----------------|---------------|
| | Issued and | Surplus on | Revaluation | Retained earnings | | Total |
| | fully paid-up | share capital | surplus (deficit) | Appropriated | Unappropriated | |
| | share capital | share capital | on investment | | | |
| Balance as at 31 December 2008 | 877,760,000 | 288,008,568 | - | 25,062,437 | 48,991,233 | 1,239,822,238 |
| Net loss for the year | - | - | - | - | (15,527,546) | (15,527,546) |
| Total income and expenses for the year | - | - | - | - | (15,527,546) | (15,527,546) |
| Balance as at 31 December 2009 | 877,760,000 | 288,008,568 | - | 25,062,437 | 33,463,687 | 1,224,294,692 |
| Balance as at 31 December 2009 | 877,760,000 | 288,008,568 | - | 25,062,437 | 33,463,687 | 1,224,294,692 |
| Income and expenses recognised | | | | | | |
| directly in equity: | | | | | | |
| Investment in available-for-sale securities (Note 8.4) | | | | | | |
| Loss recognised in shareholders' equity | - | - | (287,000) | - | - | (287,000) |
| Net income and expenses recognised | | | | | | |
| directly in equity | - | - | (287,000) | - | - | (287,000) |
| Net income for the year | - | - | - | - | 44,813,553 | 44,813,553 |
| Total income and expenses for the year | - | - | (287,000) | - | 44,813,553 | 44,526,553 |
| Unappropriated retained earnings transferred | | | | | | |
| to statutory reserve (Note 19) | - | - | - | 2,240,678 | (2,240,678) | - |
| Balance as at 31 December 2010 | 877,760,000 | 288,008,568 | (287,000) | 27,303,115 | 76,036,562 | 1,268,821,245 |
| | - | - | | - | - | - |
| | - | - | | - | - | - |

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

Trinity Watthana Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2010 and 2009

1. General information

1.1 Trinity Watthana Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment in other companies. The registered office of the Company is 179/111, 26th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok. The Company currently has no employee, since administrative work is performed by Trinity Securities Company Limited, the Company's subsidiary.

1.2 The Company invests 99.99 percent of the registered share capital of Trinity Securities Company Limited, a subsidiary, which operates its business in Thailand and undertakes securities businesses licensed, as follows:

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

As at 31 December 2010, the subsidiary has 10 branches (2009: 12 branches) and has a total of 253 employees (2009: 273 employees). Its registered address is 179, 25th-26th, 29th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and in conjunction with the Notifications of the Office of the Securities and Exchange Commission. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company ("the Company") and the following subsidiary companies ("the Subsidiaries"):

| Company's name | Nature of business | Percentage of shareholding | | Country of incorporation | Assets as a percentage to the consolidated total assets as at 31 December | | Revenues as a percentage to the consolidated total revenues for the year ended 31 December | |
|--------------------------------------|---------------------|----------------------------|---------|--------------------------|---|---------|--|---------|
| | | 2010 | 2009 | | 2553 | 2552 | 2553 | 2552 |
| | | Percent | Percent | | Percent | Percent | Percent | Percent |
| <u>Held by the Company</u> | | | | | | | | |
| Trinity Securities Company Limited | Securities business | 99.9 | 99.9 | Thailand | 96.2 | 80.5 | 98.7 | 99.5 |
| Trinity Advisory 2001Company Limited | Financial advisory | 99.9 | 99.9 | Thailand | 0.7 | 0.6 | 1.2 | 0.9 |
| Trinity Information Company Limited | Investment holdings | 99.9 | 99.9 | Thailand | - | - | - | - |

The financial statements of Trinity Information Company Limited, the Company's subsidiary, for the year ended 31 December 2010 were audited by its auditor.

| Company's name | Nature of business | Percentage of indirect shareholding | | Country of incorporation |
|---|---|-------------------------------------|---------|--------------------------|
| | | 2010 | 2009 | |
| | | Percent | Percent | |
| <u>Held by subsidiary companies</u> | | | | |
| Trinity Polaris Futures Company Limited (held by Trinity Securities Company Limited) | Derivatives business (dissolved in September 2009) | - | 99.9 | Thailand |

On 15 January 2010, Trinity Polaris Futures Company Limited, the subsidiary of Trinity Securities Company Limited which is the Company's subsidiary, filed for the completeness of liquidation with the Ministry Commerce. On 27 January 2010, the liquidator of Trinity Polaris Futures Company Limited approved the redemption of capital at the rate of Baht 0.42 per share to all shareholders, totaling Baht 3.19 million. Trinity Polaris Futures Company Limited made such payment on the same date.

b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.3 The separate financial statements, which present investments in subsidiaries and associates presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

| | |
|-----------------------|---|
| TAS 1 (revised 2009) | Presentation of Financial Statements |
| TAS 2 (revised 2009) | Inventories |
| TAS 7 (revised 2009) | Statement of Cash Flows |
| TAS 8 (revised 2009) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2009) | Events after the Reporting Period |
| TAS 11 (revised 2009) | Construction Contracts |
| TAS 16 (revised 2009) | Property, Plant and Equipment |
| TAS 17 (revised 2009) | Leases |
| TAS 18 (revised 2009) | Revenue |
| TAS 19 | Employee Benefits |
| TAS 23 (revised 2009) | Borrowing Costs |
| TAS 24 (revised 2009) | Related Party Disclosures |
| TAS 26 | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2009) | Consolidated and Separate Financial Statements |
| TAS 28 (revised 2009) | Investments in Associates |
| TAS 29 | Financial Reporting in Hyperinflationary Economies |
| TAS 31 (revised 2009) | Interests in Joint Ventures |

| | |
|-----------------------|--|
| TAS 33 (revised 2009) | Earnings per Share |
| TAS 34 (revised 2009) | Interim Financial Reporting |
| TAS 36 (revised 2009) | Impairment of Assets |
| TAS 37 (revised 2009) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2009) | Intangible Assets |
| TAS 40 (revised 2009) | Investment Property |
| TFRS 2 | Share-Based Payment |
| TFRS 3 (revised 2009) | Business Combinations |
| TFRS 5 (revised 2009) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 | Exploration for and Evaluation of Mineral Resources |
| TFRIC 15 | Agreements for the Construction of Real Estate |

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

| | |
|-----------------------|--|
| TAS 12 | Income Taxes |
| TAS 20 (revised 2009) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (revised 2009) | The Effects of Changes in Foreign Exchange Rates |

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax

assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue and expense recognition

(a) Brokerage fees from securities business

Brokerage fees from securities business are recognised as income on the transaction dates.

(b) Brokerage fees from derivatives business

Brokerage fees from derivatives business are recognised as income on the transaction dates.

(c) Fees and services income

Fees are recognised as income on an accrual basis and services revenue are recognised when services have been rendered taking into account the stage of completion.

Management fees are calculated as a percentage of the net asset value of the funds managed by the subsidiary and recognised as income when services have been rendered.

(d) Interest on margin loans

Interest is recognised as income on an accrual basis based on the effective rate method, but where there is uncertainty as to the collectability of loans and interest the subsidiary ceases accrual.

In the following cases, collectability of loans and interest is held to be uncertain.

(1) Loans which are not fully collateralised.

(2) Installment loans with repayments scheduled less frequently than 3 months for which principal or interest is overdue by more than 3 months.

(3) Installment loans with repayments scheduled no less frequently than 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.

(4) Problem financial institutions.

(5) Other receivables from which interest payment is overdue for 3 months or more.

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

(e) Gain (loss) on securities trading

Gain (loss) on securities trading is recognised as income or expense on the transaction dates.

(f) Gain (loss) on derivatives trading

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

(g) Interest and dividend on investments in securities

Interest on investments is recognised as income on an accrual basis on the effective rate method.

Dividends from securities are recognised when the right to receive the dividends is established.

(h) Expenses

Expenses are recognised on an accrual basis.

4.2 Interest on borrowing

Interest on borrowing is charged to income on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity less than 3 months and not subject to withdrawal restrictions, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

4.4 Recognition and amortisation of customer deposits

Cash received from customers of trading securities in term of cash balance, credit balance and placed as margin for trading derivatives is recorded as assets and liabilities of a subsidiary for the internal control purposes. As at the balance sheet date, the subsidiary excludes these amounts from both the assets and liabilities and presents only assets which belong to the subsidiary.

4.5 Securities borrowing and lending

The subsidiary records its obligations to return borrowed securities which it has been sold as short selling or lent as "Securities borrowing payables" in the balance sheet. At the end of the year, the balance of securities borrowing payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gains or losses arising from such adjustment are included in determining income. Securities lend to customers are recorded as "Securities borrowing receivable" in the balance sheet. Cash paid or received as collateral for securities borrowing and lending is recorded as "Collateral receivables" or "Collateral payables". Fees on securities borrowing and lending are recognised on an accrual basis.

4.6 Investments

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

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

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

d) Investments in non-marketable equity securities, which the Company and its subsidiary classify as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

e) Investments in associates are accounted for in the consolidated financial statements using the equity method.

f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

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

Loss on impairment (if any) of investments in available-for-sale securities, debt securities expected to be held to maturities, other investments and investments in subsidiaries and associates are included in the income statements.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gains or losses in the income statement or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as income or expenses in the income statement.

4.7 Receivables from Clearing House

Receivables from Clearing House comprises the net receivable from Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, and net receivables from TCH from derivatives trades, including cash collateral pledged with TCH for derivatives trade.

In 2009, the settlement for equity securities trades on the Stock Exchange of Thailand was made through Thailand Securities Depository (TSD).

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

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

comprise cash accounts, credit balance accounts, guarantee deposits receivable, as well as other receivables such as overdue cash accounts and securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The subsidiary has provided an allowance for doubtful accounts based on a review of debtor's repayment capability, taken into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are made in accordance with the following criteria.

(a) Asset classified as bad debt is defined as follow:

(1) Debts which the subsidiary has made effort to follow up, but could not collect repayment. The subsidiary has written them off in accordance with tax law.

(2) Debts which the subsidiary has forgiven them.

(b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:

(1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.

(2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue by more than 3 months.

(3) Installment loans with repayments scheduled no less than 3 months, each installment unless there is clear evidence and a high degree of certainty that full is recovered.

(c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in (b).

Loans classified as bad debt will be written off when identified. Full provision of the loan balance will be set aside for loans classified as doubtful. These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

4.9 Premises improvement and equipment /Depreciation

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

Depreciation of premises improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

| | | |
|------------------------|-------|-------|
| Furniture and fixtures | 5 | years |
| Office equipment | 3 - 5 | years |
| Motor vehicles | 5 | years |

Depreciation is included in determining income. No depreciation is provided on work under installation.

An item of premises improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.10 Intangible assets / Amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

A summary of the intangible assets with finite useful lives is as follows.

| | <u>Useful lives</u> | |
|----------------------|---------------------|-------|
| Deferred license fee | 10 | years |
| Computer software | 5, 10 | years |

4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of the premises improvement and equipment and other intangible assets whenever events or changes in circumstances

indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.13 Payables to Clearing House

Payables to Clearing House comprise the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, and for derivatives trades.

In 2009, the settlement for equity securities trades on the Stock Exchange of Thailand was made through Thailand Securities Depository (TSD).

4.14 Securities and derivatives business payables

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

4.15 Related party transactions

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

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

4.16 Long-term leases

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

4.17 Foreign currency

Transactions in foreign currency are translated into Baht at the exchange rate ruling at the date of transaction. Monetary assets and liabilities dominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date. Exchange gains and losses are included in determining income.

4.18 Employee benefits

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

4.19 Provisions

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

4.20 Income Tax

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

4.21 Financial derivatives

Future contracts

Obligations under derivatives which the subsidiary entered into for trading purposes are regarded as off-balance sheet items. Amounts pledged as security for these derivatives are recorded as receivable at TCH and gain (loss) from changes in the value of derivatives are included in the income statement. The fair value of derivatives is based on the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited.

Options contracts

The subsidiary recorded the premium paid (long position) and the premium received (short position) under SET 50 index options contracts as at trade date as other derivative assets and other derivative liabilities, respectively. Gains or losses from changes in the value of the premium under option contracts are included in the income statements. Fair value is determined based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these

estimates. Significant accounting judgments and estimates are as follow:

Recognition and derecognising of asset and liabilities

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

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Allowance for doubtful accounts for securities business receivables

Allowances for doubtful accounts for securities business receivables are intended to adjust the values of loans and receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding loan and receivable by taking into account collection risk and the value of the securities used as collateral. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

Premises improvement and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercised judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer Pricing Policy |
|---|-----------------------------------|-------------|-------------------------------|-------------|---|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> | |
| Related party transactions | | | | | |
| Brokerage fees from securities business | | | | | |
| - Related party | 877,419 | 293,985 | - | - | Market price |
| - Related persons | 331,263 | 86,366 | - | - | Market price |
| Brokerage fees from derivatives business | | | | | |
| - Related party | 485,477 | 1,328,261 | - | - | Market price |
| Interest income | | | | | |
| - Subsidiary | - | - | 1,006,678 | 4,267,699 | 0.50 to 1.00 percent per annum (2009: 0.50 to 2.50 percent per annum) |
| Fees income | | | | | |
| - Subsidiary | - | - | 10,200,000 | 9,000,000 | Contract price |
| - Related parties | 8,997 | 44,623 | - | - | Contract price |
| Dividend received | | | | | |
| - Related parties | 799,505 | 9,500 | - | - | Normal rate declared to ordinary investors |
| - Associate | 3,600,000 | - | 3,600,000 | - | Normal rate declared to ordinary investors |
| Brokerage fees expenses from derivatives business | | | | | |
| - Subsidiary Fees expenses | - | - | - | 3,040,926 | Market price |
| - Subsidiary Interest expense | - | - | 15,633,600 | 1,800,000 | Contract price |
| - Related party | 21,589 | - | - | - | Market price |

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related parties are as follows:

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------------------------------|------------|-------------------------------|-------------|
| | Relationship | 2010 | 2009 | 2010 | 2009 |
| <u>Outstanding balances of the transactions</u> | | | | | |
| Securities business receivables | | | | | |
| Krung Thai Bank Public Company Limited | Related by way of shareholding of Company | - | 2,356,737 | - | - |
| Directors of the Company and related parties | Related persons | 1,380,789 | 247,025 | - | - |
| Short-term loans to subsidiary | | | | | |
| Trinity Securities Company Limited | Subsidiary | - | - | 270,000,000 | 20,000,000 |
| Accrued income | | | | | |
| Trinity Securities Company Limited | Subsidiary | - | - | 10,200,000 | 41,400,000 |
| Other long-term investments - unit trusts | | | | | |
| The Thai Opportunity Fund | Related by way of being under the control of a related party | 5,446,323 | - | - | - |
| The Thai Opportunity Fund 2 (Formerly know as “The Krung Thai Thana Wattana Fund”) | Related by way of being under the control of a related party | 88,293 | 73,083 | - | - |
| The Krung Thai - Sa-Som-Sub Fund | Related by way of being under the control of a related party | - | 13,590,252 | - | - |
| Long-term loan to subsidiary | | | | | |
| Trinity Securities Company Limited | Subsidiary | - | - | - | 250,000,000 |
| Securities business payable | | | | | |
| Directors of the Company and related parties | Related persons | 11,000 | 184,380 | - | - |
| Accrued expenses | | | | | |
| Trinity Securities Company Limited | Subsidiary | - | - | 600,000 | 9,289,369 |
| Trinity Information Company Limited | Subsidiary | - | - | 825,000 | 825,000 |

During 2010, movements of loans to subsidiary were as follow:

(Unit: Baht)

| Subsidiary | Separate financial statements | | | |
|------------------------------------|-------------------------------|-----------------|---------------|------------------|
| | Balance | | | Balance |
| | as at | During the year | | as at |
| | 1 January 2010 | Increase | Decrease | 31 December 2010 |
| | | | | |
| Trinity Securities Company Limited | 270,000,000 | 519,500,000 | (519,500,000) | 270,000,000 |

Loans to the subsidiary comprise Baht 270 million carrying interest at rates of 0.75 percent per annum and to be due at call.

7. Cash and cash equivalents

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------|-------------------------------|-----------|
| | 2010 | 2009 | 2010 | 2009 |
| Cash on hand | 201,500 | 221,500 | - | - |
| Deposits at financial institutions | 41,875,066 | 47,511,113 | 1,736,036 | 1,249,665 |
| Fixed deposit with maturity less than 3 months | 45,000,000 | 100,000,000 | - | - |
| BOT bond with maturity less than 3 months | 319,344,418 | - | - | - |
| Promissory note with maturity of 3 months | 320,000,000 | 240,000,000 | - | - |
| Total cash and cash equivalents | 726,420,984 | 387,732,613 | 1,736,036 | 1,249,665 |
| Less: Deposits for customers' accounts | (670,373,223) | (342,377,277) | - | - |
| Net cash and cash equivalents | 56,047,761 | 45,355,336 | 1,736,036 | 1,249,665 |

8. Investments

8.1 Cost and fair value

(Unit: Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|--------------|----------------|---------------|
| | 2010 | | 2009 | |
| | Cost/ | | Cost/ | |
| | Amortised cost | Fair value | Amortised cost | Fair value |
| Current investments | | | | |
| <i><u>Long-term deposits at financial institutions</u></i> | | | | |
| Fixed deposit with maturity over 3 months | - | - | 110,000,000 | 110,000,000 |
| Promissory notes with maturity over 3 months | 60,000,000 | 60,000,000 | - | - |
| Total long-term deposits at financial institutions | 60,000,000 | 60,000,000 | 110,000,000 | 110,000,000 |
| Less: Deposits for customers' accounts | (60,000,000) | (60,000,000) | (110,000,000) | (110,000,000) |
| Net long-term deposits at financial institutions | - | - | - | - |

(Unit: Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|--------------|-------------------------|-------------|
| | 2010 | | 2009 | |
| | Cost/ Amortised cost | Fair value | Cost/ Amortised cost | Fair value |
| <u>Trading securities</u> | | | | |
| Equity securities | | | | |
| Listed securities | 155,654,651 | 153,795,335 | 44,885,495 | 38,898,005 |
| Less: Changes in fair value of securities | (1,859,316) | - | (5,987,490) | - |
| Net equity securities | 153,795,335 | 153,795,335 | 38,898,005 | 38,898,005 |
| Debt securities | | | | |
| Corporate and government debt securities | 444,075,674 | 431,629,176 | 92,635,099 | 92,531,772 |
| Less: Changes in fair value of securities | (12,446,498) | - | (103,327) | - |
| Total corporate and government debt securities | 431,629,176 | 431,629,176 | 92,531,772 | 92,531,772 |
| Less: Corporate and government debt securities for customers' account | (79,975,343) | (79,975,343) | - | - |
| Net corporate and government debt securities | 351,653,833 | 351,653,833 | 92,531,772 | 92,531,772 |
| Total net trading securities | 505,449,168 | 505,449,168 | 131,429,777 | 131,429,777 |
| <u>Available-for-sale securities</u> | | | | |
| Debt securities | | | | |
| Bill of exchanges | 47,210,299 | 47,109,357 | 206,335,288 | 205,220,269 |
| Less: Discount | (100,942) | - | (1,115,019) | - |
| Net debt securities | 47,109,357 | 47,109,357 | 205,220,269 | 205,220,269 |
| Total net available-for-sale securities | 47,109,357 | 47,109,357 | 205,220,269 | 205,220,269 |
| Total current investments - net | 552,558,525 | 552,558,525 | 336,650,046 | 336,650,046 |
| Long-term investments | | | | |
| <u>Available-for-sale securities</u> | | | | |
| Equity securities | | | | |
| Listed securities | 7,838,250 | 4,510,000 | - | - |
| Less: Changes in fair value of securities | (3,328,250) | - | - | - |
| Net listed securities | 4,510,000 | 4,510,000 | - | - |
| Equity securities | | | | |
| Unit trust | 5,050,000 | 5,534,616 | 13,605,420 | 13,663,335 |
| Add: Changes in fair value of securities | 484,616 | - | 57,915 | - |
| Net unit trust | 5,534,616 | 5,534,616 | 13,663,335 | 13,663,335 |
| Total net available-for-sale securities | 10,044,616 | 10,044,616 | 13,663,335 | 13,663,335 |

(Unit: Baht)

| | Consolidated financial statements | | | |
|-----------------------------------|-----------------------------------|------------|-------------------------|------------|
| | 2010 | | 2009 | |
| | Cost/ Amortised cost | Fair value | Cost/ Amortised cost | Fair value |
| <u>Non-marketable securities</u> | | | | |
| Other securities | 7,800,000 | | 7,800,000 | |
| Total non-marketable securities | 7,800,000 | | 7,800,000 | |
| Total long-term investments - net | 17,844,616 | | 21,463,335 | |
| Total investments - net | 570,403,141 | | 358,113,381 | |

(Unit: Baht)

| | Separate financial statements | | | |
|---|-------------------------------|------------|-------------------------|------------|
| | 2010 | | 2009 | |
| | Cost/ Amortised cost | Fair value | Cost/ Amortised cost | Fair value |
| Current investments | | | | |
| <u>Trading securities</u> | | | | |
| Equity securities | | | | |
| Listed securities | - | - | 7,838,250 | 4,141,000 |
| Less: Changes in fair value of securities | - | - | (3,697,250) | - |
| Net equity securities | - | - | 4,141,000 | 4,141,000 |
| Total current investments - net | - | - | 4,141,000 | 4,141,000 |
| Long-term investments | | | | |
| <u>Available-for-sale securities</u> | | | | |
| Equity securities | | | | |
| Listed securities | 7,838,250 | 4,510,000 | - | - |
| Less: Changes in fair value of securities | (3,328,250) | - | - | - |
| Net equity securities | 4,510,000 | 4,510,000 | - | - |
| Total net available-for-sale securities | 4,510,000 | 4,510,000 | - | - |
| <u>Non-marketable securities</u> | | | | |
| Other securities | 7,800,000 | | 7,800,000 | |
| Total non-marketable securities | 7,800,000 | | 7,800,000 | |
| Total long-term investments - net | 12,310,000 | | 7,800,000 | |
| Total investments - net | 12,310,000 | | 11,941,000 | |

8.2 Fair value of obligated investment in equity securities

(Unit: Baht)

| | Consolidated financial statements | |
|--------------------------------------|-----------------------------------|-------------------|
| | <u>2010</u> | <u>2009</u> |
| Securities borrowing and not yet due | | |
| Equity securities | 39,812,500 | 74,260,620 |
| Total obligated investment | <u>39,812,500</u> | <u>74,260,620</u> |

8.3 As at 31 December 2010 and 2009, the subsidiary classified its available-for-sale debt securities by remaining period to maturity as follows:

(Unit: Baht)

| | Consolidated financial statement | | | |
|------------------------------------|----------------------------------|-----------|-----------------|-------------------|
| | 2010 | | | |
| | Period to maturity | | | |
| | Within 1 year | 2-5 years | Over 5 years | Total |
| Available-for-sale debt securities | | | | |
| Bill of exchanges | 47,210,299 | - | - | 47,210,299 |
| Less: Discount | (100,942) | - | - | (100,942) |
| Net | 47,109,357 | - | - | 47,109,357 |
| Total debt securities | <u>47,109,357</u> | <u>-</u> | <u>-</u> | <u>47,109,357</u> |

(Unit: Baht)

| | Consolidated financial statement | | | |
|------------------------------------|----------------------------------|-----------|-----------------|--------------------|
| | 2009 | | | |
| | Period to maturity | | | |
| | Within 1 year | 2-5 years | Over 5 years | Total |
| Available-for-sale debt securities | | | | |
| Bill of exchanges | 206,335,288 | - | - | 206,335,288 |
| Less: Discount | (1,115,019) | - | - | (1,115,019) |
| Net | 205,220,269 | - | - | 205,220,269 |
| Total debt securities | <u>205,220,269</u> | <u>-</u> | <u>-</u> | <u>205,220,269</u> |

8.4 Revaluation surplus (deficit) on investments

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-----------------------------------|---------------|-------------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Balance - beginning of the year | 57,915 | (9,630,522) | - | - |
| Changes during the year | | | | |
| - from revaluation | 174,533 | 56,327 | (287,000) | - |
| - from sales | (34,832) | 9,632,110 | - | - |
| Balance - end of the year | <u>197,616</u> | <u>57,915</u> | <u>(287,000)</u> | <u>-</u> |

8.5 Gain (loss) on securities trading

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Unrealised gain (loss) from trading securities | (11,307,272) | 4,549,150 | 656,000 | 1,467,800 |
| Gain (loss) on sales of trading securities | 26,557,239 | (3,856,021) | - | - |
| Gain on sales of available-for-sale securities | 2,525,719 | 2,388,883 | - | - |
| Total | <u>17,775,686</u> | <u>3,082,012</u> | <u>656,000</u> | <u>1,467,800</u> |

8.6 Interest and dividend income

During the years 2010 and 2009, the Company and its subsidiaries received interest and dividend income by type of investment as follows:

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|-------------------|-------------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| Interest income | | | | |
| Trading securities - debt securities | 6,744,191 | 4,423,668 | - | - |
| Available-for-sale securities – debt securities | 8,406,678 | 7,340,737 | - | - |
| Dividend | | | | |
| Trading securities | 4,977,727 | 1,507,729 | - | - |
| Available-for-sale securities | 881,505 | 9,500 | 82,000 | - |
| Total | <u>21,010,101</u> | <u>13,281,634</u> | <u>82,000</u> | <u>-</u> |

9. Receivables from Clearing House

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|--------------|-------------------------------|------|
| | 2010 | 2009 | 2010 | 2009 |
| Receivables from Thailand Securities Depository (TSD) | - | 158,918,041 | - | - |
| Receivables from Thailand Clearing House (TCH) for equities | 413,711,133 | - | - | - |
| Receivables from Thailand Clearing House (TCH) for derivatives | 95,362,125 | 45,343,103 | - | - |
| Less: Receivables from Clearing House for customers' accounts | (88,516,091) | (28,801,840) | - | - |
| Net receivables from Thailand Clearing House (TCH) for derivatives | 6,846,034 | 16,541,263 | - | - |
| Receivables from foreign securities company | 15,504,112 | - | - | - |
| Total | 436,061,279 | 175,459,304 | - | - |

10. Securities and derivatives business receivables

a) As at 31 December 2010 and 2009, securities and derivatives business receivables are as follows:

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------|-------------------------------|------|
| | 2010 | 2009 | 2010 | 2009 |
| Securities business receivables | | | | |
| Cash customers' accounts | 274,696,192 | 246,927,430 | - | - |
| Credit balance accounts | 659,505,766 | 336,693,261 | - | - |
| Collateral receivables | 46,796,795 | 86,478,569 | - | - |
| Other receivables | 153,504,795 | 160,351,458 | - | - |
| Securities business receivables | 1,134,503,548 | 830,450,718 | - | - |
| Less: Allowance for doubtful accounts | (153,504,795) | (153,059,667) | - | - |
| Net securities business receivables | 980,998,753 | 677,391,051 | - | - |
| Derivatives business receivables | | | | |
| Derivatives business receivables | 1,115,907 | 3,930,074 | - | - |
| Net securities and derivatives business receivables | 982,114,660 | 681,321,125 | - | - |

b) As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, has customers' accounts of approximately Baht 153.5 million (2009: Baht 153.1 million) for which it has stopped recognising interest income.

c) Trinity Securities Company Limited, the Company's subsidiary, has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables. As at 31 December 2010 and 2009, securities business receivables are classified as follows:

(Unit: Million Baht)

| | 2010 | | | 2009 | | |
|-------------------|---------------------------------------|--|--|---------------------------------------|--|--|
| | Securities business receivables | Allowance for doubtful accounts set up by a subsidiary | Net securities business receivables after allowance for doubtful accounts | Securities business receivables | Allowance for doubtful accounts set up by a subsidiary | Net securities business receivables after allowance for doubtful accounts |
| Normal debts | 981.0 | - | 981.0 | 670.1 | - | 670.1 |
| Substandard debts | - | - | - | 7.3 | - | 7.3 |
| Doubtful debts | 153.5 | (153.5) | - | 153.1 | (153.1) | - |
| Total | <u>1,134.5</u> | <u>(153.5)</u> | <u>981.0</u> | <u>830.5</u> | <u>(153.1)</u> | <u>677.4</u> |

11. Allowance for doubtful accounts

(Unit: Baht)

| | Consolidated financial statements | |
|--------------------------------------|-----------------------------------|--------------------|
| | <u>2010</u> | <u>2009</u> |
| Balance - beginning of the year | 153,059,667 | 144,316,405 |
| Add: Allowance for doubtful accounts | 1,635,569 | 9,534,584 |
| Less: Bad debt written-off | (69,715) | (13,161) |
| Bad debt recoverable | (1,120,726) | (778,161) |
| Balance - end of the year | <u>153,504,795</u> | <u>153,059,667</u> |

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

| Company's name | Paid-up capital | | Share holding percentage | |
|---------------------------------------|-----------------|--------------|--------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| | Million Baht | Million Baht | Percent | Percent |
| Trinity Securities Company Limited | 1,000.0 | 750.0 | 99.9 | 99.9 |
| Trinity Advisory 2001 Company Limited | 10.0 | 10.0 | 99.9 | 99.9 |
| Trinity Information Company Limited | 5.0 | 5.0 | 99.9 | 99.9 |

(Unit: Baht)

| Separate financial statements | | | | | | | | |
|---------------------------------------|--------------------|--------------------|--|--------------------|---|--------------------|--|-------------|
| Company's name | Cost | | Allowance for impairment of investment | | Carrying amounts based on cost method - net | | Dividend receipt for the years ended 31 December | |
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| | | | | | | | | |
| Trinity Securities Company Limited | 969,802,664 | 719,802,664 | - | - | 969,802,664 | 719,802,664 | - | - |
| Trinity Advisory 2001 Company Limited | 10,000,000 | 10,000,000 | (5,700,000) | (5,700,000) | 4,300,000 | 4,300,000 | - | - |
| Trinity Information Company Limited | 5,000,000 | 5,000,000 | - | - | 5,000,000 | 5,000,000 | - | - |
| Total | <u>984,802,664</u> | <u>734,802,664</u> | <u>(5,700,000)</u> | <u>(5,700,000)</u> | <u>979,102,664</u> | <u>729,102,664</u> | <u>-</u> | <u>-</u> |

On 20 January 2010, the Board of Directors of the Company passed a resolution approving investment in 25,000,000 new ordinary shares of Trinity Securities Company Limited, the Company's subsidiary with a par value of Baht 10 each, totaling Baht 250,000,000. The Company made payment for the additional shares on 11 February 2010. As a result of the above, the Company's proportionate holding in the equity of Trinity Securities Company Limited did not change.

13. Investments in associates

13.1 Details of associates :

| Company's name | Nature of business | Country of incorporation | Paid-up capital | | Share holding percentage | |
|---|--|--------------------------|-----------------|--------------|--------------------------|-------------|
| | | | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| | | | Million Baht | Million Baht | Percent | Percent |
| Thai Laminate Manufacturer Company Limited | Selling of prepreg and laminate products | Thailand | 250.0 | 250.0 | - | 24.0 |
| Asset Backed Holdings Limited (held by Trinity Information Company Limited) | Investments in securitisation | Thailand | 0.1 | 0.1 | 49.9 | 49.9 |

(Unit: Baht)

Consolidated financial statements

| Company's name | Cost | | Carrying amounts based on equity method | | Dividend receipt for the year | |
|--|---------------|--------------------|---|--------------------|-------------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| | | | | | | |
| Thai Laminate Manufacturer Company Limited | - | 180,619,439 | - | 241,230,839 | 3,600,000 | - |
| Asset Backed Holdings Limited | 50,000 | 50,000 | 3,467,671 | 2,838,144 | - | - |
| Total | <u>50,000</u> | <u>180,669,439</u> | <u>3,467,671</u> | <u>244,068,983</u> | <u>3,600,000</u> | <u>-</u> |

(Unit: Baht)

Separate financial statements

| Company's name | Cost | | Dividend receipt for the year | |
|--|-------------|--------------------|-------------------------------|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| | | | | |
| Thai Laminate Manufacturer Company Limited | - | 180,619,439 | 3,600,000 | - |
| Total | <u>-</u> | <u>180,619,439</u> | <u>3,600,000</u> | <u>-</u> |

(Unit: Baht)

| Company's name | Consolidated financial statements | |
|--|-------------------------------------|-------------------|
| | Share of income from investments in | |
| | associates during the year | |
| | <u>2010</u> | <u>2009</u> |
| Thai Laminate Manufacturer Company Limited | 5,769,161 | 11,020,018 |
| Asset Backed Holdings Limited | 629,527 | 799,431 |
| Total | <u>6,398,688</u> | <u>11,819,449</u> |

On 25 June 2010, the Board of Directors of the Company passed a resolution approving the sale of all investment in Thai Laminate Manufacturer Company Limited, the Company's associate, which is ordinary shares of 6,000,000 shares, representing 24 percent of registered share capital of associate, totaling Baht 243.4 million to existing shareholders. The Company has gain on sales of investments in an associated company in the separate financial statements amounting to Baht 62.8 million.

As at 31 December 2010 and 2009, Trinity Information Company Limited, a subsidiary, invests in Asset Backed Holdings Limited which operates its business in Thailand and its principal activity is investments in securitisation entities authorised by the Office of the Securities and Exchange Commission. Asset Backed Holdings Limited invests in subsidiaries in the percentage of shareholding as follows:

| Subsidiaries of Asset Backed Holdings Limited | Type of business | Percentage of shareholding | |
|---|--|----------------------------|---------|
| | | 2010 | 2009 |
| | | Percent | Percent |
| Conduit Management Services Limited | Management service for special purpose vehicles | 100 | 100 |
| Osprey Series 2 Company Limited | Lending to special purpose vehicles for securitisation | 100 | 100 |
| NHA SPV 2 Limited | Securitisation | - | 75 |

In addition, Osprey Series 2 Company Limited invests 25 percent of NHA SPV 2 Limited.

On 12 July 2010, the Board of Directors of NHA SPV 2 Limited, the subsidiary of Asset Backed Holdings Limited, (Trinity Information Company Limited, the Company's subsidiary, hold 49.9 percent of registered share capital of Asset Backed Holdings Limited) passed a solution for the dissolution of company. NHA SPV 2 Limited filed for the completeness of liquidation with the Ministry Commerce on 1 September 2010.

The Company's interest in the equity of Asset Backed Holdings Limited as at 31 December 2010 was determined based on the financial statements audited by their auditor.

13.2 Summarised financial information of associates

(Unit: Million Baht)

| Company's name | Paid-up capital as at | | Total assets as at | | Total liabilities as at 31 | | Total revenues for the year ended | | Net income for the year ended | |
|----------------------------------|--------------------------|------|-----------------------|------|-------------------------------|------|---|------|----------------------------------|------|
| | 31 December | | 31 December | | December | | 31 December | | 31 December | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Asset Backed Holdings Limited | 0.1 | 0.1 | 6.6 | 5.4 | - | - | 1.6 | 1.8 | 1.3 | 1.6 |

14. Premises improvements and equipment

(Unit: Baht)

| | Consolidated financial statements | | | | |
|--|-----------------------------------|---------------------|-------------------|----------------------------|--------------|
| | Furniture and fixtures | Office equipment | Motor vehicles | Work under installation | Total |
| Cost: | | | | | |
| 31 December 2009 | 48,976,267 | 105,158,698 | 32,099,858 | - | 186,234,823 |
| Additions | 779,478 | 3,532,178 | 3,822,350 | 28,037 | 8,162,043 |
| Disposals | (1,611,100) | (2,873,315) | (6,020,268) | - | (10,504,683) |
| Write-off | (558,693) | (2,733,132) | - | - | (3,291,825) |
| Transfers in (out) | 28,037 | - | - | (28,037) | - |
| 31 December 2010 | 47,613,989 | 103,084,429 | 29,901,940 | - | 180,600,358 |
| Accumulated depreciation: | | | | | |
| 31 December 2009 | 33,913,493 | 85,454,435 | 28,217,743 | - | 147,585,671 |
| Depreciation for the year | 4,038,246 | 9,385,482 | 2,722,636 | - | 16,146,364 |
| Depreciation on disposals | (1,595,927) | (2,642,191) | (5,937,282) | - | (10,175,400) |
| Depreciation on write-off | (466,297) | (2,713,482) | - | - | (3,179,779) |
| 31 December 2010 | 35,889,515 | 89,484,244 | 25,003,097 | - | 150,376,856 |
| Net book value: | | | | | |
| 31 December 2009 | 15,062,774 | 19,704,263 | 3,882,115 | - | 38,649,152 |
| 31 December 2010 | 11,724,474 | 13,600,185 | 4,898,843 | - | 30,223,502 |
| Depreciation included in income statements for the years ended: | | | | | |
| 31 December 2009 | | | | | 16,930,621 |
| 31 December 2010 | | | | | 16,146,364 |

(Unit: Baht)

| | | Separate financial statements | |
|--|--|-------------------------------|-------|
| | | Furniture & fixtures | Total |
| Cost: | | | |
| 31 December 2009 | | 3,000 | 3,000 |
| Addition | | - | - |
| 31 December 2010 | | 3,000 | 3,000 |
| Accumulated depreciation: | | | |
| 31 December 2009 | | 2,999 | 2,999 |
| Depreciation for the year | | - | - |
| 31 December 2010 | | 2,999 | 2,999 |
| Net book value: | | | |
| 31 December 2009 | | 1 | 1 |
| 31 December 2010 | | 1 | 1 |
| Depreciation charge included in income statements for the years ended: | | | |
| 31 December 2009 | | | - |
| 31 December 2010 | | | - |

As at 31 December 2010 certain premises improvement and equipment have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 112.1 million (2009: Baht 108.5 million).

15. Intangible assets

(Unit: Baht)

| Consolidated financial statements | | | | | |
|--|---------------------|----------------------------------|-----------|--------------|----------------------------|
| | Remaining period | Balance beginning of the year | Increase | Amortisation | Balance end of the year |
| Derivatives agent license | 8 years | 3,302,648 | - | (370,644) | 2,932,004 |
| Computer software | 1 - 4 years | 13,065,837 | 1,713,070 | (3,330,007) | 11,448,901 |
| Others | | 1,657,767 | 22,470 | (526,992) | 1,153,244 |
| Total | | 18,026,252 | 1,735,540 | (4,227,643) | 15,534,149 |
| Amortisation expenses included in the income statements for the years ended: | | | | | |
| 31 December 2009 | | | | | 3,696,377 |
| 31 December 2010 | | | | | 4,227,643 |

As at 31 December 2010, certain computer software items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 7.2 million (2009: Baht 6.7 million).

16. Short-term loans from financial institution

(Unit: Baht)

| Type | Interest rate per annum (Percent) | Remaining period to maturity | Consolidated financial statements | |
|------------------|--------------------------------------|------------------------------|-----------------------------------|------|
| | | | 2010 | 2009 |
| Promissory notes | 2.15 | At call | 255,000,000 | - |

No collateral for these short-term loans from financial institution.

17. Securities and derivatives business payables

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-------------|-------------------------------|------|
| | 2010 | 2009 | 2010 | 2009 |
| Securities business payables | | | | |
| Cash customers' accounts | 505,165,085 | 314,392,996 | - | - |
| Securities borrowing payables | 41,510,458 | 36,073,665 | - | - |
| Derivatives business payables | | | | |
| Derivatives business payables | 4,963,400 | 2,934,400 | - | - |
| Total securities and derivatives business payables | 551,638,943 | 353,401,061 | - | - |

18. Share capital

Registered ordinary shares which were not issued and paid-up were the ordinary shares reserving for the exercise of warrants under the Employee Stock Ownership Program (ESOP). These warrants were 8,700,000 registered and non-transferable for a period of 3 years from the issue date.

As at 31 December 2010, all warrants were expired.

19. Statutory reserve

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

During the year 2010, the Company had set aside the statutory reserve of Baht 2,240,678 from its net income, respectively.

20. Securities business income

(Unit: Baht)

| | Consolidated financial statements | |
|--------------------------|-----------------------------------|--------------------|
| | <u>2010</u> | <u>2009</u> |
| Brokerage fees | 306,403,611 | 243,798,063 |
| Fees and services income | 9,362,698 | 3,574,077 |
| Interest and dividend | 27,195,684 | 21,258,128 |
| Interest on margin loans | 18,587,536 | 16,225,162 |
| Total | <u>361,549,529</u> | <u>284,855,430</u> |

21. Management benefit expenses

The Company provided the other employee benefits to its directors and management. In 2010, the Company purchased liability insurance amounting to Baht 50 million for directors and management of the Company and its subsidiaries (2009: Baht 50 million).

22. Earnings per share

Basic earnings per share is calculated by dividing the net income (loss) for the year by the weighted average number of ordinary shares in issue during the year.

23. Segment information

The Company and its subsidiaries' business operations involve three principal segments: securities trading, derivatives business and other businesses. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2010 and 2009 of the Company and its subsidiaries by segment.

(Unit: Million Baht)

| | Securities business segment | | Derivatives business segment | | Other segment | | Elimination of inter-segment revenues | | Consolidation financial statements | |
|----------------------------------|-----------------------------------|------|------------------------------------|------|---------------|------|---|------|---------------------------------------|------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenue from external customer | 406 | 301 | 43 | 49 | 3 | 3 | - | - | 452 | 353 |
| Inter-segment revenues | 9 | 12 | - | 3 | 22 | 16 | (31) | (31) | - | - |
| Total revenues | 415 | 313 | 43 | 52 | 25 | 19 | (31) | (31) | 452 | 353 |
| Segment income (loss) | 36 | (26) | 38 | 36 | (4) | (16) | (4) | (14) | 66 | (20) |
| Unallocated income and expenses: | | | | | | | | | | |
| Share of income from investments | | | | | | | | | | |
| in associated companies | | | | | | | | | 6 | 12 |
| Financial cost | | | | | | | | | (6) | (4) |
| Corporate income tax | | | | | | | | | (27) | - |
| Net income (loss) | | | | | | | | | 39 | (12) |

(Unit: Million Baht)

| | Securities business segment | | Derivatives business segment | | Other segment | | Elimination of inter-segment revenues | | Consolidation financial statements | |
|---|-----------------------------------|------|------------------------------------|------|---------------|------|---|------|---------------------------------------|-------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Premises improvement and equipment and intangible asset - net | | | | | | | | | | |
| - Allocated | 13 | 9 | 3 | 9 | - | - | - | - | 16 | 18 |
| - Unallocated | | | | | | | | | 30 | 39 |
| Total | | | | | | | | | 46 | 57 |
| Unallocated assets | | | | | | | | | 2,150 | 1,599 |
| Total assets | | | | | | | | | 2,196 | 1,656 |

Transfer prices between business segments are as set out in Note 6 to the financial statements.

24. Provident fund

The subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiaries contributed to the fund monthly at the rate of 3 - 10 percent of basic salary. The fund, which is managed by ING Funds (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2010, the subsidiaries contributed Baht 9.5 million (2009: Baht 9.4 million) to the fund.

25. Commitments and contingent liabilities

25.1 As at 31 December 2010, the subsidiaries have the outstanding rental and service commitments under long-term lease agreements for its office and equipment:

| (Unit: Million Baht) | |
|----------------------|---------------|
| <u>Year</u> | <u>Amount</u> |
| 2011 | 19.9 |
| 2012 - 2013 | 1.3 |

25.2 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, is required to pay a securities trading 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 volume.

25.3 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, is required to pay a service fee to the Thailand Securities Depository Company Limited (TSD), as Back Office Service Bureau. A monthly fee at a rate of Baht 40,000 and certain other fees specified in the agreement are charged to the subsidiary on a monthly basis. The agreement is for 2 years, terminating on 31 December 2011.

25.4 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, is required to pay fee to the Office of the Securities and Exchange Commission in relation to securities business licensed for securities brokerage, securities trading, investment advisory, securities underwriting, securities borrowing and lending and private fund asset management. The fee is charged at the certain rate from the aforesaid activities.

25.5 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, has a commitment under an on-line trading service agreement whereby the subsidiary is charged a fee at a rate of 0.002 to 0.04 percent of its trading volume, with the minimum payment being Baht 40,000 per month.

25.6 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, is required to pay contributions to the Compensation Fund for Clearing and Settlement, which is overseen by Thailand Clearing House Company Limited, on a monthly basis, at a rate of 0.008 percent of its net settlements each month.

25.7 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, is required to pay contributions to the Clearing Fund Monthly Contribution, which is overseen by Thailand Clearing House Company Limited, on a monthly basis, at a rate of 0.04 percent of its daily average of Margin Requirement in each month.

25.8 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay certain service fees to Thailand Securities Depository Company Limited, as its Back Office Service Bureau. A monthly fee at a rate of Baht 50,000 and certain other fees specified in the agreement are charged to the Company on a monthly basis. The agreement is for 2 years, terminating on 31 December 2011.

25.9As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, is has an outstanding obligation to pay derivatives trading fees to the Thailand Futures Exchange Public Company Limited. Such fees are charged at Baht 500,000 per annum. The subsidiary also has obligations to pay derivatives trading fees for each derivatives contract, at rates set by Thailand Futures Exchange Public Company Limited.

25.10 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, has obligations under a settlement agreement fee with Thailand Clearing House Company Limited, which charges a fee at a rate of Baht 300,000 per annum. The subsidiary also has obligations to pay settlement fees for each derivatives contract, at the rates set by Thailand Clearing House Company Limited.

25.11 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, has a commitment under an on-line trading service agreement whereby the Company is charged a fee at a rate of Baht 10 to 60 per derivatives contract, with the minimum payment being Baht 40,000 per month.

25.12 As at 31 December 2010, Trinity Securities Company Limited, the Company's subsidiary, has commitment to pay for the computer software amounting to Baht 0.5 million.

26. Financial instruments

26.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investments, receivable from Clearing House, securities and derivatives business receivables, loans, payable to Clearing House and securities and derivatives business payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect investments in debt, receivable from Clearing House and securities and derivatives business receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not

expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of investments in debt, receivable from Clearing House and securities and derivatives business receivables as stated in the balance sheet.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, investments in debt and loans. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| | Consolidated financial statement | | | | | | | | |
|---|---|-----------------------------|------------------|----------------|-----------------|----------------|-------|------------------|-------------|
| | Outstanding balances of net financial instruments | | | | | | | Interest rate | |
| | Floating interest rate | Repricing or maturity dates | | | | | Total | (percent) | |
| | | 0 At call | Within 1 year | 1 - 5 years | Over 5 years | No interest | | Floating rate | Fixed rate |
| <u>Financial instruments - assets</u> | | | | | | | | | |
| Cash and cash equivalents | 5.0 | - | 14.0 | - | - | 37.0 | 56.0 | 0.25 - 0.75 | 1.72 - 2.10 |
| Investments - net | | | | | | | | | |
| - Equity securities | - | - | - | - | - | 171.7 | 171.7 | - | - |
| - Debt securities | - | - | 47.4 | 196.7 | 154.7 | - | 398.8 | - | 2.30 - 6.70 |
| Receivables from Clearing House | | | | | | | | | |
| - net | - | - | - | - | - | 436.1 | 436.1 | - | - |
| Securities and derivatives | | | | | | | | | |
| business receivables - net | 659.5 | - | - | - | - | 322.6 | 982.1 | 6.00 | - |
| <u>Financial instruments - liabilities</u> | | | | | | | | | |
| Short-term loans from financial | | | | | | | | | |
| institution | - | 255.0 | - | - | - | - | 255.0 | - | 2.15 |
| Securities and derivatives | | | | | | | | | |
| business payables | - | 41.5 | - | - | - | 510.1 | 551.6 | 1.00 | - |

(Unit: Million Baht)

| | Separate financial statement | | | | | | | | |
|---|---|-----------------------------|------------------|----------------|-----------------|-------------|----------------------------|------------------|------------|
| | Outstanding balances of net financial instruments | | | | | | | Interest rate | |
| | Floatin g interest rate | Repricing or maturity dates | | | | | Interest rate (percent) | | |
| | | At call | Within 1 year | 1 - 5 years | Over 5 years | No interest | Total | Floating rate | Fixed rate |
| | | | | | | | | | |
| | | | | | | | | | |
| <u>Financial instruments - assets</u> | | | | | | | | | |
| Cash and cash equivalents | 0.5 | - | - | - | - | 1.2 | 1.7 | 0.25 | - |
| Investment in equity securities - net | - | - | - | - | - | 12.3 | 12.3 | - | - |
| Loans to subsidiary | - | 270.0 | - | - | - | - | 270.0 | - | 0.75 |
| Accrued income - related party | - | - | - | - | - | 10.2 | 10.2 | - | - |
| <u>Financial instruments - Liabilities</u> | | | | | | | | | |
| Accrued expense - related party | - | - | - | - | - | 1.4 | 1.4 | - | - |

Liquidity risk

The periods of time from the balance sheet date as of 31 December 2010 to the maturity dates of financial instruments, are as follows:

(Unit: Million Baht)

| | Consolidated financial statement | | | | |
|--|---|------------------|-------------|-----------------|-------|
| | Outstanding balances of net financial instruments | | | | |
| | At call | Within 1 year | 1 - 5 years | Over 5 years | Total |
| <u>Financial instruments - assets</u> | | | | | |
| Cash and cash equivalents | 42.0 | 14.0 | - | - | 56.0 |
| Investments - net | | | | | |
| - Equity securities | 171.7 | - | - | - | 171.7 |
| - Debt securities | - | 47.4 | 196.7 | 154.7 | 398.8 |
| Receivables from Clearing House - net | 22.4 | 413.7 | - | - | 436.1 |
| Securities and derivatives business receivables - net | 706.3 | 275.8 | - | - | 982.1 |
| <u>Financial instruments - liabilities</u> | | | | | |
| Short-term loans from financial institution | 255.0 | - | - | - | 255.0 |
| Securities and derivatives business payables | 41.5 | 510.1 | - | - | 551.6 |

(Unit: Million Baht)

| | Separate financial statement | | | | |
|---|---|--------|-------------|--------|-------|
| | Outstanding balances of net financial instruments | | | | |
| | At call | Within | 1 - 5 years | Over 5 | Total |
| | | 1 year | | years | |
| <u>Financial instruments - assets</u> | | | | | |
| Cash and cash equivalents | 1.7 | - | - | - | 1.7 |
| Investments in equity securities - net | 12.3 | - | - | - | 12.3 |
| Loans to subsidiary | 270.0 | - | - | - | 270.0 |
| Accrued income - related party | 10.2 | - | - | - | 10.2 |
| <u>Financial instruments - liabilities</u> | | | | | |
| Accrued expenses - related party | 1.4 | - | - | - | 1.4 |

Foreign currency risk

The subsidiary is exposed to significant foreign currency risk in respect of investments in foreign currency. The subsidiary seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. The forward contracts mature within 1 year.

As at 31 December 2010, outstanding balances of the subsidiary's financial assets denominated in foreign currencies are as follows:

| Foreign currency | Financial assets | Exchange rate |
|------------------|------------------|------------------------------------|
| | | (Baht per 1 foreign currency unit) |
| US Dollar | 518,390 | 29.91 |

Foreign exchange contracts outstanding at 31 December 2010 are summarised below.

| Foreign currency | The amount sold by the Company | Contractual sold exchange rate by the subsidiary |
|------------------|-----------------------------------|---|
| | | (Baht per 1 foreign currency unit) |
| US Dollar | 500,000 | 30.22 |

26.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

26.3 Financial derivatives instruments

As at 31 December 2010, the fair values of off-balance sheet financial derivatives as presented in the subsidiary's accounts are as follows:

| | (Unit: Thousand Baht) | | | | |
|---------------------|---------------------------------------|--------|--------|---------|---------|
| | Remaining period before maturity date | | | | |
| | 1 - 3 | 3 - 6 | 6 - 9 | 10 - 12 | |
| | months | months | months | months | Total |
| Futures and Options | | | | | |
| Long position | 6 | 15,710 | - | - | 15,716 |
| Short position | 120,094 | - | - | - | 120,094 |

27. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2010, the Group's debt-to-equity ratio was 0.683:1 (2009: 0.307:1) and the Company's was 0.004:1 (2009: 0.008:1).

28. Subsequent events

On 23 February 2011, the Company's Board of Directors passed a resolution to propose a dividend payment for the year 2010 of Baht 0.22 per share to the Annual General Meeting of the Company's shareholders for their approval. The Company will pay a dividend within May 2011. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2011.

General Information

Companies and Subsidiaries (holding at 10% or more) as of 31 December 2010

| Company | Type of Business | Shares of Registered Capital | Shares of Paid-up Capital | Location | Telephone |
|--|--------------------------------------|------------------------------|----------------------------|---|---------------------------|
| Trinity Watthana Plc. Public Company registration number 40854500692 | Holding Company | 182,825,000 | 175,552,000 | 179/111 Bangkok City Tower , 26 th Fl South Sathon Road, Thungmahamek, Sathon Bangkok 10120 | 0-2670-9100 0-343-9500 |
| Trinity Securities Co. Ltd. Company registration number 0105542027091 www.trinitythai.com | Securities Brokerage | 100,000,000 | 100,000,000 | 179 Bangkok City Tower 25 th -26 th and 29 th Fl.South, Sathon Road, Thungmahamek, Sathon Bangkok 10120 | 0-2670-9100 |
| Trinity Advisory 2001 Co. Ltd. Company registration Number 0105544010471 | Financial Advisory | 1,000,000 | 1,000,000 | 179 /108 Bangkok City Tower 26 th Fl., South Sathon Road, Thungmahamek, Sathon, Bangkok 10120 | 0-2670-9100 |
| Trinity Information Co. Ltd. Company registration Number 0105544001617 | Service | 1,000,000 | 1,000,000 (50% paid-up) | 179 /108 Bangkok City Tower 26 th Fl., South Sathon Road, Thungmahamek, Sathon, Bangkok 10120 | 0-2670-9100 |
| Asset Backed Holdings Co. Ltd. Company registration number 10454501332 | Holding Company | 10,000 | 10,000 | 195/13 Lake Rachada Office Complex 2 (12 th Fl.)Rachadapisek Road Klongtoey, Bangkok 10110 | 0-2661-9576 |
| Conduit Management Services Co. Ltd. Company registration number 10854501241 | Service | 50,000 | 50,000 | 195/13 Lake Rachada Office Complex 2 (12 th Fl.) Rachadapisek Road Klongtoey, Bangkok 10110 | 0-2661-9576 |
| Osprey Series II Co. Ltd. Company registration number 10854601200 | Debt and fixed income issuance | 1,000 | 1,000 | 195/13 Lake Rachada Office Complex 2 (12 th Fl.) Rachadapisek Road Klongtoey, Bangkok 10110 | 0-2661-9576 |

Metropolitan and Provincial Branches as of 31 December 2010

| Branch | Location | Telephone | Fax |
|---------------------|--|-------------------------------|---------------|
| Head Office | 179 Bangkok City Tower 25 th -26 th and 29 th Fl.South, Sathon Road, Thungmahamek, Sathon Bangkok 10120 | 0-2286-3999 | 0-2286-6333 |
| Rama 2 Branch | 59/470-471 Soi Rama II ,Rama II Road, Samaedum, Bangkhunthien, Bangkok 10150 | 0-2417-0220-3 | 0-2417-0225 |
| Chiang Mai Branch | 8/6 Moo 1, Padad , Muang District, Chiang Mai 50100 | 0-5328-5333 | 0-5328-5222 |
| Samut Sakhon Branch | 321/128 Nikhomrod fai Road, Mahachai, Muang District, Samut Sakhon 74000 | 0-3483-7770-5 | 0-3483-7775 |
| Ayutthaya Branch | Ngor 6/8-10 Jakkapat Road, Horratthanachai Phra Nakorn Si Ayutthaya 13000 | 0-3523-2975-8 | 0-3523-2979 |
| Lop Buri Branch | 1 st Fl., 219-219/1 Naraimaharaj Road Thalaychubsorn, Muang District Lop Buri 15000 | 0-3641-4561 | 0-3662-6344 |
| Trang Branch | 59/28 Houiyod Road, Tubtieng, Muang District Trang 92000 | 0-7521-1144 0-7521-1219-20 | 0-7521-2400 |
| Pattani Branch | 300/69 Ormthong Village, Rusamila, Muang District, Pattani 94000 | 0-7335-0140-4 | 0-7335-0014 |
| Surat Thani Branch | 3/39-40 Racha-Uthit Road, Talad, Muang District, Surat Thani 84000 | 0-7721-7851-2 0-7727-5262 | 0-7727-5260 |
| Had Yai Branch | 200/301, 200/303, 200/305, 200/307, 200/309, 300/311 Juldis Hadyai Plaza Building, Niphat Uthit 3 Road, Had Yai, Songkhla 90110 | 0-7435-4151-5 | 0-7435-4151-5 |
| Krabi Branch | 223/20 Maharaj Road Paknum,Mueng District Krabi 81000 | 0-7562-2460 | 0-7562-2464 |

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| - Ms.Sumalee Reewarabundit | Certified Public Account No. 3970 or |
| - Ms.Nongluk Phoomnoi | Certified Public Account No. 4172 |