

ANNUAL REPORT 2011

Trinity Watthana Public Company Limited

Annual Report 2011

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Financial Highlights

(unit: MB)

Operating Results	31/12/11	31/12/10	31/12/09
Total Assets	1,844.88	2,197.13	1,656.09
Current Investments	462.93	552.56	336.65
Long-term Investments	19.61	21.31	265.53
Securities Business Receivables	1,045.15	982.11	681.32
Total Liabilities	488.93	891.26	389.21
Borrowings	-	255.00	-
Securities Business Payables	305.60	551.64	353.40
Shareholder's Equities	1,355.95	1,305.87	1,266.88
Total Revenues	640.13	458.94	364.41
Operating and Administrative Expenses	488.76	391.13	366.73
Bad debt and doubtful accounts	18.21	1.63	9.53
Net Operating Profit (loss)	151.37	67.81	(2.32)
Net Profit (loss)	117.06	38.84	(11.85)

Key Financial Ratios	31/12/11	31/12/10	31/12/09
Return on Asset (%)	5.79%	2.02%	(0.74%)
Return on Equities (%)	8.80%	3.02%	(0.94%)
Liquid Assets/Interest Bearing Debt (times)	-NA ¹⁾	2.39	-NA ¹⁾
Liquid Assets/Total Assets (%)	28.35%	27.70%	23.07%
Debt to Equity (time)	0.36	0.68	0.31
Earnings per Share (Weighted Average) (Baht)	0.67	0.22	(0.07)
Fully diluted Earnings per Share (Baht)	0.67	0.22	(0.07)
Book Value per Share (Baht)	7.72	7.44	7.22

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 2011, the Stock Exchange of Thailand (SET) had to encounter negative factors from both inside and outside Thailand e.g. the public debt crisis in Europe, the tsunami in Japan, the downgraded credit rating of the US and the flood crisis in Thailand. Nevertheless, despite such negative factors, overall, Thai economy enjoyed a continuous expansion. Also, the new government, formed after the general election in 2011, launched many economic stimulation measures with a main focus on boosting private sector's consumption in order to increase both Thai and foreign investors' confidence in Thai economy. As a result, in 2011, the daily average turnover of securities (in both SET and MAI) was Baht 29,473 million which was increased by 1.40% when compared to Baht 29,066 million in 2010. The daily average turnover in 2011 has been considered the highest daily average turnover since the establishment of the Stock Exchange of Thailand in 1975. Additionally, although the SET index in 2011 experienced several fluctuations due to the previously-mentioned negative factors, the SET index on the last business day of the year was closed at 1,025.32 points, slightly dropped from 1,032.76 points, the closing index on the last business day in 2010, or by 0.72%. Also, the SET turnover for year 2011 was Baht 7,191 billion which was increased by Baht 157 billion from year 2010 or 2.23%.

In 2011, foreign investors, local institutional investors and proprietary trading had active role in SET as evidenced by their turnovers which rose from those in year 2010 by 26.6%, 18.2% and 12.1%, respectively. On the other hand, local retail investors' role in SET slightly dropped; that is, their turnover decreased by 8.9% from year 2010. Overall, in 2011, foreign investors and local institutional investors had a net buy of Baht 5,290 million and Baht 29,296 million, respectively, while local retail investors and proprietary trading maintained a net sell of Baht 1,309 million and Baht 33,277 million, respectively. In this regard, the Company's market share in 2011 was 1.28% which was increased from 1.13% in 2010 thanks to a rise in trading volume made by the local retail investors and local institutional investors.

The trading volume in Thailand Futures Exchange Plc. (TFEX) was likely to improve continuously due to the investors' better understanding of the products, an increase in proprietary trading account's number and various fluctuations in the market and gold price. All these factors attracted investors to invest more in futures as reflected by TFEX trading volume. The total trading volume of futures in 2011 was 10,027,116 contracts with the daily average transactions of 41,145 contracts which were increased by over 1.22 times those in 2010 when the total trading volume of futures was 4,519,463 contracts with daily average transactions of 18,676 contracts. Additionally, if compared to 2009 when the total trading

volume of futures was 3,075,318 contracts and a daily average transactions was 12,771 contracts, the total trading volume of futures and daily average transactions in 2011 increased by over 2.23 times. In other words, for the past 3 years, TFEX has maintained a compound annual growth rate (CAGR) at 67.1%. In 2011, the most popular traded futures remained the same as last year, i.e. SET50 Index futures which accounted for 43.1% of TFEX turnover, followed by gold futures and single stock futures whose proportions in TFEX were 39.8% and 15.7%, respectively. Such proportions of gold futures and single stock futures in TFEX increased from 2009, the first year of their trading, when their proportions were equivalent to 10.1% and 4.7%, respectively. In addition, in 2011, TFEX launched new products, i.e. silver futures and Brent crude oil futures, to increase product variety in TFEX to better satisfy the investors' need and to be served as tools for those desiring to manage their business risks. In this regard, TFEX also extended the trading period to cover night time so as to allow the investors 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.

Still, similar to SET, the main investors in TFEX were local retail investors whose turnover in 2011 accounted for 60.03% of the market whereas the turnovers of the local institutional investors and foreign investors were 33.55% and 6.42%, respectively. The Company's market share in TFEX was 5.15%, falling from 6.10% in 2010 due to a more intense competition.

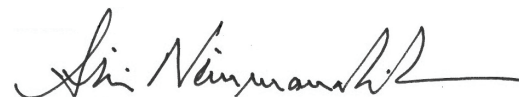
In 2011, the Company offered various in-depth and comprehensive research products as a tool to support its clients' decision-making on investment as well as organized seminars to update its clients on any new information regularly. The Company also offered a variety of investment alternatives to its clients such as unit trust, fixed income and derivatives products. In 2011, 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 638 million at the end of year 2010 to Baht 1,014 million at the end of year 2011.

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 2011 Annual General Meeting of Shareholders by the Thai Investors Association and was recognized and graded "Very Good" for another year by the Thai Institute of Directors Association in the Association's 2011 annual corporate governance survey. Additionally, in 2011, Trinity Securities Company Limited was awarded "Outstanding Securities Company for Derivatives Business" in the SET AWARDS 2011 held by the Stock Exchange of Thailand and Money and Banking Magazine. This award guaranteed the recipient's high standard and excellent services which deserve high praise and admiration and should be served as role model for others.

The Company's performance by quarter in 2011 mirrored the fluctuations in SET condition. The Company's brokerage commission fee rose from Baht 306.40 million to Baht 336.43 million, or by 9.80%, in accordance with the rise in the Company's trading volume as a result of the Company's additional market share while the commission income from derivatives business increased from Baht 38.25 million to Baht 72.35 million, or by 89.15%, as a result of an increase in TFEX trading volume and the Company's additional market share (i.e. more clients). Also, the fluctuation in SET led the Company to enjoy an increase in the Company's return on investment from Baht 45.70 million in 2010 to Baht 123.83 million. When this amount was combined with the interest income from margin loan which had increased from Baht 18.59 million to Baht 48.78 million, the Company's total revenue amounted to Baht 640.13 million which was increased from Baht 458.94 million in 2010 or by 39.48%. The Company's net profit in 2011 was Baht 117.06 million which was increased from Baht 38.84 million in 2010 or by 201.39%.

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 2012, the Company plans 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 on the Company's website (www.trinityquicktrade.com) to provide its clients with quick trading information, 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 organize seminars for client and provide securities brokerage support services such as securities borrowing and lending, private fund management, securities underwriting and establishing the Company's branches for clients' convenience. At present, the company has 8 branches in Bangkok and upcountry, covering 5 provinces.

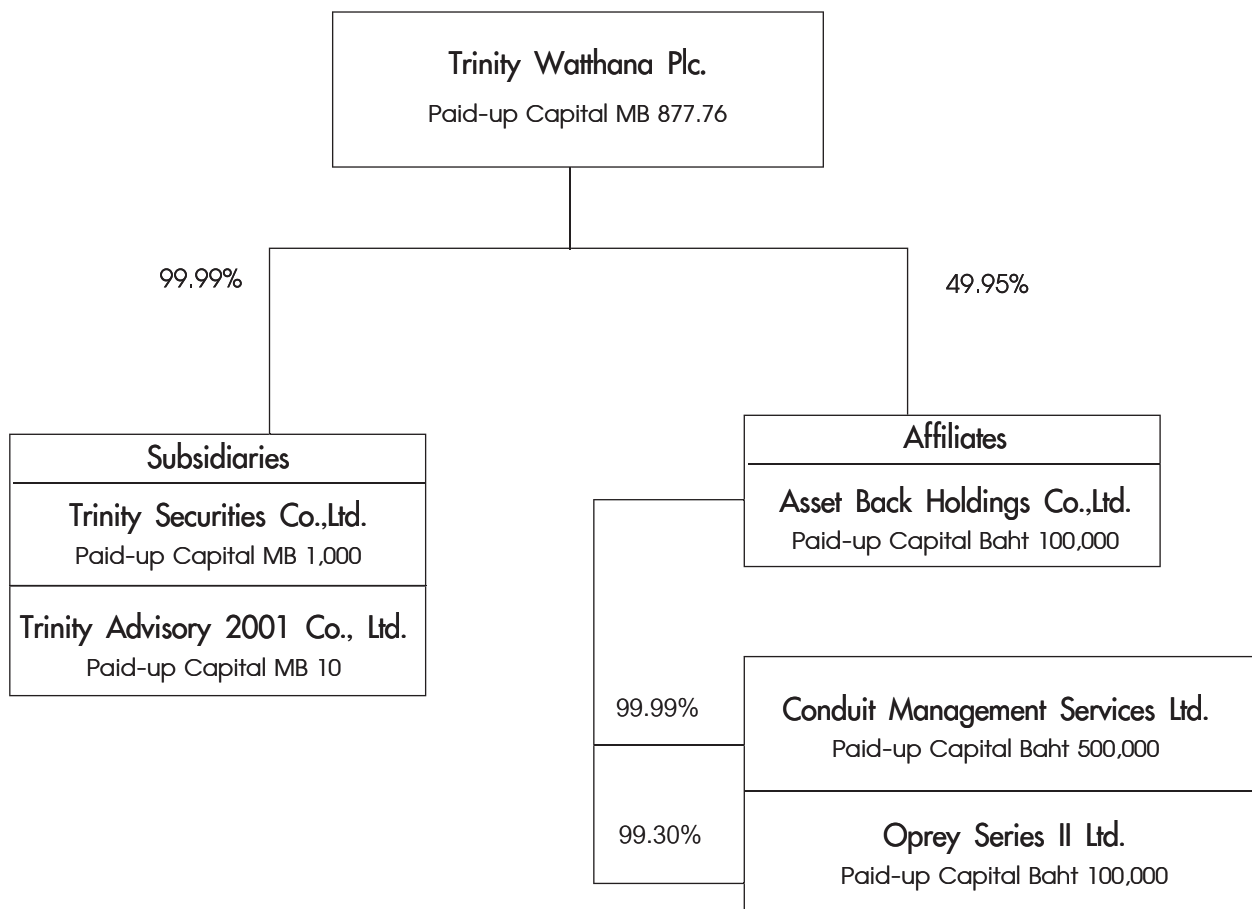
The Company highly hopes to receive good and strong supports from its shareholders, clients, management and employees in the pursuit of the Company's mission and is extremely grateful of the level of commitment it has received in the past.



Mr. Sirin Nimmanahaeminda

Business Overview and Company's Performance

Trinity Securities Group's Structure
(including direct and indirect shareholding exceed 10 %)



Business Nature

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 2010 and 2011 are set out below.

2010	The Company was graded "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" in the Association's 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.
2011	The Company was graded "Excellent and Shining Example of Excellent" for its 2011 Annual General Meeting of Shareholders by the Thai Investors Association.
April 2011	The Company's Annual General Meeting of Shareholders No. 8 resolved that the Company accept a transfer of all businesses operated by Trinity Information Company Limited and that Trinity Information Company Limited be dissolved and liquidated.
December 2011	The Company was recognized and graded "Very Good" by the Thai Institute of Directors Association (IOD) in the Association's 2011 annual corporate governance survey which was adjusted from "Excellent" in the previous year due to a change in the grading criteria for the section of rights of stakeholders.

The Company was awarded “SET AWARDS 2011” for its derivatives business (Outstanding securities company for derivatives business) by the Stock Exchange of Thailand.

The Company was awarded “Champion of the League and the Month (November 2011)” for its proprietary trading transactions by Thailand Futures Exchange Plc.



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. On 16 February 2010, the company’s registered paid-up capital was again increased to Baht 1,000 million. One year later, on 12 April 2011, the Company’s registered paid-up capital was increased to Baht 1,200 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 2011, the company has 8 branches located in Bangkok and upcountry.

The company's major changes and developments in years 2010 and 2011 are set out below.

June and September 2010	The company closed Ladphrao and Soi Soonvijai Branches, causing the total number of company's branches to decrease from 12 to 10.
March 2011	The company opened Sukhumvit 16 and Soonvijai Branches, causing the total number of company's branches to increase from 10 to 12.
April 2011	The company closed Trang, Krabi and Pattani Branches, causing the total number of company's branches to decrease from 12 to 9.
September 2011	The company closed Samutsakorn Branch, causing the total number of company's branches to decrease from 9 to 8.

(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.

2010	The company and the Investment Banking Department of Trinity Securities Company Limited were (i) a financial advisor to RCL 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
2011	The company and the Investment Banking Department of Trinity Securities Company Limited were a financial advisor to Bangkok Commercial Asset Management Co., Ltd. (BAM) to study, evaluate and provide opinions in relation to BAM's readiness for its listing on the Stock Exchange of Thailand. They also served as (i) a financial advisor to Wave Entertainment Public Company

Limited under which they provided opinions on its investment in Thai Solar Energy Company Limited which operates a solar thermal plant business; (ii) an advisor to Somboon Advance Technology Public Company Limited (“Somboon”) under which they provided advice in relation to Somboon’s private placement of securities to its employees (ESOP); (iii) an independent financial advisor to 4 listed companies under which they advised shareholders and provided opinions on tender offers, business merger and connected transactions; (iv) a financial advisor to one large non-listed company for its business structuring; and (v) a financial advisor to certain companies which are preparing themselves for being listed on the Stock Exchange of Thailand.

(3) Trinity Information Company Limited transferred all of its businesses including the investment in its affiliate, i.e. Asset Backed Holdings Co., Ltd., to Trinity Watthana Plc. and registered its business dissolution with the Ministry of Commerce on 8 June 2011. The company completed its liquidation on 21 December 2011.

(4) Asset Backed Holdings Company Limited is an affiliate whose 49.95% of its total shares were held and subsequently transferred to the company by Trinity Watthana Plc. At present, the company holds a 49.95% stake in Asset Backed Holdings Co., Ltd. with another shareholder specializing in the securitization of assets and this 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

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 2009, 2010 and 2011

Revenue	Generated By	Shareholding	2009		2010		2011	
		(%)	MB	(%)	MB	(%)	MB	(%)
Advisory fees	Trinity Advisory 2001 and Trinity Securities	99.99	5.60	1.60	22.41	4.88	11.86	1.85
Income from securities business	Trinity Securities	99.99	284.85	81.35	361.55	78.78	443.62	69.31
Income from Derivatives business	Trinity Securities	99.99	47.59	13.59	38.25	8.33	72.35	11.31
Profit (Loss) from Proprietary Trading, Equity/ Futures	Trinity Securities	99.99	(11.17)	(3.19)	22.85	4.98	102.73	16.05
Other income	Trinity Watthana Plc. Trinity Securities. Trinity Advisory 2001	99.99	23.28	6.65	13.88	3.03	9.45	1.48
total			350.15	100.00	458.94	100.00	640.01	100.00

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

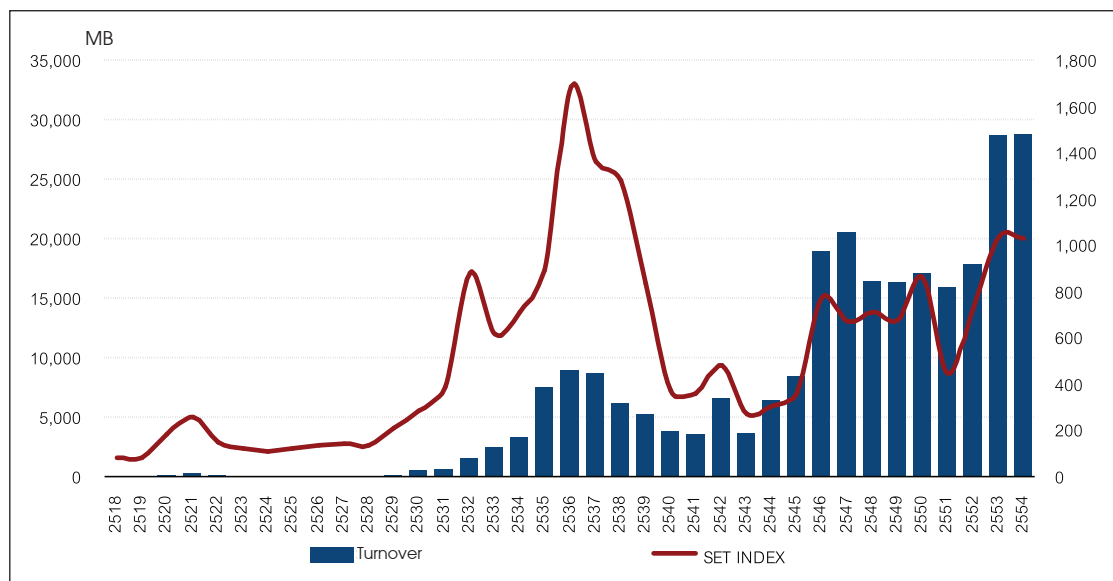
Revenue	2009		2010		2011	
	MB	%	MB	%	MB	%
Brokerage fees	294.43	80.82	344.65	75.14	408.79	64.32
Fees and Services	10.97	3.01	35.29	7.69	22.81	3.59
Gain (loss) from securities trading	1.61	0.44	17.12	3.73	(56.33)	(8.86)
Gain (loss) from derivatives trading	1.15	0.32	5.08	1.11	159.06	25.03
Interest and dividend	28.76	7.89	30.38	6.62	44.17	6.95
Interest on Margin Loans	16.23	4.46	18.59	4.05	48.78	7.67
Other income	11.14	3.06	7.55	1.65	8.29	1.30
Total	364.29	100.00	458.66	100.00	635.57	100.00

Major Changes in the Year 2011

Securities Business

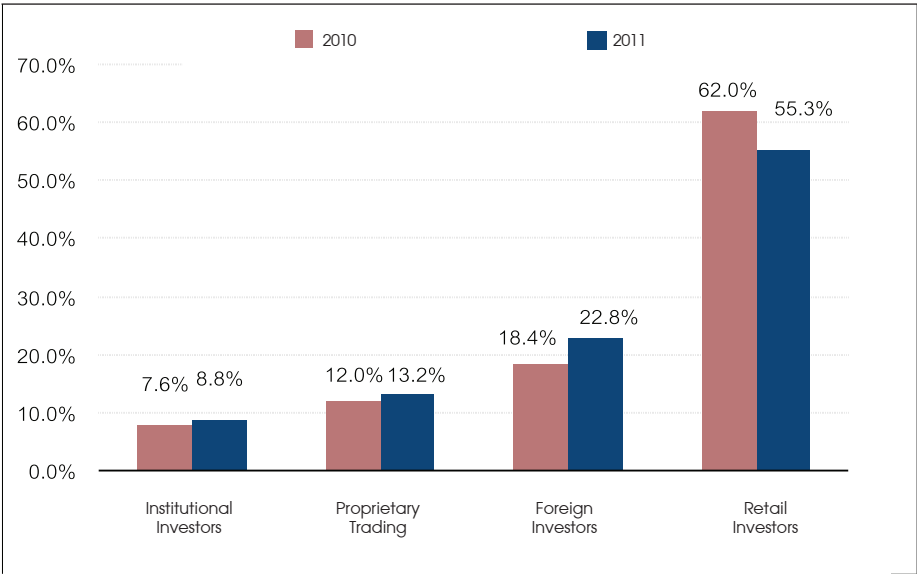
(1) Market Conditions and Competition in Securities Business

In 2011, although the Stock Exchange of Thailand (SET) had to encounter negative factors from both inside and outside Thailand e.g. the public debt crisis in Europe, the tsunami in Japan, the downgraded credit rating of the US and the flood crisis in Thailand, overall, Thai economy enjoyed a continuous expansion. Also, the new government, formed after the general election in 2011, launched many economic stimulation measures with a main focus on boosting private sector's consumption in order to increase both Thai and foreign investors' confidence in Thai economy. As a result, in 2011, the daily average turnover of securities (in both SET and MAI) was Baht 29,473 million which was increased by 1.40% when compared to that in 2010. This daily average turnover has been considered the highest since the establishment of the Stock Exchange of Thailand in 1975. Additionally, although the SET index in 2011 experienced several fluctuations due to the previously-mentioned negative factors, the SET index on the last business day of the year was closed at 1,025.32 points, slightly dropped from 1,032.76 points, the closing index on the last business day in 2010, or by 0.72%.



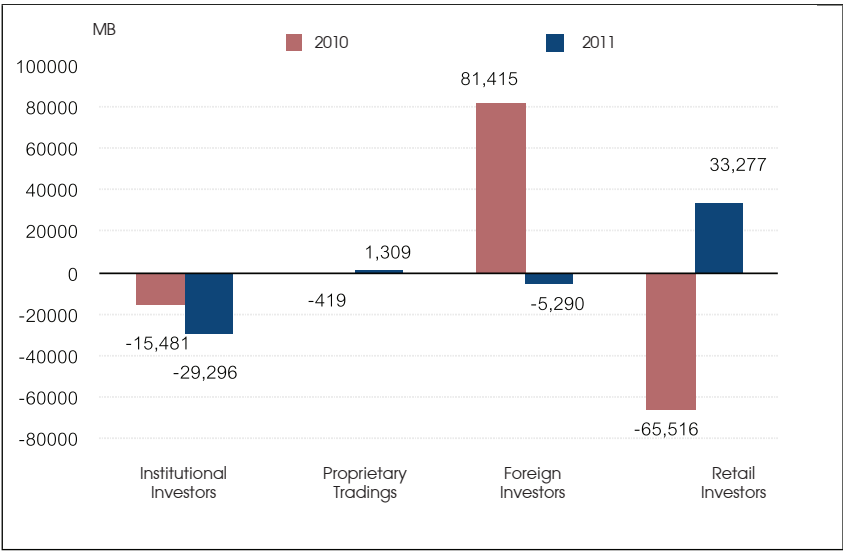
Source: The Stock Exchange of Thailand

A thorough consideration of turnover of securities (in both SET and MAI) classified by types of investors revealed that in 2011, foreign investors, local institutional investors and proprietary trading had active role in SET as evidenced by their turnovers which rose from those in year 2010 by 26.6%, 18.2% and 12.1%, respectively. On the other hand, local retail investors' role in SET slightly dropped; that is, their turnover decreased by 8.9% from year 2010. A comparison of percentages of turnovers contributed by each type of investor in 2010 and 2011 was shown in the chart below.



Source: The Stock Exchange of Thailand

Overall, in 2011, foreign investors and local institutional investors had a net buy of Baht 5,290 million and Baht 29,296 million, respectively, while local retail investors and proprietary trading maintained a net sell of Baht 1,309 million and Baht 33,277 million, respectively. Summary of the Stock Exchange of Thailand in Years 2009, 2010 and 2011



Source: The Stock Exchange of Thailand

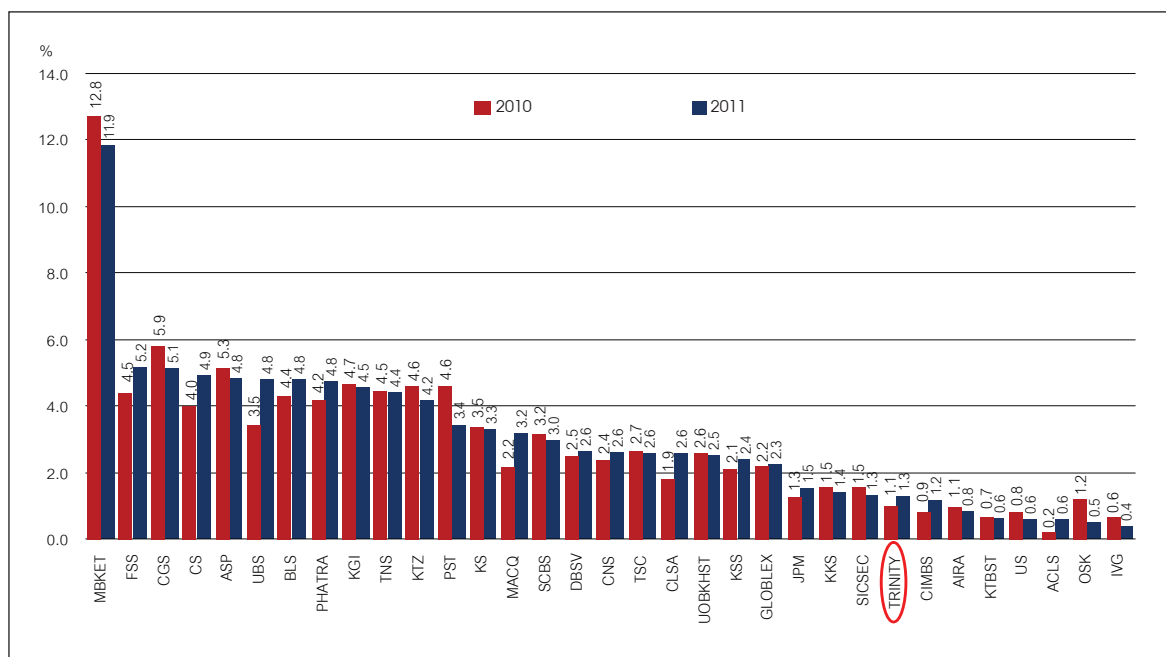
Summary of the Stock Exchange of Thailand in Years 2009, 2010 and 2011

	2009	2010	2011
SET Index (points)	734.54	1,032.76	1,025.32
Market Capitalization (MB)	5912,231	8389,812	8485,006
Total Turnover (MB)	4428,979	7033,974	7191,481
Daily Average Turnover (MB)	18,226	29,066	29,473
Dividend Yield (%)	3.65	2.92	3.72
Price to Earnings Ratio (time)	25.56	15.35	12.07
Number of Listed Companies	535	540	545
Number of Newly-Listed Companies (IPO)*	17	11	10
Market Capitalization of New Listings (IPO) (MB)* **	11,608	12,588	18,463

Source: The Stock Exchange of Thailand

* 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



In 2011, there are in total 33 companies which are licensed to operate securities brokerage business. An increase in the percentage of turnovers made by foreign investors in this year caused the market share of securities companies with foreign client base e.g. CS, UBS, MACQ and CLSA to rise considerably while the market share of securities companies with retail client base decreased.

Nevertheless, as for Trinity Securities Co., Ltd. whose target clients are retail investors which include both individuals and corporate, it was found that the company's market share in 2011 increased from 1.13% in 2010 to 1.28%. This increase was attributed to the fact that the turnovers made by these target clients rose by 11.70% from that of year 2010. Also, there was a considerable increase in the trading activities under the company's proprietary trading account by 192.53%. In this regard, 81.23% of the company's clients had a cash account and 10.61% of the company's clients had trading through credit balance account. The internet trading had a trading volume that accounted for 8.16% 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	2009		2010		2011	
	Turnover	%	Turnover	%	Turnover	%
Local Retail	86,453.83	74.65	118,755.78	66.65	132,651.14	49.11
Local Institution	14,864.90	12.84	19,003.29	10.67	24,348.83	9.01
Foreign	800.23	0.69	2,579.18	1.45	2,410.12	0.89
Others	13,685.86	11.82	37,836.57	21.24	110,682.47	40.98
Total	115,804.82	100.00	178,174.82	100.00	270,092.56	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	95,485.53	82.45	145,527.47	81.68	219,404.80	81.23
Credit Balance Account	8,727.98	7.54	10,473.53	5.88	28,656.97	10.61
Internet Trading Account	11,591.31	10.01	22,173.82	12.44	22,030.80	8.16
Total	115,804.82	100.00	178,174.82	100.00	270,092.56	100.00

(2) Underwriting Business

The company's main underwriting activities in years 2010 and 2011 were summarized and set out below.

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

In 2011, the company was an underwriter of shares issued under the initial public offering (IPO) of two companies, namely LH Financial Group Public Company Limited and Khonburi Sugar Public Company Limited.

(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 30 active companies providing private fund management service, among which 22 are asset management companies and 8 are securities companies.

As of 31 December 2011, the Trinity Securities Co., Ltd. provided private fund asset management service to 61 clients with the total net asset value rising from Baht 638 million at the end of year 2010 to Baht 1,014 million at the end of year 2011.

(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.

In 2011, the company generated income from its investment in equity instruments, derivatives and fixed income in the total of Baht 124.85 million which already included trading profit and loss, interest income and dividend from the investments. As at 31 December 2011, the company's investment in fixed income for trading purpose and available for sale was Baht 457.98 million while the company's investment in equity instruments and mutual funds stood at Baht 2.49 million and Baht 5.24 million, respectively. Also, the off-balance sheet fair values of long and short derivatives were Baht 403.63 million and Baht 401.53 million, respectively while the total values of foreign exchange forward contract (FX Forward Contract) for buy and for sale stood at USD 12.60 million and USD 1.62 million, respectively.

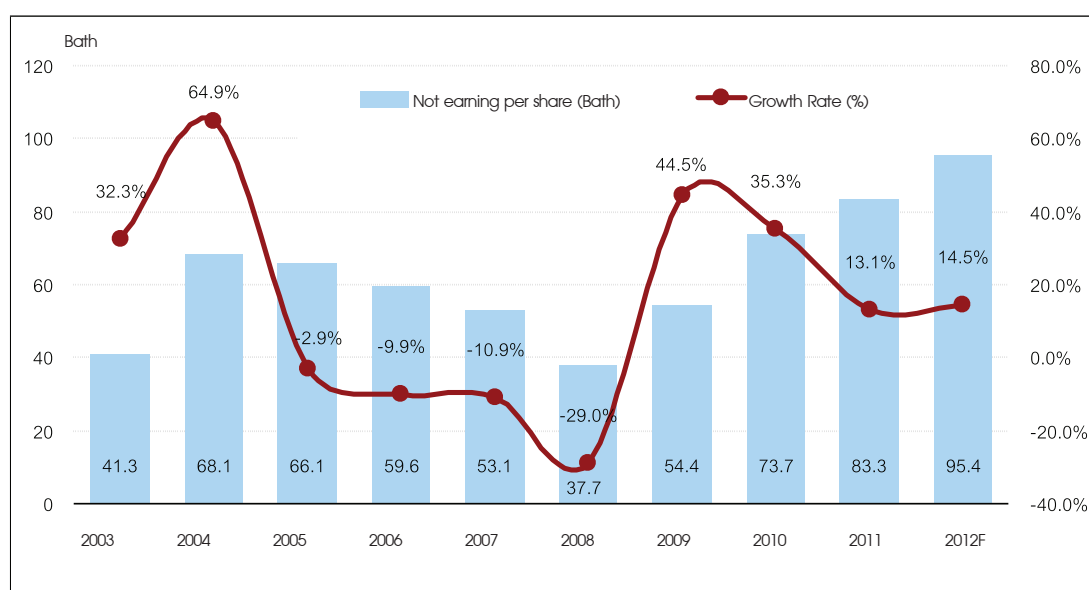
(5) Securities Borrowing and Lending Business (SBL)

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

As at the end of 2011, there were 241 clients opening securities borrowing and lending accounts with the company, which was increased from 113 clients at the end of 2010.

Outlook for Securities Business in 2012

It was forecast that in 2012, SET would experience more fluctuations than the previous year due to bearish market risk factors, i.e. (1) economic recession in the US and Europe; (2) default in debt payment by European countries which may spread to their financial institutions; and (3) the collapse of the EU. However, there are still some factors contributing to bullish market including (1) a launch of new economic stimuli or another round of financial support injection by other countries; that is, the global market is still expecting another grant and implementation of the quantitative easing (QE3) policy which can favorably affect the capital market worldwide due to a rising liquidity in the global market; (2) a significant increase in the operating results of listed companies in Thailand after the government launched a new tax measure, i.e. the applicable corporate income tax rate would be reduced from 30% to 23%; in this regard, the company anticipated that the positive results from this tax rate reduction, after the impacts from minimum daily labor wage raise have been absorbed, would allow the operating results of listed companies in 2012 to reach 14.5% when compared to those in 2011; and (3) the end of a rising interest rate cycle given that Thai economic expansion is still exposed to risks from flood and vulnerable global economy.



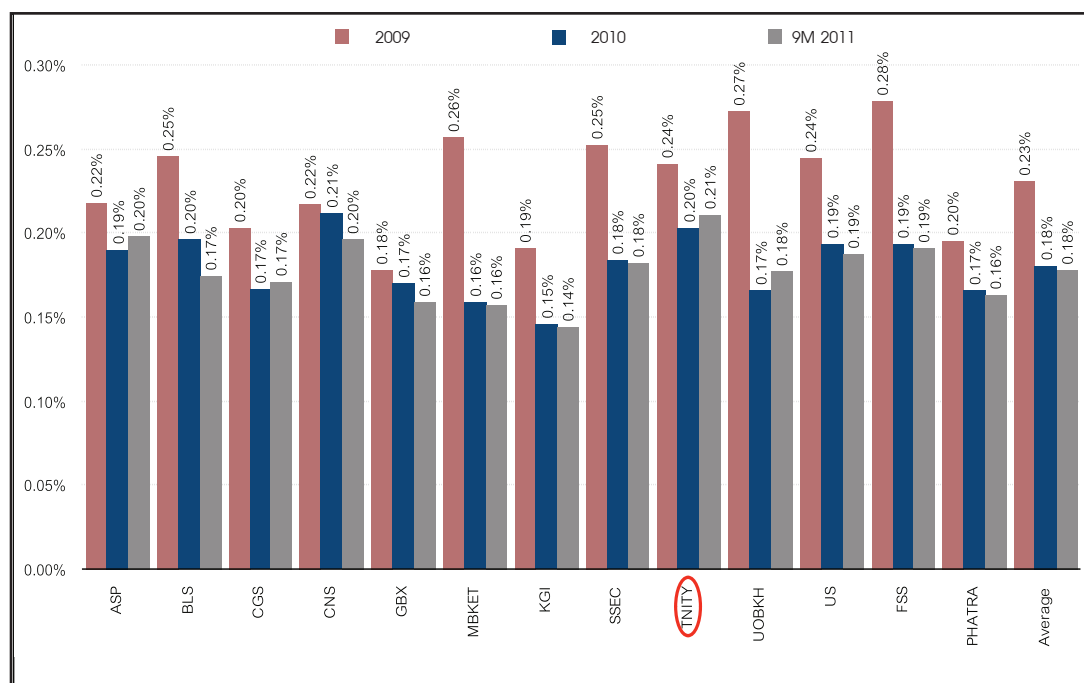
Source: Trinity Research

Using the fair forward PE method, the company estimated that in 2012, the SET Index would reach 1,250 points based on the assumption that there is no double dip recession in the global economy. Other estimations include the earning per share/equity and the cost of equity would be at 15% and 12.5%, respectively, which are the averages calculated from the figures in the past 6 years. The company also anticipated that the SET Index in 2012 would widely swing between 300 and 500 points while Thai economic growth rate would be at 4.2% thanks to the government's various populist policies, especially the measures to stimulate private sector's consumption and investment.

Competition in Securities Business

The fact that all securities companies are required to use sliding-scale calculation method for their commission fees from 1 January 2010 is regarded as the start of fierce competition in securities business. This can be seen from Trinity group's average commission rate (excluding proprietary trading) in 2010 which fell to 0.18% from 0.23% in 2009. In 2011, most securities companies avoided competing together on price; as a result, during the first 9 months, the Trinity group's average commission rate (excluding proprietary trading) stayed at 0.18% which was close to that in 2010. Nevertheless, from 1 January 2012 onwards, it was expected that the competition in securities business would be more intense given that it was a start the full liberalization of securities brokerage commissions. Based on the above facts, in order to maintain its current client base and to attract new clients, each securities company is required to enhance the quality of its services both in terms of investment advice and securities research to be of high quality 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, to reduce risk from reliance on income from securities brokerage business, each securities company is urged to spread or diversify its income into other businesses e.g. investment banking and private fund management. Meanwhile, a merger between securities companies for cost reduction and competitiveness enhancement or a joint venture between a securities company and a commercial bank, both local and overseas, which possess different expertise for financial consolidation, new financial product development and client base expansion were still considered essential and would occur regularly in 2012. In the past, certain companies had already undergone such changes, namely (1) KTB Securities (Thailand) Co., Ltd. merged with Seamico Securities Plc. into KT ZMICO Securities Plc., (2) Syrus Securities Plc., ACL Securities Co., Ltd. and Finansia Securities Plc. merged together into Finansia Syrus Securities Plc., (3) Kim Eng Securities Plc. was renamed Maybank Kim Eng Securities (Thailand) Plc. after Maybank became a major shareholder of Kim Eng Securities (Thailand) Plc.; (4) Bangkok Bank Plc., the major shareholder of Bualuang Securities Plc. made a tender offer to acquire all securities of Bualuang Securities Plc. to delist Bualuang Securities Plc. off the SET and this delisting will enable Bangkok Bank Plc. to better manage its securities business (to be completed in Quarter 1/2012) and most recently (5) Phatra Securities Plc. merged with Kiatnakin Bank Plc. (to be completed in Quarter 3/2012)



Source: Trinity Research

It was forecast that the operating results of listed companies during the first two quarters of year 2012 would not be very satisfactory due to lingering effects of the flood crisis in 2011 which prevented the production activities of industrial sector from working at their full capacities. Also, the Europe's public debt problems are still in the process of solving, resulting in an idle investment situation. However, it was believed that the situation would get better in the second half of the year when the Europe's public debt problems are resolved or there is a concrete solution to the problem. Despite the above forecast, the low interest rate at present was believed to allow the private fund management business to continue growing. In 2012, the competition in private fund management business was expected to be more intense due to additional new entrepreneurs which are interested in this business, including the fact that in this year the securities brokerage commission was fully liberalized. One factor driving these entrepreneurs to start this business was that they need to create a more stable income base to compensate the brokerage fee income which is dwindling. To create such income base, Trinity Securities Co., Ltd. selected high net worth group as its core client base. For small entrepreneurs, If they do not have client base or market share comparable to those of commercial banks or asset management companies under commercial banks' supervision but 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 6 years ago and the funds managed by the company have enjoyed a leap in

its 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 8 branches in Bangkok and upcountry, covering 5 provinces. Also, the company has increased before and after trading services via www.trinityquicktrade.com.

Financial Advisory Business

Competition in Financial Advisory Business

In 2011, a fund raising through an issue of equity instruments in both the Stock Exchange of Thailand (SET) and Market for Alternative Investment (MAI) was Baht 82,520 million which was decreased from that of year 2010 by 8.85%. In this year, there were 10 new companies (3 companies in SET and 7 companies in MAI) listed on and raising fund through an initial public offering (IPO) in the primary market, including 6 new property funds which were also listed on the primary market. These numbers are lower than those of the preceding year when there were 11 new companies (4 companies in SET and 7 companies in MAI) and 4 new property funds listed on the primary market. Nevertheless, the total fund raising in the primary market in 2011 was Baht 18,463 million, increased by 46.68% from that of the preceding year. The company making the highest fund raising in 2011 was Land and House Bank Plc. whose fund raising stood at Baht 2,020 million while the other half of the fund raising amount were made by property funds. On the other hand, the fund raising in a secondary market amounted to Baht 64,057 million, decreased by 17.81% from that of 2010. The fund raising in a secondary market was mainly derived from an industrial group with Indorama Venture Plc. as the highest fund raiser for the total fund raising of Baht 17,279.50 million, followed by an ICT group of which True Corporation Plc. made the highest fund raising of Baht 13,118.50 million.

In 2011, the financial advisory business started recovering from the bearish condition in the previous year thanks to an economic recovery during the first half of the year. Nevertheless, the flood crisis at the end of the year caused many companies which had prepared for listing on the Stock Exchange of

Thailand in 2011 to delay their listings. In brief, in 2011, the total number of companies listed on and raising fund in the Stock Exchange of Thailand (SET) was 12, slightly increased from 11 of year 2010. Of these 12 companies, 5 companies were listed in the Stock Exchange of Thailand and 7 companies were listed in Market for Alternative Investment (MAI) with a combined fund raising in the amount of Baht 4,953.99 million which was decreased from Baht 6,716.56 million in 2010 or by 35.58%. Additionally, 6 property funds were listed in the Stock Exchange of Thailand, rising from 4 property funds in 2010. The total fund raised by these 6 property funds were Baht 13,509 million which were increased by 130.80% from Baht 5,853 million in 2010. Nonetheless, the total fund raising in the secondary market was equivalent to Baht 64,859 million, increased from Baht 2,968 million in 2010.

Financial Advisory Services

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 RCL 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.'s Shareholders and (iv) an independent financial advisor to Quality Construction Products Plc.'s Shareholders.

In 2011, the company and the Investment Banking Department of Trinity Securities Company Limited were a financial advisor to Bangkok Commercial Asset Management Co., Ltd. (BAM) to study, evaluate and provide opinions in relation to BAM's readiness for its listing on the Stock Exchange of Thailand. They also served as (i) a financial advisor to Wave Entertainment Public Company Limited under which they provided opinions on its investment in Thai Solar Energy Company Limited which operates a solar thermal plant business; (ii) an advisor to Somboon Advance Technology Public Company Limited ("Somboon") under which they provided advice in relation to Somboon's private placement of securities to its employees (ESOP); (iii) an independent financial advisor to 4 listed companies under which they advised shareholders and provided opinions on tender offers, business merger and connected transactions; (iv) a financial advisor to one large non-listed company for its business structuring; and (v) a financial advisor to certain companies which are preparing themselves for being listed on the Stock Exchange of Thailand.

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

Since its commencement in April 2006, the trading volume in Thailand Futures Exchange Plc. (TFEX) has enjoyed a continuous growth as supported by the total trading volume in 2011, i.e. 10,027,116 contracts with the daily average transactions of 41,145 contracts. These trading volume and daily average transactions were increased by over 1.22 times those in 2010 when the total trading volume of futures was 4,519,463 contracts with daily average transactions of 18,676 contracts. Additionally, if compared to 2009 when the total trading volume of futures was 3,075,318 contracts and a daily average transactions was 12,771 contracts, the total trading volume of futures and daily average transactions in 2011 increased by over 2.23 times. In other words, for the past 3 years, TFEX has maintained a compound annual growth rate (CAGR) at 67.1%. In 2011, the most popular traded futures remained the same as last year, i.e. SET50 Index futures which accounted for 43.1% of TFEX turnover, followed by gold futures and single stock futures whose proportions in TFEX were 39.8% and 15.7%, respectively. Such proportions of gold futures and single stock futures in TFEX increased from 2009, the first year of their trading, when their proportions were equivalent to 10.1% and 4.7%, respectively. Nevertheless, option trading remained unpopular among investors and it accounted for 1.1% of TFEX turnover which was dropped from 2.4% in 2010. Similarly, interest rate futures did not gain much interest from investors. Although it was launched in TFEX in 2010, the trading volume of interest rate futures was still low; in 2011, its trading volume was only 429 contracts, accounting for only 0.004% of TFEX turnover. Nevertheless, in 2011, TFEX launched new products, i.e. silver futures and Brent crude oil futures, to increase product variety in TFEX to cover both monetary and capital markets, to better satisfy the investors' need and to be served as tools for those desiring to manage their business risks.

The trading volume in TFEX in 2011 improved continuously due to the investors' better understanding of the products, an increase in proprietary trading account's number and various fluctuations in the market and gold price. All these factors attracted investors to invest more in futures as reflected by TFEX trading volume. Also, in this year, TFEX launched new products with new underlying assets, i.e. silver futures and crude oil futures

as well as extended the trading period to cover night time so as to allow the investors 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. As of 30 December 2011, the total number of pending contracts on TFEX was 56,452 contracts.

Still, similar to SET, the main investors in TFEX were local retail investors whose turnover in 2011 accounted for 60.03% of the market whereas the turnovers of the local institutional investors and foreign investors were 33.55% and 6.42%, respectively.

Currently, TFEX has 41 members which provide derivatives brokerage service whereby 35 of which are general members and 6 of which are gold futures members. In 2011, the company's market share as rated by trading volume ranked no.6 with a total turnover equivalent to 5.15% of TFEX total turnover.

Summary of Derivatives Transaction

	2009	2010	2011
Trading volume (contracts)	3,075,318	4,519,436	1,0027,116
Pending (contracts)	28,281	77,955	56,452
No. of transactions (transactions)	1,522,772	1,887,660	4431,851
Daily average trading volume (contracts)	12,771	18,676	41,145
Daily average no. of transactions (transactions)	6330	7,801	18,187

Source: Thailand Futures Exchange Plc.

Breakdown of TFEX Turnover Classified by Investor

Unit: Contract

Type of Investor	2008		2009		2010	
	Turnover	%	Turnover	%	Turnover	%
Retail	1,855,540	60.34	2,585,717	57.21	6,018,895	60.03
Local Institutions	873,488	28.40	1,477,831	32.70	3,364,541	33.55
Foreign	346,291	11.26	455,888	10.09	643,681	6.42
Total	3,075,319	100.00	4,519,436	100.00	10,027,117	100.00

Source: Thailand Futures Exchange Plc.

Derivatives Turnover and Market Share of TFEX's Members in 2010 and 2011

2010			2012		
Company	Trading Volume (Contracts)	Market Share (%)	Company	Trading Volume (Contracts)	Market Share (%)
GBS	1,211,266	13.40%	GBS	2,261,157	11.28
PST	835,699	9.25%	PST	1,692,636	8.44
KEST	715,188	7.91%	MBKET	1,484,682	7.4
TNITY	551,623	6.10%	MTSGF	1,136,861	5.67
KGI	509,403	5.64%	KGI	1,087,015	5.42
PHATR	437,176	4.84%	TNITY	1,033,224	5.15
KTZ	381,436	4.22%	FSS	857,604	4.28
ASP	353,090	3.91%	GTWM	855,271	4.26
MTSGF	292,444	3.24%	CGS	835,078	4.16
CGS	292,153	3.23%	AFC	815,377	4.07
BLS	275,425	3.05%	KTZ	737,162	3.68
AFC	271,368	3.00%	BLS	724,487	3.61
FSS	263,611	2.92%	PHATR	677,861	3.38
TNS	197,180	2.18%	ASP	647,689	3.23
CS	187,776	2.08%	YLG	555,027	2.77
BSEC	169,732	1.88%	UOBKH	523,950	2.61
JPM	154,683	1.71%	HGF	505,588	2.52
YLG	150,606	1.67%	TNS	505,377	2.52
SCIBS	149,424	1.65%	KS	356,543	1.78
KS	146,422	1.62%	JPM	291,419	1.45
CNS	123,283	1.36%	CNS	282,828	1.41
KKS	122,872	1.36%	KKS	282,263	1.41
SCBS	122,779	1.36%	SCBS	258,712	1.29
FES	120,957	1.34%	CGF	234,648	1.17
HGF	117,901	1.30%	CS	193,372	0.96
AYS	107,899	1.19%	DBSV	161,404	0.8
DBSV	103,488	1.14%	KSS	141,890	0.71
GTWM	82,093	0.91%	CIMBS	137,910	0.69
UBS	78,151	0.86%	TSC	118,394	0.59
UOBFT	77,932	0.86%	UBS	108,748	0.54
ACLS	75,751	0.84%	SSEC	106,871	0.53
TSC	66,978	0.74%	UOBFT	103,474	0.52
SSEC	66,044	0.73%	KTBST	93,779	0.47
US	58,606	0.65%	CLSAT	82,568	0.41
UOBKH	52,423	0.58%	US	60,842	0.3
CLSAT	50,844	0.56%	AIRA	60,028	0.3
AIRA	40,759	0.45%	OSK	40,371	0.2
CIMBS	16,695	0.18%	IVG	2,122	0.01
IVG	7,173	0.08%	FSL	-	-
MPSEC	539	0.01%	MPSEC	-	-
			ACLS	-	-
			SCIBS	-	-

Source: Thailand Futures Exchange Plc.

Outlook for Derivatives Brokerage Business in 2012

In 2012, it was forecast that the trading volume in TFEX would enjoy a continuous growth; that is, the daily average transaction would increase to over 60,000 contracts from 41,145 contracts in 2011. Also, gold futures would remain the most popular traded product when compared to other products given that gold can be used for profit taking through both purchasing and selling based on its global market price which is still volatile. In this year, TFEX also plans to launch new product, US Dollar Futures, which is expected to boost trading in TFEX given that this product is in the interest of speculators or investors desiring to manage their business risks more efficiently. TFEX's growth in 2011 was mainly attributed to an increase in the trading volume of (1) gold futures from 971,423 contracts in 2010 to 3,989,278 contracts (this increase was equivalent to 3.1 times those in 2010); (2) SET50 Index Futures whose trading volume was increased by 74.7%, i.e. from 2,471,302 contracts in 2010 to 4,316,437 contracts; and (3) Single Stock Futures whose trading volume was increased by 62.8%, i.e. from 969,353 contracts in 2010 to 1,578,092 contracts.

In 2012, TFEX plans to cooperate with its members and alliance to expand its investor base and to enhance the existing level of derivatives liquidity in TFEX by encouraging TFEX members to engage in the business of derivatives liquidity monitoring service for both well-known and newly-launched derivatives such as SET50 Futures, Gold Futures, Silver Futures and Oil Futures. Additionally, TFEX will launch new products e.g. US Dollar Futures to provide investors with more investment alternatives. At the same time, TFEX will encourage a production of more in-depth and comprehensive derivatives trading analysis research.

It was forecast that the competition in derivatives brokerage business in year 2012 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

The company 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, developing relevant tools and offering 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. The clients can use this tool to follow and help them make decision on when to long or short SET50 Index Futures. In addition, the company will enhance the caliber of its employees through the training courses on 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 2011, 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 63.87%, 1.85% and 16.05% 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. The other factor contributing to the intense competition was that from 1 January 2012, the securities brokerage fee which is calculated based on a sliding scale at present will be liberalized.

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 an initial public offering (IPO) for 2 companies, 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 2011, Trinity Securities Co., Ltd.'s obligations which exceeded the collaterals' values and for which doubtful-debt allowance must be set was Baht 86.50 million or equivalent to 7.05% 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 2011, the Company's total investment in securities was Baht 482.54 million or 26.16% of total assets which was decreased from Baht 573.87 million or by 26.13% of the year 2010. 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 398.76 million to Baht 460.44 million or by 95.42% of the total investment; an investment in listed securities which was decreased from Baht 158.29 million to Baht 2.49 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 addition, as of 31 December 2011, the off-balance sheet fair values of long and short derivatives were Baht 403.63 million and Baht 401.53 million, respectively while the total values of foreign exchange forward contract (FX Forward Contract) for buy and for sale stood at USD 12.60 million and USD 1.62 million, respectively.

In 2011, the Company gained a total return on investment of Baht 122.32 million which was calculated from (i) derivatives trading profits in the amount of Baht 159.06 million; (ii) loss from securities trading in the amount of Baht 56.32 million; (iii) interests and dividends from securities held for trading and available-for-sale in the amount of Baht 21.09 million; and (iv) unrealized losses presented in shareholders' equity in the amount of Baht 2.05 million. In addition, the Company recognized the gain of Baht 0.54 million under the equity method from its investment in affiliates.

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 2010 and 2011, the income from securities and derivatives business represented 87.11% and 80.62% 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.

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.

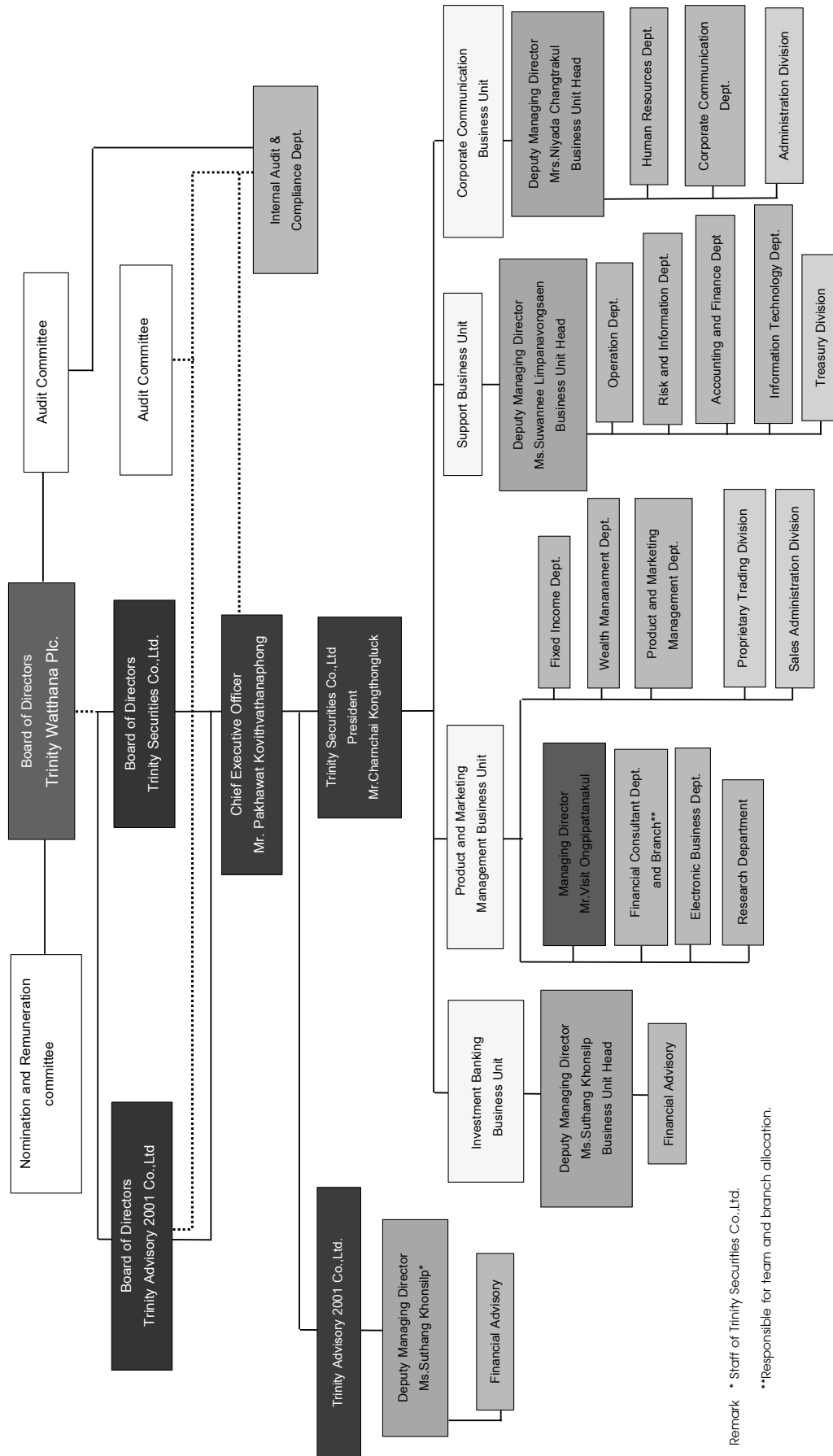
2. Risks from Financial Advisory Business

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

As of December 31, 2011



Remark * Staff of Trinity Securities Co.,Ltd.

**Responsible for team and branch allocation.

Shareholding Structure

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

Trinity Watthana Public Company Limited

As of 31 December 2011, 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 2011, the company's registered capital was Baht 1,200 million which was fully paid up and divided into 120,000,000 ordinary shares with a par value of Baht 10 each.

2. Shareholders

Trinity Watthana Public Company Limited

According to the closing of share registration on August 29th, 2012, the list of top 10 shareholders are as follow.

Name of Shareholders	Number of Shares	Percentage	Name of Shareholders
1	Krung Thai Bank Plc.	34,125,000	19.44
2	RAFFLES NOMINEES (PTE) LIMITED	26,033,000	14.83
3	Com-link Co.,Ltd. ¹	24,915,000	14.19
4	Thailand Equity Fund	15,000,000	8.54
5	Amethyst Holding Limited	9,619,700	5.48
6	Kovithvathanaphong Group ²	7,935,000	4.52
7	Thai NVDR Co., Ltd	6,903,525	3.93
8	Mrs. Kanitha Subpa-Asa	1,150,000	0.65
9	Mr.Boonmee Piyathamwuthikul	1,100,000	0.63
10	Mr. Pisit Pruksapaiboon	1,045,500	0.60
	Total	127,826,725	72.81

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, 2011 are as follow.

No.	Name	Number of Shares	%
1	Trinity Watthana Plc.	119,999,996	99.99
2	Mr. Pakhawat Kovithvathanaphong	1	0.00
3	Mr. Charnchai Kongthongluck	1	0.00
4	Ms. Suwannee Limpanavongsaen	1	0.00
5	Mrs. Niyada Changtrakul	1	0.00
	Total	120,000,000	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 50% 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 No. GorJor. 12/2543 re: Application for and Approval of newly-issued shares offering dated 22 March 2000 in all respects.

A. Trinity Watthana Public Company Limited

1) Board of Directors

As of 31 December 2011, 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. Mr.Charnchai Kongthongluck	Director
11. Mr.Visit Ongpipatanakul *	Director

Notes: *appointed to be Director on 25 January 2012 and registered with the Ministry of Commerce on 31 January 2012

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. 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, Mr.Charnchai Kongthongluck.and Mr.Visit Ongpipatanakul (According to the Company's affidavit dated 31 January 2012)

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 2011, 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 termination 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 2011, 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 there of 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 2011, 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. Mr. Charnchai Kongthongluck	Director
6. Ms. Suwannee Limpanawongsaen	Director
7. Mrs. Niyada Changtrakul	Director
8. Mr. Visit Ongpipatanakul	Director
9. Ms. Suthang Khonsilp	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, Mr. Charnchai Kongthongluck, Ms. Suwannee Limpanawongsaen, Mrs. Niyada Changtrakul, Mr. Visit Ongpipatanakul or Ms. Suthang Khonsilp

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.
5. To approve any internal authorization. In this regard, the board of directors may authorize any person to take care of this work for them.
6. To approve the company's risk management policies and to ensure that the risk management is implemented in accordance with the policies.
7. 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 2011, 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 More than Baht 300 million	equity instrument debt instrument	Board of Directors
Less than or equal to Baht 200 million Less than or equal to Baht 300 million	equity instrument debt instrument	All members of the Underwriting Committee
Less than or equal to Baht 100 million Less than or equal to Baht 200 million	equity instrument debt instrument	Two third of the quorum required for the meeting of the Underwriting Committee

- Securities Underwriting through Firm Underwritten basis

Credit Line	Type of Securities	Criteria for Endorsement by Authorized Persons
More than Baht 75 million More than Baht 100 million	equity instrument debt instrument	Board of Directors
Less than or equal to Baht 75 million Less than or equal to Baht 100 million	equity instrument debt instrument	All members of the Underwriting Committee*
Less than or equal to Baht 30 million Less than or equal to Baht 50 million	equity instrument debt instrument	Two third of the quorum required for the meeting of the Underwriting Committee*
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.
More than Baht 10 million but not exceeding Baht 30 million	derivatives	
More than Baht 50 million but not exceeding Baht 100 million More than Baht 5 million but not exceeding Baht 10 million	equity instrument derivatives	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 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 More than Baht 1 million but not exceeding Baht 5 million	equity instrument derivatives	Two authorized members of the Credit Committee or one regional manager jointly signs with one authorized member of the Credit Committee.
Not more than Baht 30 million	debt instrument	Head of Fixed Income Department
Not more than Baht 0.3 million Not more than Baht 0.5 million	Derivatives	An Authorized member of the Credit Committee or one regional manager.
Not more than Baht 3 million Not more than Baht 1 million	equity instrument derivatives	Head of Sales, a Branch Manager or an Assistant Branch Manager.
2. Institutional Clients More than Baht 200 million More than Baht 500 million More than Baht 50 million	equity instrument debt instrument derivatives	the Board of Directors of Trinity Watthana Plc.

Credit Line	Type of Securities	Criteria for Endo
More than Baht 100 million but not exceeding Baht 200 million More than Baht 100 million but not exceeding Baht 500 million More than Baht 10 million but not exceeding Baht 50 million	equity instrument debt instrument derivatives	All members of the Credit Committee.
More than Baht 50 million but not exceeding Baht 100 million More than Baht 5 million but not exceeding Baht 10 million	equity instrument derivatives	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 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 Not more than Baht 5 million	equity instrument derivatives	Two authorized members of the Credit Committee.
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

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, 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 2011 consists of

1. Mr. Pakhawat Kovithvathaphong	Chief Executive Officer
2. Mr. Charnchai Kongthongluck	President
3. Mr. Visit Ongpipatanakul	Managing Director
4. Mrs. Niyada Changtrakul	Deputy Managing Director Corporate Communication Business Unit
5. Ms. Suwannee Limpanavongsaen	Deputy Managing Director Support Business Unit
6. Ms. Suthang Khonsilpa	Deputy Managing Director Investment Banking
7. Mr. Singkorn Chalardkitsirikul	Deputy Managing Director Financial Consultant
8. Mr. Woravit Sinyoo	Deputy Managing Director Financial Consultant
9. Ms. Anong Yuvahong	Deputy Managing Director Investment Banking
10. Mrs. Kaewkamol Tantixalerm	Deputy Managing Director Wealth Management
11. 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 2011 the Board of Directors consists of 3 members, namely

1. Mr. Pakhawat Kovithvathaphong	Chairman
2. Ms. Anong Yuvahong	Director
3. Mrs. Pimwi-on Jangjamjitt	Director
4. Ms. Suthang Khonsilp	Director

Authorized Directors

To bind the Company, two of the following three authorized directors shall sign together : Mr.Pakhawat Kovithvathaphong , Ms.Anong Yuvahong ,Mrs.Pimwi-on Jangjamjitt and Ms. Suthang Khonsilp

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 2011 consists of:

1. Mr. Pakhawat Kovithvathaphong	Chairman
2. Ms. Suthang Khonsilp	Deputy Managing Director
3. Ms. Anong Yuvahong	Deputy Managing Director
4. Mrs. Pimwi-on Jangjamjitt	Executive Director

Authorized Directors

To bind the Company, two of the following three authorized directors shall sign together: Mr. Pakhawat Kovithvathaphong , Ms. Anong Yuvahong ,Mrs. Pimwi-on Jangjamjitt and Ms. Suthang Khonsilp

Selection and Nomination of Directors and Management

The Company's Board of Directors have assigned the Nomination and Remuneration Committee to select and nominate a qualified person to be the director including chief executive officer (CEO) of the Company and its subsidiaries when there is a vacancy in such position due to an office leaving by rotation or other reasons. The selection and nomination process can be broken down in steps as shown below.

1. To review the structure, composition including size of the board of directors to ensure that all of the aforesaid are suitable for and corresponding to the changing business environment. In this regard, the board of directors should consist of qualified and knowledgeable persons with relevant experiences and capabilities

to contribute to the Company's steady and sustainable growth.

2. To review general and specific requirements concerning qualifications of directors, independent directors and chief executive officer (CEO) and/or selection criteria of the aforesaid positions to ensure that they are suitable for the situation and in line with the stipulations of the Stock Exchange of Thailand. In this regard, the qualifications of independent directors were set as follows:

(1) Being a person holding not more than one percent of the total shares with voting right of the company, holding company, subsidiary or associate company or a juristic entity with a potential conflict of interest. The amount of shares shall also include shares held by the independent director's related persons;

(2) Being a person who is not or has never been involved in management and not being an employee, staff or consultant with a regular salary or a person with controlling power of the company, holding company, subsidiary or associate company or a juristic entity with a potential conflict of interest, except that such characteristics have lapsed for at least 2 years prior to the date of filing an application for appointment to SEC Office;

(3) Being a person having no relation by blood or lawful registration to a person with a potential conflict of interest in form of father, mother, spouse, sibling, offspring, including spouse of the offspring of an executive, a major shareholder, a person with controlling power or a person being nominated as an executive or a person with controlling power of the company or subsidiary;

(4) Being a person who does not have or has never had a business relationship with the company, holding company, subsidiary or associate company or a juristic entity with a potential conflict of interest in a manner that may impede the exercise of his/her independent judgment; in addition, the person must neither be nor have been a major shareholder, a non-independent director or an executive of any person having business relationship with the company, holding company, subsidiary or associate company or a juristic entity with a potential conflict of interest, except that such characteristics have lapsed for at least 2 years prior to the date of filing an application for appointment to SEC Office. In this regard, the definition of "business relationship" shall be the same as that provided by relevant Notification of the SEC Office;

(5) Being a person who is not or has never been an auditor of the company, holding company, subsidiary or associate company or a juristic entity with a potential conflict of interest and not being a major shareholder, a non-independent director, an executive or managing director of the audit firm for which the auditor of the company, holding company, subsidiary or associate company or a juristic entity with a potential conflict of interest is working, except that such characteristics have lapsed for at least 2 years prior to the date of filing an application for appointment to SEC Office;

(6) Being a person who is not or has never been a provider of any professional service including legal counseling or financial advisory service with a service fee amounting to over Baht two million per year to the company, holding company, subsidiary or associate company or a juristic entity with a potential conflict

of interest. In case that the professional service provider is a juristic entity, the provider's role as a major shareholder, a non-independent director, an executive or managing partner of such provider shall be also included and taken into consideration. An exception applies in case where such characteristics have lapsed for at least 2 years prior to the date of filing an application for appointment to SEC Office;

(7) Being a person who is not appointed as a director to represent the company's directors, major shareholder or shareholder having relation to the company's major shareholders;

(8) Being a person who does not possess any other characteristics that may prevent him/her from providing independent opinion on the Company's operation.

3. After the selection stage, the Chairman of the Nomination and Remuneration Committee shall propose the list of nominated persons to the Annual General Meeting of Shareholders for approval in case of director and independent director appointment. In case of Chief Executive Officer appointment, the Nomination and Remuneration Committee shall propose the name of the nominated person to the Company's board of directors for approval.

Management's Remuneration

1) Trinity Watthana Public Company Limited

A. Cash Remuneration

Directors

In 2011, 11 members of the Company's Board of Directors collectively received meeting allowance in the total amount of Baht 4,760,000 and directors' bonus for year 2010 in the amount of Baht 1,760,000. The Company reserved Baht 4,000,000 as the directors' bonus for year 2011 in accordance with the resolution passed by the Board of Directors' Meeting No. 7/2011. The remuneration provided to each director in 2011 and 2010 were shown below.

	Directors	2012 Meeting Allowance	2011 Director's Bonus	2011 Meeting Allowance	2009 Director's Bonus
1	Mr. Sirin Nimmanahaeminda	1,320,000	330,000	1,320,000	-
2	Dr. Pongsathorn Siriyodhin	-	-	80,000	-
3	Mr. Panja Senadisai	580,000	220,000	540,000	-
4	Mr. Pairote Varophas	540,000	220,000	540,000	-
5	Mr. Abhichart Arbhabhira	540,000	220,000	540,000	-
6	Mr. Pote Videtyontrakich	280,000	110,000	240,000	-
7	Mr. Surachai Suksriwong	280,000	110,000	240,000	-
8	Mr. Tawan Puntawong	280,000	110,000	240,000	-
9	Mr. Panop Svetarundra	240,000	110,000	140,000	-
10	Mr. Pakhawat Kovithvathanaphong	240,000	110,000	240,000	-
11	Mrs. Kanitha Subpa-Asa	-	110,000	240,000	-
12	Mr. Charnchai Kongthongluck	240,000	110,000	240,000	-
13	Mr. Visit Ongpipatanakul	220,000	-	-	-
	Total	4,760,000	1,760,000	4,600,000	-

Management

-None-

B. Other Remunerations

Directors

In 2011 and 2012, the Company provided a Directors and Officers Liabilities Insurance for the Company and subsidiaries in the amount of Baht 50 million.

2) Trinity Securities Company Limited

A. Cash Remuneration

Directors

-None-

Management

Type of Remuneration	2010		2011	
	No. of Management	Amount	No. of Management	Amount
Salary and Bonus	13	34,221,610	13	68,149,033
Provident Fund Contribution and Others	13	6,197,148	13	10,014,011

B. Other Remunerations

Directors and Management

In 2010 and 2011, 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 65 Years

Highest Educational MBA Stanford University

Qualification -

No. of share and holding % 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 64 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 % 75,000 shares 0.004%

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 61 Years	
Highest Educational Qualification	Master of Marketing and Finance Northwestern University, U.S.A. Certificate of Director Certification Programme(DCP), Thai Institute of Directors Association(IOD)
No.of share and holding %	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 59 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 %	-
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 66 years	
Highest Educational	Bachelor of Laws Thammasart University
Qualification	The Thai Bar - Institute of Legal Education Thai Bar Association
No.of share and holding%	-
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 46 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%	-
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 63 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 National Defense College (Joint Program with Private Sector) Certificate of Capital Market Academy (CMA)
No.of share and holding%	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 Advisory 2001 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
2008	Director - Thai Securities Depository Co.,Ltd.(TSD)
2003 - 2006	Director - Thai Listed Companies Association (TLCA)
2001 - 2004	Director - Stock Exchange of Thailand
1995 - 2003	Director - Chumporn Palm Oil Industry Plc.
2001 - 2011	President/Chairman — Trinity Information Co., Ltd.

Mr. Tawan Puntawong Director and member of the Nomination and Remuneration Committee
 Age 57 Years
 Highest Educational Qualification Master of Business (MBA) Thammasat University
 -
 No.of share and holding% -
 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 49 Years
 Highest Educational Qualification MBA SASIN Graduate Institute of Business Administration of Chulalongkorn
 -
 No.of share and holding% -
 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

Mr. Charnchai Kongthongluck Director (Authorized Director)
 Age 52 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% -
 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.

Mr. Visit Ongpipattanakul Director (Authorized Director)

Age 48 Years

Highest Educational MBA University of Florida

Master of Art in Business Law Chulalongkorn University

Qualification -

No.of share and holding% 0 shares 0%

Family Relationship with other Executives - none -

Professional Experience Over past 5 Years

Jan 2011 - Present Director - Trinity Watthana Plc.

2010 - Present Director / Managing Director - Trinity Securities Co.,Ltd.

2008 - 2010 Executive Director - Tisco Securities Co.,Ltd.

2001 - 2008 Deputy Managing Director Trinity Securities Co., Ltd.

Directors and Managements

Trinity Securities Company Limited

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

Age 63 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% 1 Shares 0 %

Family Relationship with other Executives -none-

Professional Experience (Last 5 Years)

2001 - Present	Chief Executive Officer/ Director - Trinity Watthana Plc. President/Chairman - Trinity Advisory 2001 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
2008	Director - Thai Securities Depository Co.,Ltd.(TSD)
2003 - 2006	Director - Thai Listed Companies Association (TLCA)
2001 - 2004	Director - Stock Exchange of Thailand
1995 - 2003	Director - Chumporn Palm Oil Industry Plc.
2001 - 2011	President/Chairman — Trinity Information Co., Ltd.

Mr. Panja Senadisai Independent Director and Member of the Audit Committee
Chairman of the Nomination and Remuneration Committee

Age 64 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 % -

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 61 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 % 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. Abhichart Arbhabhira Independent Director and Member of the Audit Committee	
Age 66 years	
Highest Educational Qualification	Bachelor of Laws Thammasart University The Thai Bar - Institute of Legal Education Thai Bar Association
No.of share and holding%	-
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. Charnchai Kongthongluck Director (Authorized Director)	
Age 52 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%	-
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.

Ms. Suwannee Limpanavongsaen Director (Authorized Director)

Age 47 Years

Highest Educational MBA , Thammasat University

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

No.of share and holding% 1 Share 0%

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

2008 - Present Director/Deputy Managing Director - Trinity Securities Co., Ltd.

2007 - 2008 Deputy Managing Director - Trinity Securities Co., Ltd.

2008 - Present Member of the Audit Committee - Salee Colour Plc.

2001 - 20011 Director - Trinity Information Co.,Ltd.

Mrs. Niyada Changtrakul Director (Authorized Director)

Age 52 years

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

Qualification -

No.of share and holding% 1 share 0 %

Family Relationship with other Executives -none-

Professional Experience Last 5 Years

2010 - Present Director/Deputy Managing Director - Trinity Securities Company Limited

2007- Present Deputy Managing Director - Trinity Securities Company Limited

2001 - Present Director - Trinity Information Co.,Ltd.

Mr. Visit Ongpipattanakul Director (Authorized Director)

Age 48 Years

Highest Educational MBA University of Florida

Master of Art in Business Law Chulalongkorn University

Qualification -

No.of share and holding% 0 shares 0%

Family Relationship with other Executives - none -

Professional Experience Over past 5 Years

Jan 2011 - Present Director - Trinity Watthana Plc.

2010 - Present Director / Managing Director - Trinity Securities Co.,Ltd.

2008 - 2010 Executive Director - Tisco Securities Co.,Ltd.

2001 - 2008 Deputy Managing Director Trinity Securities Co., Ltd.

Ms. Suthang Khonsilpa Director (Authorized Director)

Age 48 years

Highest Educational MBA (Finance) Chulalongkorn University

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

No.of share and holding% 0 share 0 %

Family Relationship with other Executives -none-

Professional Experience Last 5 Years

2011 - Present Director/Deputy Managing Director - Trinity Securities Co.,Ltd.

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.

2011 - Present Director - Trinity Advisory 2001 Co.,Ltd.

Management

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

Age 63 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% 1 Shares 0%

Family Relationship with other Executives -none-

Professional Experience (Last 5 Years)

2001 - Present	Chief Executive Officer/ Director - Trinity Watthana Plc. President/Chairman - Trinity Advisory 2001 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
2008	Director - Thai Securities Depository Co.,Ltd.(TSD)
2003 - 2006	Director - Thai Listed Companies Association (TLCA)
2001 - 2004	Director - Stock Exchange of Thailand
1995 - 2003	Director - Chumporn Palm Oil Industry Plc.
2001 - 2011	President/Chairman — Trinity Information Co., Ltd.

Mr. Charnchai Kongthongluck President (Authorized Director)

Age 52 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% -

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.

Mr. Visit Ongpipattanakul Director/Managing Director (Authorized Director)

Age 48 Years

Highest Educational MBA University of Florida

Master of Art in Business Law Chulalongkorn University

Qualification -

No. of share and holding% 0 shares 0%

Family Relationship with other Executives - none -

Professional Experience Over past 5 Years

Jan 2011 - Present Director - Trinity Watthana Plc.

2010 - Present Director / Managing Director - Trinity Securities Co., Ltd.

2008 - 2010 Executive Director - Tisco Securities Co., Ltd.

2001 - 2008 Deputy Managing Director Trinity Securities Co., Ltd.

Ms. Suwannee Limpanavongsaen Director / Deputy Managing Director (Authorized Director)

Age 47 Years

Highest Educational MBA , Thammasat University

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

No. of share and holding% 1 Share 0%

Family Relationship with other Executives -none-

Professional Experience Over past 5 Years

2008 - Present Director/Deputy Managing Director - Trinity Securities Co., Ltd.

2007 - 2008 Deputy Managing Director - Trinity Securities Co., Ltd.

2008 - Present Member of the Audit Committee - Salee Colour Plc.

2001 - 2001 Director - Trinity Information Co., Ltd.

Mrs. Niyada Changtrakul Director / Deputy Managing Director (Authorized Director)
 Age 52 years
 Highest Educational Qualification Master of Science(Industrial Relations) West Virginia University, U.S.A.
 -
 No.of share and holding% 1 share 0 %
 Family Relationship with other Executives -none-
 Professional Experience Last 5 Years
 2010 - Present Director/Deputy Managing Director - Trinity Securities Company Limited
 2007- Present Deputy Managing Director - Trinity Securities Company Limited
 2001 - Present Director - Trinity Information Co.,Ltd.

Ms. Suthang Khonsilpa Director / Deputy Managing Director (Authorized Director)
 Age 48 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% 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.

Mr.Singkorn Chalardkitsirikul Deputy Managing Director
 Age 57 Years
 Highest Educational Qualification BS - Information System Institute of Technology and Vocational Education
 -
 No.of share and holding% 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 48 years
 Highest Educational Qualification B.B.A.Finance (Second Class Honors) Bangkok University
 -
 No.of share and holding% 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.

Mrs. Kaewkamol Tantixalerm Deputy Managing Director

Age 50 years

Highest Educational Qualification MBA Sasin Graduate Institute Chulalongkorn University

Qualification -

No.of share and holding% 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 43 years

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

Qualification -

No.of share and holding% 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 59 years

Highest Educational Qualification Bachelor of Public Administrations (Monetary) Chulalongkorn University

Qualification -

No.of share and holding% 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. 2/2012 on 23 February 2012, the Board of Directors reviewed and revised Item 2 of the Company's corporate governance policies by placing more emphasis on anti-corruption and ban on bribery payment for business interest. 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 sets additional ethical business practice for its employees and directors which is reviewed on a regular basis and supports anti-corruption activities as well as a ban on bribery payment for business interest.

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 2011, 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 2011, the Company published the information on the website on 23 March 2011) whereby the information is the same as that contained in the hard copy sent to the shareholders on 8 April 2011;
- 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 2012 Annual General Meeting of shareholders, the Company extended the period for proposing meeting agenda by the minor shareholders from 1 month to 2 months and 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 9 December 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 10 February 2012 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 2012 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 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. Sor.Jor. 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 2011, the shareholding of the Company's Board of Directors and the Management are as set out below.

Name-Surname	Ordinary Shares		
	31 Dec 11	31 Dec 10	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

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, fair and competing 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.

Society and Environment: The Company has always supported all activities aimed at enhancing the society and environment in order to instill the concept of social and environmental responsibility into its employees.

In addition, the Company always adheres to the provisions of the Constitution of the Kingdom of Thailand B.E. 2550 concerning people's rights and liberty by emphasizing on respect, freedom and equality of everybody, i.e. each individual is able to exercise his/her rights and freedom as long as such exercise does not disturb the liberty of others and is not against the law, good morals and ethics.

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 interested parties 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 2011, the Company did not have any disputes with any interested parties.

3.3 Environment and Corporate Social Responsibility

Intention

Since its establishment over 10 years ago, the Company has always recognized and emphasized on the business operation that is responsible for the society and environment. The Company believes that the following factors, i.e. a good, transparent and professional governance of organization; an establishment of definite rules, guidelines and procedures for treating stakeholders; a cultivation of good values encouraging employees at all level to strictly work in accordance with both the Company's and relevant authorities' ethics; a great care and good treatment for the Company's employees as if they were people in the family; and a strong support for the Company's employees to perform their work while recognizing their responsibilities towards the stakeholders, will be key strategies in strengthening the Company to be strong, to move forward and to grow sustainably.

Strategies

The Company's environment and corporate social responsibility activities were started within the Company and with its employees first to ensure that the Company can provide excellent services, without being a burden, to the society. In this regard, the Company set clear-cut policy, framework and follow-up which may affect stakeholders; closely studied, monitored and managed business risks; formulated plans and strategies to break down income into various businesses in order to efficiently manage business risks.

Additionally, the Company established comprehensive working rules, procedures, ethics and norms for its employees, including encouraged and stimulated them to observe and comply with those rules and ethics as well as to provide and deliver high-standard work to the Company's clients. The Company also organized various activities to raise its employee's awareness of environment and corporate social responsibility on a regular basis.

Employee Treatment

Employees have always been the Company's top priority based on the Company's realization that employees are key mechanic for securities business operation and it is employees that can drive the Company towards growth and success. The Company always treats its employees fairly, equally and without any discrimination, i.e. the Company does not discriminate any employee due to his/her country of origin, race, language, religion, sex, age, social status including personal belief and political view.

Employee Management and Administration

1. Recruit, select and engage the persons with qualifications, skills, competence, and attitudes appropriate for the jobs as the Company's employees as well as engage the locals in the area where the Company's branch is located to help spread income and develop local communities.

2. Provide development trainings for employees regularly and adequately or in addition to those required by relevant authorities, including encourage employees to obtain professional licenses or certificates necessary for the Company's business by providing support on training and/or examination e.g. CFA/CISA course.

The aforesaid trainings were provided in both forms of in-house trainings and enrolment in the trainings/seminars organized by outsiders. In this regard, the Company selects the person to join any training or seminar by considering the information available from the annual performance appraisal and competency evaluation of the employees.

The Company usually provides trainings on the topics pertaining to the work under the employees' responsibilities and new financial products with the main aim to increase and enhance the employees' knowledge and caliber. At the same, the Company would like to ensure that its employees can efficiently provide sound and sensible advice to its clients and investors.



3. Manage and administer employees' remunerations by taking into consideration each employee's qualifications, knowledge and experiences including remuneration rates offered by other companies in the same and/or similar industry to be fair and proper. The Company also provides systematic fringe benefits which are above those prescribed by law to all employees, their spouses and children including the Company's directors to boost their morale to work for the Company. The remunerations and fringe benefits have been surveyed, revised and updated from time to time by the Company to ensure that they are competitive with those offered by other companies in the same/similar industry.

Employee's Fringe Benefits in Addition to Those Prescribed by Law

- "Employee's Choice" provident fund in which each employee is allowed to choose the fund's investment policies that suit his/her investment need and the employee can change such investment policies up to 4 times a year (in the process of amending the fund's regulations).

- Out-patient and in-patient medical care (in case of in-patient medical care, the benefits also cover the employee's spouse and children and the Company's directors)

- Dental and ophthalmic fee
- Maternity/childbirth pay (for female employees)
- Life and personal accident insurance (for employees and the Company's directors)
- Bereavement payment
- Disaster relief fund and loan for disaster victims
- Emergency loan

In 2011, many provinces in Thailand were hit by the flood crisis. To ensure that the Company's employees were well taken care of by the Company, the Company offered financial aids for flood prevention preparation to its employees, arranged 6-wheel trucks to help the employees move their things out of their houses, provided an emergency shelter at the Company including an ad hoc website within the Company's intranet system to keep the employees informed of the flood situation and the Company's actions and to be served as a channel for requesting help in case of emergency. Additionally, the Company allowed its employees who couldn't

come to work due to the flood to take leave without counting it as business leave or absence from work and offered flood relief fund to the employees who were flood victims. The Company also arranged loans for housing and automobile repair and provided cleaning kits for post-flood cleaning to its employees.

4. Provide the working structure which supports, promotes and allows the employees who are knowledgeable and competent to grow and progress in their career paths; in this regard, the title and job promotion for employees was primarily based on their working performance.

5. Provide an efficient internal communication by sending a monthly in-house electronic journal to all employees to keep them informed of the Company's activities and holding a meeting between employees and the Management regularly to pass on and inform the employees of the Company's business operation policies in each year or to clarify any significant changes in the industry to which the Company belongs and to provide the employees with opportunities to directly raise any questions to the Management.

6. Organize activities that promote the potential of employees in each department and praise the employees having values, behaviors and attitudes preferred by the Company. Examples of these activities included Continuous Improvement Activities (CIA) Project which awarded the employees innovating and improving their working process to be more efficient by themselves; Beyond Customer Satisfaction (BCS) Project which awarded marketing teams, both at the head and branch offices, providing impressive services and/or marketing plans that are beyond the customers' satisfaction; and Excellent Services Project which awarded the employees providing excellent services to the Company's clients and contacts.

7. Organize various activities in accordance with the employees' interest as suggested by the Employee Relations Committee. (The Committee's members were elected from the employees and their term of office is two years.) Examples of these activities included yoga class, aerobics class, karaoke contest, movie watching (during lunch break), dhamma/meditation practice.

8. Encourage employees to exercise by organizing the Company's sports day or joining sport competition with other organizations i.e. table-tennis championship, broker football championship, broker badminton championship.



9. Promote and provide budget for employees to form a club as a center for employees sharing same preferences, interests and skills to gather and do activity together with the aims to help create good relationship, sense of unity and collaboration among employees as well as to encourage them to make the most of their free time for themselves and for the society. So far, the Company's employees have formed the following clubs:

Trinity Volunteer Club which was formed to implement a variety of corporate social responsibility (CSR) activities.

Trinity Buddhist Club which was formed to provide the Company's employees with opportunities to do religious activities together; at the same time, to help preserve and sustain Buddhist's ceremonies as well as Thai cultures and traditions.

Sports Clubs, i.e. football and badminton clubs, which were formed to encourage the Company's employees to exercise.



10. Raise and enhance the employees' morality and ethics by allowing them to be away from work for joining/performing any dhamma/meditation practices without counting that as leave and inviting holy monks to give sermons on morality to the Company's employees on a regular basis.



11. Arrange a visiting program by doctors and health experts to check and give health advice to the Company's employees regularly such as inviting doctors to give advice on how to stay healthy and do exercise at work and providing relaxing massage at work

12. Encourage the Company's Management and employees having profound knowledge and expertise in capital market and other branches of knowledge to engage in social and public services by working with any state authorities, associations or clubs and becoming lecturers and advisors to educational institutions in order to develop, move forward and ensure growth to overall industry and the country at the same time. Following are examples of the Company's Management and employees' participations in the boards or committees and their participations as lecturers and advisors as previously mentioned.

Mr. Pakhawat Kovithvathanaphong	Vice President and Chairman of Executive Committee, Thai Listed Companies Association Advisor to Financial Economics: Master Program, National Institution of Development Administration Member to Performance and Agreement Committee, State Enterprise Policy Office, Ministry of Finance Director-Finance Program, Faculty of Commerce and Accountancy, Thammasat University
Mr. Charnchai Kongthongluck	Director, Association of Securities Companies Vice President, Futures Industry Club
Mr. Visit Ongpipattanakul	Part-time lecturer - Master in Finance (MIF), Thammasat University Part-time lecturer - CFO Certificate Program, Federation of Accounting Professions Part-time lecturer - Advance Finance for Real Estate Developer Course, Thai Real Estate Business School Guest speaker, The Stock Exchange of Thailand, Securities Analysts Association and Thai Listed Companies Association
Mrs. Niyada Changtrakul	Advisor to Financial Business Human Resources Management Club
Ms. Suwannee Limpanavongsaen	Director of Compliance Club

13. Encourage the Company's employees to participate in many social contribution activities in various forms, i.e. monetary donation, non-monetary donations and engagement in activities to mingle with the locals and communities.

Social Contribution Activities in 2011

"Library - IT Library for Kids Project" under which books, learning and teaching materials, sports equipment and computer sets were donated to Noenmai hom School in Prachinburi and scholarships were offered to underprivileged students



"One Hundred Thousand Pieces for Children Project" under which notebooks made of one-side used A4 paper were donated to numerous schools in various provinces.

"Let's Open Treasure Chests Project" under which the Company's Management and employees put their belongings which have not been used and are in good condition up for sale at reasonable prices whereby the proceeds from the sale will be spent on the library project.

"Buddhist Lent Offering" under which the Company offered candles and performed "Kratin" ceremony, i.e. an annual hosting of merit-making ceremony to collect donations, at Mongkolchaipattana Temple in Saraburi province.

"SET's Flood Combat Project" under which the Company in cooperation with the Stock Exchange of Thailand and Thai Listed Companies Association donated money to help flood victims; for this project, the Company's employees participated in packing survival bags for distribution to people who were in trouble.



Apart from the above projects, Trinity Volunteer Club donated belongings, things for general use and floating toilets through the Thai Red Cross and "Krob Krua Khao 3" News Program of TV Channel 3 as well as prepared meals for and offered things for general use to Thai police and military officers.

3.4 Occupational Health, Safety and Environment at Workplace

Being aware of the climate change and its impacts on people's living worldwide, the Company has always given priority to environment issues. In this regard, the Company has campaigned for and raised its employees' environmental awareness by encouraging them to reduce using natural resources, reuse materials or use any replaceable materials to cut down the use of natural resources and use anti-global warming materials and equipment. To achieve so, the Company performed as follows:

- use office paper which helps stop global warming;
- reduce paper use by making internal communication via electronic mail;
- start sending report or document to clients via electronic mail which can save a lot of paper and time;
- reuse office equipment which is still in good condition such as folders and envelopes to get the most out of the equipment;



- donate unused computers to schools in need;
- switch off lights during lunch break and set air-conditioner's temperature at energy-saving mode;
- donate leftover or unused stationery, clothing, belongings and books via the "Yuvabadhana Foundation";
- donate used X-RAY films for making bulletproof vests for soldiers working in the south of Thailand;
- donate used calendars to the Foundation for the Blind in Thailand;

- support the publication of the book called "Dham Dee Tee Phor Tam" which was published in honor of His Majesty The King's royal kindness to his subjects (Picture 18 - book);

- provide 2 boxes for used paper separation; one box is for one-side used paper and the other is for two-side used paper. The two-side used paper was later shredded and recycled while the one-side used paper was then bound together as notebooks for further distribution to underprivileged students.

With regard to the issue of occupational health, safety and environment at workplace, the Company established a particular policy concerning such issue, and 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. The Company's also provided an orientation for its new employees to inform these employees of the manual including regularly communicates the issues with all employees via the Company's intranet system. Apart from the aforesaid actions, the Company holds a fire drill at the office for the employees at least once a year. In this regard, 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.

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.



In 2011, the employees of Trinity Securities Co., Ltd. joined the anti-corruption campaign held by the Thai Anti-Corruption Network at the ground near King Rama VI Statue in Lumpini Park on 25 September 2011. The campaign was held to alert and raise the private sector's awareness about impacts of corruption on a large scale, to generate driving force for a continuation of anti-corruption activities to eliminate corruption in Thailand. The Company took this opportunity to communicate and remind its employees to recognize and comply with the Company's relevant policy

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 2011 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 2011, 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 Nimmannahaeminda, Mr. Panja Senadisai, Mr. Pairote Varophas and Mr. Abhichart Arbhabhirama; and
- 3 executive directors consisting of Mr. Pakhawat Kovitvathanaphong, Mr. Charnchai Kongthongluck and Mr. Visit Ongpipattanakul

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 10 February 2012; however, there was no nomination proposal submitted to the Company's secretary. The Nomination and Remuneration Committee reported their duties performance during year 2011 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 2011, 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.

In 2011, the Audit Committees of Trinity Watthana Plc. and Trinity Securities Co., Ltd. usually hold meeting which, until 31 December 2011, has been counted to 7 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 2011, 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:

	List of Directors	No. of Attendance / Total No. of Meeting		
		Board of Directors	Audit Committee	Nomination and Remuneration Committee
1	Mr. Sirin Nimmanahaeminda	7/7	7/7	
2	Mr. Panja Senadisai	6/7	7/7	4/4
3	Mr. Pairote Varophas	5/7	4/7	
4	Mr. Pote Videtyontrakich	5/7		4/4
5	Mr. Abhichart Arbhabhira	6/7	6/7	
6	Mr. Surachai Suksriwong	6/7		4/4
7	Mr. Pakhawat Kovitvathanaphong	7/7		
8	Mr. Tawan Pantawong	7/7		4/4
9	Mr. Charnchai Kongthongluck	7/7		
10	Mr. Panop Svetarundra	6/7		
11	Mr. Wisit Ongpipattanakul *	6/6		
	Total Number of Meeting Held	7	7	4

Note: * being appointed as the director and the appointment was registered with the Ministry of Commerce on 30 January 2011; therefore, he firstly joined the Board of Directors' Meeting No. 2/2011.

In 2011, 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:

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

Note: * being appointed as the director and the appointment was registered with the Ministry of Commerce on 30 January 2011; therefore, he firstly joined the Board of Directors' Meeting No. 4/2011

5.5 Board of Directors' Self-Appraisal

On 23 February 2012, the Board of Directors conducted a self-appraisal to assess their performance in year 2011 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 2010 and 2011, 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 2011, 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. 2/2012 which was held on 23 February 2012 and attended by all members of the Audit Committee, and the Meeting of the Board of Directors of Trinity Securities Co., Ltd. No. 2/2012 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 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 as mentioned under Clause 9.1 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 and were of the opinion that the Company's risk management system is adequate and appropriate for the Company's business.

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. Rungnapa Lersuwanakul of Ernst & Young Office Ltd., audited the financial statements of the Company and its subsidiaries for the accounting period ended on 31 December 2011. 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 2011, 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 2011 and 2010 are as follows :

Type of Transaction	2011			2012			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	6	717,246	<div style="display: inline-block; vertical-align: middle;"> <div style="font-size: 2em; vertical-align: middle;">}</div> <div style="display: inline-block; vertical-align: middle; text-align: left;"> Debtor 1,388,172 </div> </div>	5	639,585	<div style="display: inline-block; vertical-align: middle;"> <div style="font-size: 2em; vertical-align: middle;">}</div> <div style="display: inline-block; vertical-align: middle; text-align: left;"> Debtor 1,380,789 </div> </div>	Brokerage fees charged at the normal rate based on arm's length basis
2. Brokerage fees received from subsidiaries' directors	1	8,906		5	177,155		
3. Brokerage fees received from KTB (major shareholder)	1	1,401,968		1	877,419	-	
4. Dividend received from the open-end fund managed by KTAM		325,802	Investment 5,239,461		799,505	Investment 5,534,616	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	-	Fee was charged at market rate
6. Interest expense on promissory notes to KTB		21,589	-		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 2011 increased from that of 2010 by 39.48%; that is, the Company and subsidiaries' consolidated income in 2011 was Baht 640.13 million, which was increased from Baht 458.94 million and Baht 364.41 million in 2010 and 2009, respectively. 69.31% of such consolidated income derived from (i) the securities business whose income rose from Baht 361.55 million in 2010 to Baht 443.62 million in 2011; (ii) the derivatives trading business whose income rose from Baht 38.25 million in 2010 to Baht 72.35 million in 2011; and (iii) the trading profit from the Company and subsidiaries' investment in securities and futures which rose from Baht 22.85 million to Baht 102.73 million. The rise in the consolidated income of the Company and subsidiaries as explained above was attributed to the following:

- An increase in a daily average turnover of SET from Baht 29,066 million to Baht 29,473 million and the Company and subsidiaries' increased market share from 1.13% to 1.28%, resulting in a rise in brokerage fee from Baht 306.40 million in 2010 to Baht 336.43 million in 2011 or by 9.80%;
- An increase in a daily average trading volume of derivatives in TFEX from 18,676 contracts to 41,145 contracts, leading to a rise in the income from derivatives business from Baht 38.25 million in 2010 to Baht 72.35 million in 2011 or by 89.15%;
- An increase in the Company's interest income from margin loans from Baht 18.59 million in 2010 to Baht 48.78 million which was consistent with an increase in the amount of margin loans during Quarters 2-3 of 2011 as a result of the rise in trading volume;
- Due to fluctuations in SET and TFEX, the Company's earning from derivatives trading was Baht 159.06 million and its loss from securities trading was Baht 56.33 million;
- The Company's return on investment from the investment in its affiliate decreased from Baht 6.40 million to Baht 0.54 million as a result of the Company's sale of its entire shares in Thai Laminate Manufacturer Co., Ltd. in 2010. This sale 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.

Operating Expenses

In 2011, the Company and subsidiaries incurred the operating and administrative expenses in the amount of Baht 469.16 million which was increased from Baht 385.05 million in 2010. Also, their financial expense in 2011 rose from Baht 6.08 million in 2010 to Baht 19.60 million and doubtful debts increased from Baht 1.63 million to Baht 18.21 million. The expenses which had significant changes include:

- Personnel expenses and Management remuneration in 2011 amounted to Baht 304.65 million which

was increased from Baht 241.88 million in 2010, or by 25.95%. This increase varied in accordance with the Company's overall increase in the operating results.

- The Company and subsidiaries' service expense in 2011 was Baht 67.95 million which was increased from Baht 50.28 million in 2010. This increase varied in accordance with the rise in securities' and derivatives' trading volumes.

- The Company and subsidiaries' financial expense increased from Baht 6.08 million in 2010 to Baht 19.60 million owing to the increase in bank loans for settlement payment and the increase in margin loans during the year.

- Due to the severe fluctuations of gold price at night time in Quarter 3, the Company was required to make a forced short/sale of gold futures of its clients in accordance with the rules and this forced short/sale resulted in loss in the client's portfolio. As a result, the Company had to set a reserve for doubtful debt in the amount of Baht 18.12 million. In this regard, the clients had already signed letters of debt acknowledgement for debt payment in installment to the Company.

Net Profit (Loss)

In 2011, the Company and subsidiaries' profits before corporate income tax were Baht 133.17 million which was increased from Baht 66.18 million in 2010 and their net profits were Baht 117.06 million which was also increased from Baht 38.84 million in 2010. The Company's corporate income tax in 2011 was lower than that in 2010 because in 2011, the Company cut off its bad debts as tax expense in the amount of Baht 66.94 million.

2) Financial Position

Total Assets

As of 31 December 2011, the total assets of the Company and subsidiaries amounted to Baht 1,844.88 million, of which significant items include investments in securities in the amount of Baht 482.54 million, net securities business receivables and accrued interest receivables in the amount of Baht 1,045.15 million, and cash and cash equivalent items in the amount of Baht 60.13 million. These three main items represent 26.16%, 56.65% and 3.26% of the total assets, respectively. The total assets in 2011 were decreased when compared to those of 2010 which was Baht 2,197.13 million, whereby the decrease resulted from a decrease in the receivables from clearing house which decreased from Baht 436.06 million at the end of 2010 to Baht 108.28 million at the end of 2011 or decreased by 302.72%, including the decrease of provisional investment from Baht 552.56 million in 2010 to Baht 462.93 million at the end of 2011. The decrease in receivables from clearing house was mainly due to the decrease in securities trading volume generated by clients of subsidiaries in the last three business days before the end of 2011, i.e. around Baht 689.19 million, compared to Baht 1,325.96 million for the same period in 2010.

Securities Business and Derivatives Receivables

As of 31 December 2011, Trinity Securities Co., Ltd.'s securities and derivatives business receivables and accrued interest receivables in the amount of Baht 1,045.15 million included margin loan receivables in the amount of Baht 635.62 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 1,045.15 million and doubtful debt in the amount of Baht 104.55 million. In this regard, the Company has provided a reserve 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 2011 stood at Baht 482.54 million which was decreased from Baht 573.87 million in 2010. Out of this amount, Baht 478.53 million, or 25.94% to total assets, was the Company and subsidiaries' long-term and short-term investments in securities according to their fair values. This amount was decreased from Baht 570.40 million in 2010 whereas the remaining Baht 4.01 million was the investment in affiliates which were booked under an equity method.

The long-term and short-term investments in securities include (i) an investment in fixed income, i.e. bills of exchange given aval by bank and debentures, in the amount of Baht 460.44 million or 95.42% of total investment and (ii) an investment in companies listed on SET in the amount of Baht 2.49 million. The remaining amount of Baht 15.60 million was invested in other securities and mutual funds. In addition to the above investments, the Company and subsidiaries invested in derivatives. As of 31 December 2011, the off-balance sheet fair values of long and short derivatives were Baht 403.63 million and Baht 401.53 million, respectively while the total values of foreign exchange forward contract (FX Forward Contract) for buy and for sale stood at USD 12.60 million and USD 1.62 million, respectively.

In 2011, the Company and subsidiaries gained a total return on investment in derivatives in the amount of Baht 159.06 million while the total loss from their investment in securities was Baht 35.23 million. The loss from investment in securities plus trading loss was Baht 70.38 million while interest and dividend from securities held for trading and available-for-sale were Baht 21.10 million. The unrealized profit from investments for trading was Baht 14.05 million and the unrealized loss presented in shareholders' equity was Baht 2.45 million. These figures were quite contrary to those in 2010 when the Company and subsidiaries' total return on investment in securities and derivatives were Baht 38.98 million and Baht 5.08 million, respectively.

Liabilities

As of 31 December 2011, the Company and subsidiaries' total liabilities stood at Baht 488.93 million which was decreased by 45.14% when compared to the total liabilities of Baht 891.26 million at the end of 2010. The decrease in the total liabilities resulted from the repayment of Baht 255 million which was borrowed

for settlement payment and an increase in the investment and margin loans at the end of 2011. Also, the securities business payables and payables from clearing house dropped from Baht 551.65 million at the end of 2010 to Baht 305.60 million at the end of 2011 or by 44.60%. Such decrease was mainly due to the decrease in securities trading volume generated by clients of subsidiaries in the last three business days before the end of 2011, i.e. around Baht 689.19 million, compared to Baht 1,325.96 million for the same period in 2010.

Shareholders' Equity

As of 31 December 2011, the Company and subsidiaries' shareholders' equity stood at Baht 1,355.96 million which was increased from Baht 1,305.87 million of 2010. The increase was derived from the Company and subsidiaries' earnings in 2011. Also, in 2011, the Company paid dividends from operating results in 2010 in the amount of Baht 38.62 million and the 2011 interim dividend in the amount of Baht 17.55 million.

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 were collected on a monthly. Additionally, the company is obliged to pay other fees stated in relevant agreements, including the securities business operation fee to the Office of the Securities and Exchange Commission at the rate specified.

As of 31 December 2011, the subsidiaries' contingent liabilities under long-term lease agreements for office and equipment and service agreements amounted to Baht 64.7 million which was increased from Baht 21.2 million in 2010.

4) Liquidity

In 2011, cash and cash equivalent items of the Company and subsidiaries increased by Baht 4.1 million which was mainly derived from the cash flow available from business operation in the amount of Baht 172.2 million. The net cash flow available from operational assets and liabilities was Baht 159.43 million which was derived from the decrease in (i) provisional investment by Baht 106.2 million and (ii) receivables from clearing house by Baht 327.8 million. Also, the securities business receivables increased by Baht 81.0 million and the securities business payables decreased by Baht 246.0 million. Thanks to the increased cash flow, the Company managed to repay the short-term loan in the amount of Baht 255 million and pay dividend to its shareholders in the amount of Baht 56.18 million. 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 28.35% or 81.96% of the Company's total assets, respectively.

At the ends of 2011 and 2010, Trinity Securities Co., Ltd. maintained a net capital ratio of 320.20% and 72.03%, respectively, which surpasses the minimum requirements of 7% and Baht 25-million net capital ratio as prescribed by SEC. During 2011 and 2010, the company managed to maintain a net capital ratio ranging from 40% to 286% and 41% to 320% 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 2011, the Audit Committee were convened 7 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 2012 to discuss various issues.

In brief, in 2011, the Audit Committee discussed and considered the following issues:

- **Financial Statements Preparation** The Audit Committee jointly reviewed both quarterly financial statement and 2011 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, 2011 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 2012, 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 2011, 4 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 consider the appropriate remuneration and welfare package for the executives.

- 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 relief money ,the emergency loan for employees who are affected by floods in order to renovate their houses and for car repair.

- 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 Financial Statement 2011

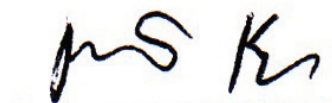
The Company's Board of Directors have recognized their duties and responsibilities as the board of directors of a listed company to supervise and ensure that the Company's 2011 financial statements contain accurate, complete and transparent accounting information in all material aspects, and that the Company's 2011 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 2011 financial statements.

To assure all stakeholders of the Company's 2011 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 2011 ended on 31 December 2011 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

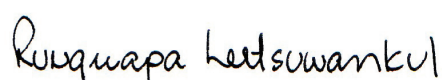
Report of Independent Auditor to the Shareholders

I have audited the accompanying consolidated statements of financial position of Trinity Watthana Public Company Limited and its subsidiaries as at 31 December 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and have also audited the separate financial statements of Trinity Watthana Public Company Limited for the same periods. 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 audits.

I conducted my audits 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 statement presentation. I believe that my audits provide 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 2011 and 2010, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 23 February 2012

Trinity Watthana Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	9	60,126,273	56,047,761	1,659,710	1,736,036
Current investments	10	462,928,445	552,558,525	-	-
Receivables from Clearing House	11	108,279,986	436,061,279	-	-
Securities and derivatives business receivables	12	1,045,147,941	982,114,660	-	-
Other receivables	14	10,281,968	11,456,667	22,600,000	10,200,000
Short-term loans to subsidiary	8	-	-	38,000,000	270,000,000
Other current assets		7,380,545	7,583,981	298,840	307,075
Total current assets		1,694,145,158	2,045,822,873	62,558,550	282,243,111
Non-current assets					
Investments in subsidiaries	15	-	-	1,174,102,664	979,102,664
Investments in associates	16	4,010,690	3,467,671	3,532,427	-
Other long-term investments	10	15,597,861	17,844,616	10,358,400	12,310,000
Premises improvement and equipment	17	32,386,221	30,223,502	1	1
Goodwill		50,865,066	50,865,066	-	-
Intangible assets	18	12,869,190	15,534,149	-	-
Other non-current assets		35,008,075	33,369,033	-	-
Total non-current assets		150,737,103	151,304,037	1,187,993,492	991,412,665
Total assets		1,844,882,261	2,197,126,910	1,250,552,042	1,273,655,776

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

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

Trinity Watthana Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution	19	-	255,000,000	-	-
Payables to Clearing House		75,303,928	11,260	-	-
Securities and derivatives business payables	20	305,596,988	551,638,943	-	-
Other payables	21	86,119,140	53,142,636	4,672,212	3,591,500
Short-term loans from subsidiary	8	-	-	4,000,000	-
Corporate income tax payable		14,262	24,941,535	14,262	48,135
Other current liabilities		8,172,396	4,228,071	35,818	997,133
Total current liabilities		475,206,714	888,962,445	8,722,292	4,636,768
Non-current liabilities					
Provision for long-term employee benefits	22	10,122,700	-	-	-
Other non-current liabilities		3,597,670	2,298,750	195,950	197,763
Total non-current liabilities		13,720,370	2,298,750	195,950	197,763
Total liabilities		488,927,084	891,261,195	8,918,242	4,834,531
Shareholders' equity					
Share capital	23				
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
Share premium		288,008,568	288,008,568	288,008,568	288,008,568
Retained earnings					
Appropriated - statutory reserve	24	28,850,155	27,303,115	28,850,155	27,303,115
Unappropriated		163,385,593	112,596,416	49,253,677	76,036,562
Other components of shareholders' equity	10.4	(2,049,139)	197,616	(2,238,600)	(287,000)
Total shareholders' equity		1,355,955,177	1,305,865,715	1,241,633,800	1,268,821,245
Total liabilities and shareholders' equity		1,844,882,261	2,197,126,910	1,250,552,042	1,273,655,776
		-	-	-	-

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

Trinity Watthana Public Company Limited and its subsidiaries
 Statements of comprehensive income
 For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit or loss:					
Revenues					
Advisory fees		11,858,080	22,408,283	-	-
Securities business income	25	443,616,315	361,549,529	-	-
Derivatives business income		72,355,093	38,251,341	-	-
Gain on securities trading	10.5	-	17,775,686	-	656,000
Gain on derivatives trading		159,063,628	5,075,899	-	-
Gain on sale of investments in associates	16	-	-	-	62,780,561
Dividend income from subsidiary and associate	15, 16	-	-	24,000,000	3,600,000
Other income		9,027,279	7,484,665	18,615,012	11,288,931
Total revenues		695,920,395	452,545,403	42,615,012	78,325,492
Expenses					
Operating and administrative expenses					
Personnel expenses		304,650,918	241,883,985	8,799,616	6,378,660
Premises and equipment expenses		69,675,391	70,916,553	-	101
Fee and service expenses		67,954,593	50,284,705	1,689,945	17,150,126
Other expenses		26,878,242	21,963,496	551,244	1,053,659
Total operating and administrative expenses		469,159,144	385,048,739	11,040,805	24,582,546
Bad debt and doubtful accounts	13	18,210,137	1,635,569	-	-
Loss on securities trading	10.5	56,329,281	-	-	-
Total expenses		543,698,562	386,684,308	11,040,805	24,582,546
Profit before share of profit from investments in associates		152,221,833	65,861,095	31,574,207	53,742,946
Share of profit from investments in associates	16	543,019	6,398,688	-	-
Profit before finance cost and corporate income tax		152,764,852	72,259,783	31,574,207	53,742,946
Finance cost		(19,597,150)	(6,079,468)	(2,520)	-
Profit before corporate income tax		133,167,702	66,180,315	31,571,687	53,742,946
Corporate income tax		(16,104,925)	(27,334,605)	(630,892)	(8,929,393)
Profit for the year		117,062,777	38,845,710	30,940,795	44,813,553
Other comprehensive income:					
Gain (loss) on re-measuring available-for-sale investments		(2,246,755)	139,701	(1,951,600)	(287,000)
Total other comprehensive income for the year		(2,246,755)	139,701	(1,951,600)	(287,000)
Total comprehensive income for the year		114,816,022	38,985,411	28,989,195	44,526,553
Earnings per share	26				
Basic earnings per share					
Profit for the year		0.67	0.22	0.18	0.26

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

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

Trinity Watthana Public Company Limited and its subsidiaries

Statements of cash flows

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	133,167,702	66,180,315	31,571,687	53,742,946
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	21,041,175	20,374,007	-	-
Amortisation of discount received on bill of exchanges	(2,546,687)	(88,388)	-	-
Bad debt and doubtful accounts	18,210,137	1,635,569	-	-
Bad debt recoveries	(214,931)	(1,120,726)	-	-
Provision for long-term employee benefits	1,572,780	-	-	-
Share of profit from investments in associates	(543,018)	(6,398,688)	-	-
Dividend income from subsidiary and associate	-	-	(24,000,000)	(3,600,000)
Gain from liquidation of subsidiary	-	-	(5,468,715)	-
Unrealised (gain) loss on revaluation of investments in trading securities	(14,049,012)	11,307,272	-	(656,000)
Gain on sale of long-term investments	-	(37,776)	-	-
Gain on sale of investments in associates	-	-	-	(62,780,561)
Gain on sale of equipment	(3,959,630)	(2,165,875)	-	-
Interest expenses	19,597,150	6,079,468	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	172,275,666	95,765,178	2,102,972	(13,293,615)
Operating assets (increase) decrease				
Current investments	106,225,779	(231,637,363)	-	-
Receivables from Clearing House	327,781,293	(260,601,975)	-	-
Securities and derivatives business receivables	(81,028,487)	(301,308,378)	-	-
Other receivables	1,174,699	(8,041,581)	(12,400,000)	31,200,000
Other current assets	203,436	378,831	(141,274)	79,862
Other non-current assets	(1,639,042)	(515,946)	-	-
Operating liabilities increase (decrease)				
Payables to Clearing House	75,292,668	(20,520)	-	-
Securities and derivatives business payables	(246,041,955)	198,237,876	-	-
Other payables	32,976,504	26,871,472	7,518,502	(6,590,577)
Other current liabilities	(4,230,977)	3,540,472	(961,315)	972,635
Other non-current liabilities	1,298,920	43,858	(1,813)	(674)
Cash from (used in) operating activities	384,288,504	(477,288,076)	(3,882,928)	12,367,631
Cash paid for interest expenses	(19,597,150)	(6,079,462)	-	-
Cash paid for corporate income tax	(32,989,825)	(8,955,854)	(678,766)	(8,881,260)
Net cash from (used in) operating activities	331,701,529	(492,323,392)	(4,561,694)	3,486,371

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

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

Trinity Watthana Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Cash paid for acquisition of subsidiary investment	-	-	(200,000,000)	(250,000,000)
Decrease in loans to subsidiary	-	-	232,000,000	-
Cash received from sale of investments in associates	-	243,400,000	-	243,400,000
Proceeds from liquidation of subsidiary	-	-	662,008	-
Dividend received from subsidiary and associate	-	3,600,000	24,000,000	3,600,000
Cash paid for purchase of other long-term investments	-	(4,976,917)	-	-
Cash received from sale of other long-term investments	-	13,283,113	-	-
Cash paid for purchase of equipment	(18,255,153)	(8,162,043)	-	-
Cash received from sale of equipment	4,128,967	2,607,204	-	-
Cash paid for purchase of intangible assets	(2,320,191)	(1,735,540)	-	-
Net cash from (used in) investing activities	(16,446,377)	248,015,817	56,662,008	(3,000,000)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institution	(255,000,000)	255,000,000	-	-
Increase in short-term loans from subsidiary	-	-	4,000,000	-
Dividend paid	(56,176,640)	-	(56,176,640)	-
Net cash from financing activities	(311,176,640)	255,000,000	(52,176,640)	-
Net increase (decrease) in cash and cash equivalents	4,078,512	10,692,425	(76,326)	486,371
Cash and cash equivalents at the beginning of year	56,047,761	45,355,336	1,736,036	1,249,665
Cash and cash equivalents at the end of year (Note 9)	60,126,273	56,047,761	1,659,710	1,736,036
	-	-	-	-
Supplemental cash flows information :				
Non-cash items				
Acquisition of equipment recorded as liabilities	132,928	-	-	-
Acquisition of investment in associate recorded as liabilities	-	-	3,532,427	-
Proceeds from liquidation of subsidiary by settlement with other payables - subsidiaries	-	-	5,000,000	-
Increase (decrease) in gain on re-measuring available-for-sale investments	(2,246,755)	139,701	(1,951,600)	(287,000)
Adjustment of provision for long-term employee benefits with beginning balance of retained earnings	8,549,920	-	-	-

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 2011 and 2010

(Unit: Baht)

	Consolidated financial statements					
	Issued and fully paid-up share capital		Retained earnings		Other components of shareholders' equity	
	Share capital	Share premium	Appropriated	Unappropriated	Other comprehensive income	
					Gain (loss) on re-measuring available-for-sale investments	Total
Balance as at 31 December 2009	877,760,000	288,008,568	25,062,437	75,991,384	57,915	1,266,880,304
Total comprehensive income for the year	-	-	-	38,845,710	139,701	38,985,411
Transferred to retained earnings (Note 24)	-	-	2,240,678	(2,240,678)	-	-
Balance as at 31 December 2010	877,760,000	288,008,568	27,303,115	112,596,416	197,616	1,305,865,715
Balance as at 31 December 2010	877,760,000	288,008,568	27,303,115	112,596,416	197,616	1,305,865,715
Cumulative effect of change in accounting policy of employee benefits (Note 5)	-	-	-	(8,549,920)	-	(8,549,920)
Dividend paid (Note 29)	-	-	-	(56,176,640)	-	(56,176,640)
Total comprehensive income for the year	-	-	-	117,062,777	(2,246,755)	114,816,022
Transferred to retained earnings (Note 24)	-	-	1,547,040	(1,547,040)	-	-
Balance as at 31 December 2011	877,760,000	288,008,568	28,850,155	163,385,593	(2,049,139)	1,355,955,177
	-	-	-	-	-	-
	-	-	-	-	-	-

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 2011 and 2010

(Unit: Baht)

	Separate financial statements				Other components of shareholders' equity	
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other comprehensive income	Total
			Appropriated	Unappropriated		
					Gain (loss) on re-measuring available-for-sale investments	
Balance as at 31 December 2009	877,760,000	288,008,568	25,062,437	33,463,687	-	1,224,294,692
Total comprehensive income for the year	-	-	-	44,813,553	(287,000)	44,526,553
Transferred to retained earnings (Note 24)	-	-	2,240,678	(2,240,678)	-	-
Balance as at 31 December 2010	877,760,000	288,008,568	27,303,115	76,036,562	(287,000)	1,268,821,245
Balance as at 31 December 2010	877,760,000	288,008,568	27,303,115	76,036,562	(287,000)	1,268,821,245
Cumulative effect of change in accounting						
policy of employee benefits (Note 5)	-	-	-	-	-	-
Dividend paid (Note 29)	-	-	-	(56,176,640)	-	(56,176,640)
Total comprehensive income for the year	-	-	-	30,940,795	(1,951,600)	28,989,195
Transferred to retained earnings (Note 24)	-	-	1,547,040	(1,547,040)	-	-
Balance as at 31 December 2011	877,760,000	288,008,568	28,850,155	49,253,677	(2,238,600)	1,241,633,800
	-	-	-	-	-	-
	-	-	-	-	-	-

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 2011 and 2010

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 at 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 99.9% 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

The registered office of the subsidiary is at 179, 25th-26th, 29th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

As at 31 December 2011, the subsidiary has 8 branches (31 December 2010: 10 branches).

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 28 September 2011, 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 the Thai language financial statements.

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Trinity Watthana Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Percentage of shareholding	
		2011 (%)	2010 (%)
Held by the Company			
Trinity Securities Company Limited	Securities business	99.9	99.9
Trinity Advisory 2001 Company Limited	Financial advisory	99.9	99.9
Trinity Information Company Limited	Investment holdings	-	99.9

b) Subsidiaries are fully consolidated, 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 under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards during the year

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

Accounting standards:

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

Financial reporting standards:

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

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards will not have any significant impact on the financial statements for the current year, except for the following accounting standards.

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. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change will have the effect of decreasing the profit of the Company and its subsidiaries for the year 2011 by Baht 1.57 million (0.01 Baht per share). The cumulative effect of the change in the accounting policy has been presented in Note 5.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company and its subsidiaries' management believe 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 standard.

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.

5. Cumulative effect of change in accounting policy due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the change to its significant accounting policy regarding employee benefits (defined benefit plans), as a result of the adoption of new accounting standard. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The cumulative effect of the change in accounting policy due to the adoption of new accounting standard decrease the beginning balance of retained earnings for 2011 amounting to Baht 8.55 million.

The amounts of adjustments affecting the statements of financial position as at 31 December 2011 and the statements of comprehensive income for the year ended 31 December 2011 are summarised below.

(Unit: Thousand Baht)

	31 December 2011	
	Consolidated financial statements	Separate financial statements
Statements of financial position		
Increase in provision for long-term employee benefits	10,123	-
Decrease in unappropriated retained earnings	10,123	-

(Unit: Thousand Baht)

	For the year ended 31 December 2011	
	Consolidated financial statements	Separate financial statements
Statements of comprehensive income		
Increase in employee expenses	1,573	-
Decrease in basic earnings per share (Baht)	0.01	-

6. Significant accounting policies

6.1 Revenue and expense recognition

(a) Brokerage fees

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

(b) Fees and services income

Service income is recognised when services have been rendered taking into account the stage of completion. Revenue is recognised when it is probable that the amount will be collected.

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.

(c) Interest on margin loans

Interest income is recognised as interest accrues 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 the Securities and Exchange Commission.

(d) Gain (loss) on securities trading

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

(e) Gain (loss) on derivatives trading

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

(f) Interest and dividend on investments

Interest income on investments is recognised as interest accrues based on the effective rate method. Dividends on investments are recognised when the right to receive the dividends is established.

(g) Expenses

Expenses are recognised on an accrual basis.

6.2 Interest on borrowing

Interest on borrowing is charged on an accrual basis.

6.3 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.

6.4 Long-term deposits at financial institutions

Long-term deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with an original maturity more than 3 months and deposits subject to restriction.

6.5 Recognition and amortisation of customer deposits

Cash received from customers of cash balance accounts, credit balance accounts and derivatives trading are recorded as assets and liabilities of the subsidiary for the internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

6.6 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 statement of financial position. At the end of reporting period, 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 profit or loss. Securities lent to customers are recorded as "Securities borrowing receivables" in the statement of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as "Collateral receivables" or "Collateral payables". Fees on securities borrowing and lending are recognised on an accrual basis over the term of the lending.

6.7 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

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 in profit or loss 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 classifies as other investments, are stated at cost net of allowance for loss on impairment (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, and other investments are included in profit or loss.

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 in profit or loss 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 in profit or loss.

6.8 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.

6.9 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.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, collateral receivables (which comprise cash placed as security with securities lenders) and 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 debts based on a review of debtor's repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are 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) Debt 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.

6.10 Premises improvement and equipment and 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 & 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 profit or loss when the asset is derecognised.

6.11 Intangible assets and 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 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 period. The amortisation expense is charged to profit or loss.

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

	<u>Useful lives</u>	
Deferred license fee	5 - 10	years
Computer software	3 - 10	years
Others	2 - 5	years

6.12 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 profit or loss.

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 recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

6.13 Impairment of assets

At the end of each reporting period, 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.

An impairment loss is recognised in profit or loss.

6.14 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.

6.15 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.

6.16 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.

6.17 Long-term leases

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

6.18 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 end of reporting period.

Exchange gains and losses are included in determining income.

6.19 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

6.20 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.

6.21 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.

6.22 Financial derivatives

Future contracts

Obligations under derivatives which the subsidiary entered into for trading purposes are regarded as the subsidiary's commitments. Amounts pledged as security for these derivatives are recorded as receivable at TCH.

Gain (loss) from changes in the fair value of derivatives are included in profit or loss. 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 (loss) from changes in the value of the premium under option contracts are included in profit or loss. Fair value is determined based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

7. 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 assets 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 investments

The Company and its subsidiaries will treat available-for-sale equity investments and non-marketable equity investments as impaired when the management judge that there has been a significant or prolonged decline in the fair value below their cost, together with investments in businesses that have been severely impacted by the global economic slowdown and take time to recover to their fair values or where other evidence of impairment exists. However, the use of different estimates and assumptions could affect the amounts of allowances for impairment of investment in such investments and adjustments to the allowances may be required in the future.

Allowance for doubtful accounts for securities and derivatives business receivables

Allowances for doubtful accounts for securities and derivatives 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 and 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.

Post employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

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.

8. Related party transactions

The relationships between the Company and its related parties are summarised below:

Name of related parties	Relationship with the Company
Trinity Securities Company Limited	Subsidiary
Trinity Advisory 2001 Company Limited	Subsidiary
Trinity Information Company Limited	Subsidiary
Krung Thai Bank Public Company Limited	The Company's shareholder
The Thai Opportunity Fund	Under the control of a related party
The Thai Opportunity Fund 2	Under the control of a related party

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2011	2010	2011	2010	
<u>Related party transactions</u>					
Brokerage fees from securities business					
- Related parties	1,402	877	-	-	Market price
- Related persons	262	331	-	-	Market price
Brokerage fees from derivatives business					
- Related parties	232	485	-	-	Market price
Interest income					
- Subsidiary	-	-	744	1,007	0.75% to 1.25% per annum (2010: 0.50% to 1.00% per annum)
Fees income					
- Subsidiary	-	-	12,400	10,200	Contract price
- Related parties	-	9	-	-	Contract price
Dividend received					
- Subsidiary	-	-	24,000	-	Baht 0.2 per share
- Associate	-	-	-	3,600	Normal rate declared to ordinary investors
- Related parties	326	800	-	-	Normal rate declared to ordinary investors

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
Proceeds from liquidation					
- Subsidiary	-	-	5,469	-	Actual price
Fees expenses					
- Subsidiary	-	-	600	15,634	Contract price
Interest expense					
- Subsidiary	-	-	3	-	1.00% per annum
- Related party	-	22	-	-	Market price
Acquisition of investments in associates					
- Subsidiary	-	-	3,532	-	Net book value

The balances of the accounts as at 31 December 2011 and 2010 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Relationship	2011	2010	2011	2010
<u>Outstanding balances of the transactions</u>					
Securities and derivatives business receivables					
Directors of the Company and related parties	Related persons	1,388	1,381	-	-
Other receivables - subsidiary					
Trinity Securities Company Limited	Subsidiary	-	-	22,600	10,200
Short-term loans to subsidiary					
Trinity Securities Company Limited	Subsidiary	-	-	38,000	270,000
Other long-term investments - unit trusts					
The Thai Opportunity Fund	Related by way of being under the control of a related party	5,159	5,447	-	-
The Thai Opportunity Fund 2	Related by way of being unde the control of a related party	80	88	-	-
Short-term loans from subsidiary					
Trinity Advisory 2001 Company Limited	Subsidiary	-	-	4,000	-
Securities and derivatives business payables					
Directors of the Company and related parties	Related persons	2,650	11	-	-
Other payables - subsidiaries					
Trinity Securities Company Limited	Subsidiary	-	-	600	600
Trinity Information Company Limited	Subsidiary	-	-	-	825

Short-term loans to subsidiary carry interest at a rate of 1.25% per annum (2010: 0.75% per annum) and to be due at call. Movements in the balances of the loans during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2011	Increase	Decrease	31 December 2011
Short-term loans to subsidiary				
Subsidiary				
Trinity Securities Company Limited	270,000	270,000	(502,000)	38,000

Short-term loans from subsidiary carry interest at a rate of 1.00% per annum and to be due at call. Movements in the balances of the loans during the year were as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	During the year		Balance as at
		1 January 2011	Increase	Decrease	31 December 2011
Short-term loans from subsidiary					
Subsidiary					
Trinity Advisory 2001 Company Limited		-	4,000	-	4,000

Directors and management's benefits

During the years ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit payable to their directors and management as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term benefits	82,848	49,235	8,760	6,360
Post-employment benefits	1,511	-	-	-
Total	84,359	49,235	8,760	6,360

Retirement benefits of the Company and its subsidiaries' directors and management for the year 2010 were included in the adjustment to the beginning balance of retained earnings for 2011, as described in Note 5.

The Company provided the other employee benefits to its directors and management. In the year 2011, the Company purchased liability insurance amounting to Baht 50 million for directors and management of the Company and its subsidiaries (2010: Baht 50 million).

9. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash on hand	181	202	-	-
Deposits at financial institutions	22,480	41,875	1,660	1,736
Fixed deposit with maturity less than 3 months	130,000	45,000	-	-
BOT bond with maturity less than 3 months	-	319,344	-	-
Promissory note with maturity less than 3 months	780,000	320,000	-	-
Total cash and cash equivalents	932,661	726,421	1,660	1,736
Less: Deposits for customers' accounts	(872,535)	(670,373)	-	-
Net cash and cash equivalents	60,126	56,048	1,660	1,736

10. Investments

10.1 Cost and fair value

(Unit: Thousand Baht)

	Consolidated financial statements			
	2011		2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Current investments				
<u>Long-term deposits at financial institutions</u>				
Promissory notes with maturity over 3 months but less than 1 year	157,000	157,000	60,000	60,000
Less: Deposits for customers' accounts	(157,000)	(157,000)	(60,000)	(60,000)
Net long-term deposits at financial institutions	-	-	-	-
<u>Trading securities</u>				
Equity securities				
Listed securities	2,638	2,492	155,654	153,795
Less: Changes in fair value of securities	(146)	-	(1,859)	-
Net equity securities	2,492	2,492	153,795	153,795

(Unit: Thousand Baht)

Consolidated financial statements				
2011		2010		
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Debt securities				
Corporate and government debt securities	36,000	35,838	444,075	431,629
Less: Changes in fair value of securities	(162)	-	(12,446)	-
Total corporate and government debt securities	35,838	35,838	431,629	431,629
Less: Corporate and government debt securities for customers' account	-	-	(79,975)	(79,975)
Net corporate and government debt securities	35,838	35,838	351,654	351,654
Total net trading securities	38,330	38,330	505,449	505,449
<u>Available-for-sale securities</u>				
Debt securities				
Bill of exchanges	426,709	424,598	47,210	47,109
Less: Discount	(2,111)	-	(101)	-
Net debt securities	424,598	424,598	47,109	47,109
Total net available-for-sale securities	424,598	424,598	47,109	47,109
Total current investments - net	462,928	462,928	552,558	552,558
Long-term investments				
<u>Available-for-sale securities</u>				
Equity securities				
Listed securities	7,838	2,558	7,838	4,510
Less: Changes in fair value of securities	(5,280)	-	(3,328)	-
Net listed securities	2,558	2,558	4,510	4,510
Equity securities				
Unit trust	5,050	5,239	5,050	5,535
Add: Changes in fair value of securities	189	-	485	-
Net unit trust	5,239	5,239	5,535	5,535
Total net available-for-sale securities	7,797	7,797	10,045	10,045
<u>Non-marketable securities</u>				
Other securities	7,800		7,800	
Total non-marketable securities	7,800		7,800	
Total long-term investments - net	15,597		17,845	
Total investments - net	478,525		570,403	

(Unit: Thousand Baht)

	Separate financial statements			
	2011		2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Long-term investments				
<u>Available-for-sale securities</u>				
Equity securities				
Listed securities	7,838	2,558	7,838	4,510
Less: Changes in fair value of securities	(5,280)	-	(3,328)	-
Net equity securities	2,558	2,558	4,510	4,510
Total net available-for-sale securities	2,558	2,558	4,510	4,510
<u>Non-marketable securities</u>				
Other securities	7,800		7,800	
Total non-marketable securities	7,800		7,800	
Total long-term investments - net	10,358		12,310	
Total investments - net	10,358		12,310	

10.2 Fair value of obligated investments in equity securities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Securities borrowing and not yet due				
Equity securities	150,729	39,813	-	-
Total obligated investments	150,729	39,813	-	-

10.3 As at 31 December 2011 and 2010, the subsidiary classified its available-for-sale debt securities by remaining period to maturity as follows:

(Unit: Thousand Baht)

	Consolidated financial statement			
	2011			
	Period to maturity			
	Within 1 year	2-5 years	Over 5 years	Total
Available-for-sale debt securities				
Bill of exchanges	426,709	-	-	426,709
Less: Discount	(2,111)	-	-	(2,111)
Net	424,598	-	-	424,598
Total debt securities	424,598	-	-	424,598

(Unit: Thousand 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	-	-	47,210
Less: Discount	(101)	-	-	(101)
Net	47,109	-	-	47,109
Total debt securities	47,109	-	-	47,109

10.4 Gain (loss) on re-measuring available-for-sale investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Balance - beginning of the year	198	58	(287)	-
Changes during the year				
- from revaluation	(2,247)	175	(1,952)	(287)
- from sales	-	(35)	-	-
Balance - end of the year	<u>(2,049)</u>	<u>198</u>	<u>(2,239)</u>	<u>(287)</u>

10.5 Gain (loss) on securities trading

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Unrealised gain (loss) from trading securities	14,049	(11,307)	-	656
Gain (loss) on sales of trading securities	(72,100)	26,557	-	-
Gain on sales of available-for-sale securities	1,722	2,526	-	-
Total	<u>(56,329)</u>	<u>17,776</u>	<u>-</u>	<u>656</u>

11. Receivables from Clearing House

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Receivables from Clearing House	102,637	509,073	-	-
Receivables from foreign securities company	51,968	15,504	-	-
Less: Receivables from Clearing House for customers' accounts	(46,325)	(88,516)	-	-
Net receivables from Clearing House	<u>108,280</u>	<u>436,061</u>	<u>-</u>	<u>-</u>

12. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Securities business receivables				
Cash customers' accounts	232,328	274,696	-	-
Credit balance accounts	635,625	659,506	-	-
Collateral receivables	173,487	46,797	-	-
Other receivables	88,714	153,505	-	-
Total securities business receivables	1,130,154	1,134,504	-	-
Less: Allowance for doubtful accounts	(86,560)	(153,505)	-	-
Net securities business receivables	1,043,594	980,999	-	-
Derivatives business receivables				
Derivatives business receivables	1,554	1,116	-	-
Other receivables	17,995	-	-	-
Total derivatives business receivables	19,549	1,116	-	-
Less: Allowance for doubtful accounts	(17,995)	-	-	-
Net derivatives business receivables	1,554	1,116	-	-
Net securities and derivatives business receivables	1,045,148	982,115	-	-

12.1 As at 31 December 2011, Trinity Securities Company Limited, the Company's subsidiary, has customers' accounts of approximately Baht 86.5 million (2010: Baht 153.5 million) for which it has stopped recognising interest income.

12.2 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 2011 and 2010, securities business receivables are classified as follows:

(Unit: Million Baht)

	2011			2010		
	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	1,043.6	-	1,043.6	981.0	-	981.0
Substandard debts	-	-	-	-	-	-
Doubtful debts	86.5	(86.5)	-	153.5	(153.5)	-
Total	1,130.1	(86.5)	1,043.6	1,134.5	(153.5)	981.0

13. Allowance for doubtful accounts

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Balance - beginning of the year	153,505	153,060	-	-
Add: Allowance for doubtful accounts	18,210	1,636	-	-
Less: Bad debt recoverable	(215)	(1,121)	-	-
Bad debt written-off	(66,945)	(70)	-	-
Balance - end of the year	<u>104,555</u>	<u>153,505</u>	<u>-</u>	<u>-</u>

14. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Accrued income	10,282	11,457	-	-
Other receivables - subsidiary (Note 8)	-	-	22,600	10,200
Total other receivables	<u>10,282</u>	<u>11,457</u>	<u>22,600</u>	<u>10,200</u>

15. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Million Baht	Million Baht	(%)	(%)
Trinity Securities Company Limited	1,200.0	1,000.0	99.9	99.9
Trinity Advisory 2001 Company Limited	10.0	10.0	99.9	99.9
Trinity Information Company Limited	-	5.0	-	99.9

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trinity Securities Company Limited	1,169,803	969,803	-	-	1,169,803	969,803	24,000	-
Trinity Advisory 2001 Company Limited	10,000	10,000	(5,700)	(5,700)	4,300	4,300	-	-
Trinity Information Company Limited	-	5,000	-	-	-	5,000	-	-
Total	<u>1,179,803</u>	<u>984,803</u>	<u>(5,700)</u>	<u>(5,700)</u>	<u>1,174,103</u>	<u>979,103</u>	<u>24,000</u>	<u>-</u>

During the current year, there were the following significant changes:

- On 31 March 2011, the Annual General Meeting of shareholders of Trinity Securities Company Limited, the Company's subsidiary, passed a resolution to increase its registered capital from Baht 1,000 million (100 million ordinary shares of Baht 10 each) to Baht 1,200 million by issuing new 20 million ordinary shares of Baht 10 each to its existing shareholders. The Company's Board of Directors passed a resolution to additionally invest in all new ordinary shares of the subsidiary. The Company made payment for the additional shares on 11 April 2011. As a result of the above, the Company's proportionate holding in the equity of Trinity Securities Company Limited did not change.

- On 29 April 2011, an Extraordinary General Meeting of shareholders of Trinity Information Company Limited, the Company's subsidiary, passed a resolution for the transfer of its business to the Company and a resolution for the dissolution of the company. Trinity Information Company Limited filed for deregistration on 8 June 2011, and filed for the completeness of liquidation with the Ministry of Commerce on 21 December 2011.

16. Investments in associates

16.1 Details of investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2011 (%)	2010 (%)	2011	2010	2011	2010
Asset Backed Holdings Limited * (Formerly held by Trinity Information Company Limited)	Investments in securitisation	Thailand	49.9	49.9	50	50	4,011	3,468

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on cost method - net	
			2011 (%)	2010 (%)	2011	2010	2011	2010
Asset Backed Holdings Limited * (Formerly held by Trinity Information Company Limited)	Investments in securitisation	Thailand	49.9	-	3,532	-	3,532	-

* On 8 June 2011, the Company was transferred of investment in Asset Backed Holdings Limited from Trinity Information Company Limited, the Company's subsidiary, as a result of the dissolution of the subsidiary, as described in Note 15.

In addition, 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 invested in subsidiaries in the percentage of shareholding as follows:

Subsidiaries of Asset Backed Holdings Limited	Type of business	Percentage of shareholding	
		2011 (%)	2010 (%)
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

16.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates		Dividend received	
	2011	2010	2011	2010
Thai Laminate Manufacturer Company Limited **	-	5,769	-	3,600
Asset Backed Holdings Limited ***	543	630	-	-
Total	543	6,399	-	3,600

** The Company sold of all investment in Thai Laminate Manufacturer Company Limited on 25 June 2010 and had gain on sale of investment in the separate financial statements amounting to Baht 62.8 million.

*** The Company's interest in the equity of Asset Backed Holdings Limited was prepared by the affiliated company's management and has not yet been audited by its auditor.

16.3 Summarised financial information of associates

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Asset Backed Holdings Limited	0.1	0.1	8.0	6.6	-	-	1.7	1.6	1.4	1.3

17. Premises improvements and equipment

(Unit: Thousand Baht)

Consolidated financial statements					
	Furniture and fixtures	Office equipment	Motor vehicles	Work under installation	Total
Cost:					
1 January 2010	48,976	105,159	32,100	-	186,235
Additions	779	3,532	3,822	28	8,161
Disposals	(1,611)	(2,873)	(6,020)	-	(10,504)
Write-off	(558)	(2,733)	-	-	(3,291)
Transfers in (out)	28	-	-	(28)	-
31 December 2010	47,614	103,085	29,902	-	180,601
Additions	3,874	7,947	6,567	-	18,388
Disposals	(1,942)	(4,296)	(11,001)	-	(17,239)
Write-off	(6,405)	(933)	-	-	(7,338)
31 December 2011	43,141	105,803	25,468	-	174,412
Accumulated depreciation:					
1 January 2010	33,913	85,454	28,218	-	147,585
Depreciation for the year	4,038	9,385	2,723	-	16,146
Depreciation on disposals	(1,596)	(2,642)	(5,937)	-	(10,175)
Depreciation on write-off	(466)	(2,713)	-	-	(3,179)
31 December 2010	35,889	89,484	25,004	-	150,377
Depreciation for the year	4,258	8,510	3,288	-	16,056
Depreciation on disposals	(1,821)	(4,274)	(11,000)	-	(17,095)
Depreciation on write-off	(6,379)	(933)	-	-	(7,312)
31 December 2011	31,947	92,787	17,292	-	142,026
Net book value:					
31 December 2010	11,725	13,601	4,898	-	30,224
31 December 2011	11,194	13,016	8,176	-	32,386
Depreciation for the years:					
2010					16,146
2011					16,056

As at 31 December 2011 certain premises improvement and equipment have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 105.8 million (2010: Baht 112.1 million).

18. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Deferred license fee	Computer software	Others	Total
Cost:				
1 January 2010	4,707	26,052	1,761	32,520
Increase	-	1,713	23	1,736
Decrease	(501)	-	-	(501)
31 December 2010	4,206	27,765	1,784	33,755
Increase	250	1,381	689	2,320
Decrease	(250)	-	(30)	(280)
31 December 2011	4,206	29,146	2,443	35,795
Amortisation:				
1 January 2010	1,143	12,986	365	14,494
Increase	536	3,330	362	4,228
Decrease	(501)	-	-	(501)
31 December 2010	1,178	16,316	727	18,221
Increase	472	4,087	426	4,985
Decrease	(250)	-	(30)	(280)
31 December 2011	1,400	20,403	1,123	22,926
Net book value:				
31 December 2010	3,028	11,449	1,057	15,534
31 December 2011	2,806	8,743	1,320	12,869
Amortisation expense for the years				
2010				4,228
2011				4,985

As at 31 December 2011, certain computer software items have been fully amortisation but are still in used. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 7.2 million (2010: Baht 7.2 million).

19. Short-term loans from financial institution

(Unit: Thousand Baht)

Type	Interest rate per annum (%)	Remaining period to maturity	Consolidated financial statements		Separate financial statements	
			2011	2011	2010	2010
Promissory notes	2.15	At call	-	255,000	-	-

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

20. Securities and derivatives business payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Securities business payables				
Cash customers' accounts	136,651	505,165	-	-
Securities borrowing payables	166,875	41,511	-	-
Derivatives business payables				
Derivatives business payables	2,071	4,963	-	-
Total securities and derivatives business payables	305,597	551,639	-	-

21. Other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Accrued expenses	86,119	53,142	4,072	2,167
Other payables - subsidiaries (Note 8)	-	-	600	1,425
Total other payables	86,119	53,142	4,672	3,592

22. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Defined benefit obligation at the beginning of year ^{a)}	8,550	-
Current service cost	1,236	-
Interest cost	337	-
Defined benefit obligation at the end of year	10,123	-

^{a)} Included cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5).

Long-term employee benefits expenses included in the consolidated profit or loss for the year ended 31 December 2011 amounted to Baht 1.57 million.

Principal actuarial assumptions were as follows:

	2011
	(% per annum)
Discount rate	3.44
Future salary increase rate	5.00
Employee turnover rate (depending on age of employee)	0.00 - 28.43

23. 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. However, all warrants were expired.

24. Statutory reserve

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

During the year 2011, the Company had set aside the statutory reserve of Baht 1.5 million from profit for the year (2010: Baht 2.2 million).

25. Securities business income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Brokerage fees	336,433	306,404	-	-
Fees and services income	14,229	9,363	-	-
Interest and dividend	44,174	27,196	-	-
Interest on margin loans	48,780	18,587	-	-
Total	443,616	361,550	-	-

26. Earnings per share

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

	Consolidated Financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the year (Thousand Baht)	117,063	38,846	30,941	44,814
Weighted average number of ordinary shares (Thousand shares)	175,552	175,552	175,552	175,552
Earnings per share (Baht)	0.67	0.22	0.18	0.26

27. Segment information

The Company and its subsidiaries' business operations involve three principal segments: securities trading, derivatives business and other business. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2011 and 2010 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	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Total revenues	<u>394.3</u>	<u>397.2</u>	<u>233.9</u>	<u>44.2</u>	<u>58.7</u>	<u>108.4</u>	<u>(47.3)</u>	<u>(97.3)</u>	<u>639.6</u>	<u>452.5</u>
Segment income (loss)	321.4	341.8	190.5	32.2	55.0	90.4	(33.0)	(69.9)	533.9	394.5
Unallocated income and expenses:										
Operating and administrative expenses:										
Personnel expenses									(304.6)	(241.9)
Premises and equipment expenses									(69.7)	(70.9)
Other expenses									(26.9)	(22.0)
Share of profit from investments in associates									0.5	6.4
Corporate income tax									(16.1)	(27.3)
Profit for the year									<u>117.1</u>	<u>38.8</u>
Premises improvement and equipment and intangible asset										
- net										
- Allocated	<u>6.6</u>	<u>8.2</u>	<u>6.0</u>	<u>7.2</u>	<u>0.3</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	12.9	15.5
- Unallocated									32.4	30.2
Total									45.3	45.7
Unallocated assets									1,799.6	2,151.4
Total assets									<u>1,844.9</u>	<u>2,197.1</u>

Transfer prices between business segments are as set out in Note 8.

28. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 3% - 10% 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 2011, the Company and its subsidiaries contributed Baht 9.8 million (2010: Baht 9.5 million) to the fund.

29. Dividend paid

Dividends	Approved by	Total dividends Thousand Baht	Dividend per share Baht	Payment date
Dividends on operating results of 2010	Annual General Meeting of the shareholders on 29 April 2011	38,621	0.22	20 May 2011
Interim dividends for 2011	Board of Directors' meeting on 11 August 2011	17,555	0.10	14 September 2011
Total dividends paid in 2011		56,176		

30. Commitments and contingent liabilities

30.1 As at 31 December 2011, the Company and its subsidiaries have the outstanding rental and service commitments under long-term lease agreements for its office and equipment as follows:

(Unit: Million Baht)	
Year	Amount
2012	23.1
2013 - 2014	41.6

30.2 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount and/or a percentage of trading volume each month and/or a percentage of net settlements each month.

30.3 Trinity Securities Company Limited, the Company's subsidiary, has commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transaction.

30.4 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.

30.5 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay certain service fees to Thailand Securities Depository Company Limited (TSD), as its Back Office Service Bureau. These comprise a monthly fixed amount and certain other fees specified in the agreement.

31. Financial instruments

31.1 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, deposits at financial institutions, receivables from Clearing House, securities and derivatives business receivables, other receivables, loans, investments, payables to Clearing House, securities and derivatives business payables, other payables, and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries is exposed to credit risk primarily with respect to deposits at financial institutions, investments in debt securities, receivables from Clearing House, securities and derivatives business receivables, other receivables, and short-term loans to subsidiary. The Company and its subsidiaries manage the risk by adopting appropriate trading limit policies and procedures. In addition, to manage risks on debt instruments, the Company and its subsidiaries have assigned the list of issuers with maximum credit exposure limits. As a result, the Company and its subsidiaries do not expect to incur material financial losses.

In addition, the Company and its subsidiaries do not have high concentration of credit risk of retail client since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Financial assets				
Deposits at financial institutions in the name of Company and on behalf of customers	1,089,661	786,421	1,660	1,736
Investments				
- Debt securities	460,436	398,763	-	-
Receivables from Clearing House	108,280	436,061	-	-
Securities and derivatives business receivables	1,045,148	982,115	-	-
Other receivables	10,282	11,457	22,600	10,200
Short-term loans to subsidiary	-	-	38,000	270,000

(Unit: Thousand Baht)

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in debt securities, securities business receivables - credit balance accounts, loans, and borrowings. 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. In addition, to reduce the interest rate risk, the Company and its subsidiaries has determined the maximum limit for investments as appropriate. As a result, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 and 2010 classified by type of interest rates and, for those financial assets and liabilities are categorised by the contractual repricing or maturity date (whichever is earlier) are as follows:

(Unit: Million Baht)

	Consolidated financial statement								
	2011								
	Outstanding balances of net financial instruments							Interest rate	
	Repricing or maturity dates							(%)	
	Floating interest rate	At call	Within 1 year	1 - 5 years	Over 5 years	No interest	Total	Floating rate	Fixed rate
Financial instruments - assets									
Cash and cash equivalents	5.5	37.5	-	-	-	17.1	60.1	0.75 - 2.25	3.20 - 4.20
Investments									
- Equity securities	-	-	-	-	-	18.1	18.1	-	-
- Debt securities	-	-	424.6	6.0	29.8	-	460.4	-	3.62 - 5.50
Receivables from Clearing House	-	-	-	-	-	108.3	108.3	-	-
Securities and derivatives business receivables	635.6	-	-	-	-	409.5	1,045.1	5.75 - 6.75	-
Other receivables	-	-	-	-	-	10.3	10.3	-	-
Financial instruments - liabilities									
Payables to Clearing House	-	-	-	-	-	75.3	75.3	-	-
Securities and derivatives business payables	166.9	-	-	-	-	138.7	305.6	1.75 - 3.00	-
Other payables	-	-	-	-	-	86.1	86.1	-	-

(Unit: Million Baht)

Separate financial statement									
2011									
	Outstanding balances of net financial instruments							Interest rate	
	Repricing or maturity dates							(%)	
	Floating interest rate	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	0.3	-	-	-	-	1.3	1.6	0.75	-
Investments									
- Equity securities	-	-	-	-	-	10.4	10.4	-	-
Short-term loans to subsidiary	-	38.0	-	-	-	-	38.0	-	1.25
Other receivables	-	-	-	-	-	22.6	22.6	-	-
<u>Financial instruments - Liabilities</u>									
Short-term loans from subsidiary	-	4.0	-	-	-	-	4.0	-	1.00
Other payables	-	-	-	-	-	4.7	4.7	-	-

(Unit: Million Baht)

Consolidated financial statement									
2010									
	Outstanding balances of net financial instruments							Interest rate	
	Repricing or maturity dates							(%)	
	Floating interest rate	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	5.0	-	14.0	-	-	37.0	56.0	0.25 - 0.75	1.72 - 2.10
Investments									
- Equity securities	-	-	-	-	-	171.7	171.7	-	-
- Debt securities	-	-	47.4	196.7	154.7	-	398.8	-	2.30 - 6.70
Receivables from Clearing House	-	-	-	-	-	436.1	436.1	-	-
<u>Securities and derivatives business</u>									
receivables	659.5	-	-	-	-	322.6	982.1	6.00	-
Other receivables	-	-	-	-	-	11.5	11.5	-	-

(Unit: Million Baht)

Consolidated financial statement									
2010									
	Outstanding balances of net financial instruments							Interest rate (%)	
	Floating interest rate	Repricing or maturity dates					Total	Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years	No interest			
<u>Financial instruments - liabilities</u>									
Short-term loans from financial institution	-	255.0	-	-	-	-	255.0	-	2.15
<u>Securities and derivatives business</u>									
payables	-	41.5	-	-	-	510.1	551.6	1.00	-
Other payables	-	-	-	-	-	53.1	53.1	-	-

(Unit: Million Baht)

Separate financial statement									
2010									
	Outstanding balances of net financial instruments							Interest rate (%)	
	Floating interest rate	Repricing or maturity dates					Total	Floating rate	Fixed rate
		At call	Within 1 year	1 - 5 years	Over 5 years	No interest			
<u>Financial instruments - assets</u>									
Cash and cash equivalents	0.5	-	-	-	-	1.2	1.7	0.25	-
Investments									
- Equity securities	-	-	-	-	-	12.3	12.3	-	-
Short-term loans to subsidiary	-	270.0	-	-	-	-	270.0	-	0.75
Other receivables	-	-	-	-	-	10.2	10.2	-	-
<u>Financial instruments - Liabilities</u>									
Other payables	-	-	-	-	-	3.6	3.6	-	-

Liquidity risk

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

The Company and its subsidiaries' cash inflow and outflow are monitored by the treasury department in order to prepare daily cash usage plan. The Company controls size of any business transaction which may increase our risk of incurring unexpected liability to make cash payment and also considers the impact to internal liquidity and net capital ratio of the Company and its subsidiaries. The Company and its subsidiaries maintain a net capital ratio in accordance with the rules laid down by the Office of the Securities and Exchange Commission. In addition, the Company and its subsidiaries have a policy to manage its liquidity to ensure that it has sufficient liquidity to meet both present and future requirements, under the supervision of the

Liquidity Management Committee.

During the current year, the Company and its subsidiaries were able to maintain a net capital ratio exceeding the requirement laid down by the Office of Securities and Exchange Commission.

The years of time from the end of reporting date to the maturity dates of financial instruments as of 31 December 2011 and 2010 follows:

(Unit: Million Baht)

	Consolidated financial statement				
	2011				
	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	60.1	-	-	-	60.1
Investments					
- Equity securities	18.1	-	-	-	18.1
- Debt securities	-	424.6	6.0	29.8	460.4
Receivables from Clearing House	76.9	31.4	-	-	108.3
Securities and derivatives business receivables	811.2	233.9	-	-	1,045.1
Other receivables	-	10.3	-	-	10.3
<u>Financial instruments - liabilities</u>					
Payables to Clearing House	-	75.3	-	-	75.3
Securities and derivatives business payables	166.9	138.7	-	-	305.6
Other payables	-	86.1	-	-	86.1

(Unit: Million Baht)

	Separate financial statement				
	2011				
	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	1.6	-	-	-	1.6
Investments					
- Equity securities	10.3	-	-	-	10.3
Short-term loans to subsidiary	38.0	-	-	-	38.0
Other receivables	22.6	-	-	-	22.6
<u>Financial instruments - liabilities</u>					
Short-term loans from subsidiary	4.0	-	-	-	4.0
Other payables	0.6	4.1	-	-	4.7

(Unit: Million Baht)

Consolidated financial statement					
2010					
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					
- Equity securities	171.7	-	-	-	171.7
- Debt securities	-	47.4	196.7	154.7	398.8
Receivables from Clearing House	22.4	413.7	-	-	436.1
Securities and derivatives business receivables	706.3	275.8	-	-	982.1
Other receivables	-	11.5	-	-	11.5
<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
Other payables	-	53.1	-	-	53.1

(Unit: Million Baht)

Separate financial statement					
2010					
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	1.7	-	-	-	1.7
Investments					
- Equity securities	12.3	-	-	-	12.3
Short-term loans to subsidiary	270.0	-	-	-	270.0
Other receivables	10.2	-	-	-	10.2
<u>Financial instruments - liabilities</u>					
Other payables	1.4	2.2	-	-	3.6

Foreign currency risk

Trinity Securities Company Limited, the Company's 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 2011 and 2010, outstanding balances of the subsidiary's financial assets denominated in foreign currencies are as follows:

Foreign currency	Financial assets		Exchange rate	
	2011 (Million)	2010 (Million)	2011 (Baht per 1 foreign currency unit)	2010
US Dollar	1.64	0.52	31.70	29.91

Foreign exchange contracts outstanding as at 31 December 2011 and 2010 are summarised below.

Foreign currency	2011				
	Amount		Contractual exchange rate		Contractual maturity
	The subsidiary buy	The subsidiary sell	The subsidiary buy	The subsidiary sell	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		date
US Dollar	12.60	1.62	31.58 - 31.85	31.72	28 February 2012

Foreign currency	2010				
	Amount		Contractual exchange rate		Contractual maturity
	The subsidiary buy	The subsidiary sell	The subsidiary buy	The subsidiary sell	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		date
US Dollar	-	0.50	-	30.22	25 February 2011

Market risk

The Company and its subsidiaries' exposure to market risk is the risk that volatility on the Stock Exchange of Thailand and the Thailand Futures Exchange will substantially reduce the value of the Company and its subsidiaries' investments. The Company and its subsidiaries manage the market risk by analyzing market risk inherent in the Company and its subsidiaries' business transactions, developing measuring tools, setting market risk limits and assigning risk management department to continuously monitor market risk level and report to the management.

31.2 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 statements of financial position.

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 methodology of fair value measurement is depended on the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value is determined by reference to the market price of the financial instrument. If however the appropriate quoted market price cannot be determined, the fair value is determined by using an appropriate valuation technique such as discounted cash flow.

The Company and its subsidiaries have estimated the fair value of financial instruments as follows:

a) Financial assets

The methodology used for determining the fair value is depended on the characteristics of the financial instrument. The fair value of financial assets are presented as the amount stated in the statements of financial position (including cash, deposits at financial institutions) which are considered to be their approximated respective carrying value since the financial instruments are predominantly and subject to market interest rates. Financial instruments that have standard terms and conditions which are traded on an active and liquid market, such as investment in securities and derivatives, have their fair values determined by the quoted market price. The fair value of receivables from Clearing House, securities and derivative business receivables, other receivables, and short-term loans to subsidiary are estimated at their net book value since the maturity date is in the short-term. The fair value of derivatives assets are determined by quoted market price.

b) Financial liabilities

Short-term loans from financial institution, short-term loans from subsidiary, payables to Clearing House, securities and derivative business payables, and other payables are presented at net book value since the maturity dates occur of short-term. The fair values of derivatives liabilities are determined by quoted market price.

31.3 Financial derivatives instruments

As at 31 December 2011, the fair values of financial derivatives which is the subsidiary's commitments as presented in the subsidiary's accounts are as follows:

(Unit: Thousand Baht)

	Remaining period before maturity date				Total
	1 - 3 months	3 - 6 months	6 - 9 months	10 - 12 months	
Futures and Options					
Long position	397,302	-	6,327	-	403,629
Short position	401,532	-	-	-	401,532

32. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2011, the Group's debt-to-equity ratio was 0.361:1 (2010: 0.683:1) and the Company's was 0.007:1 (2010: 0.004:1).

33. Events after the reporting period

On 23 February 2012, the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of shareholders to be held on 25 April 2012 adopt a resolution to pay a year-end dividend of Baht 0.25 per share in respect of the operating result of 2011, or a total of Baht 43.9 million. The dividend payment is scheduled for 22 May 2012 and represents a total dividend payment is Baht 0.35 per share, inclusive of the interim dividend of Baht 0.10 per share.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

34. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity. The reclassifications are as follows:

Statements of financial position

(Unit: Thousand Baht)

	As at 31 December 2010			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Accrued income	-	11,457	-	-
Accrued income - related party	-	-	-	10,200
Other derivatives assets	-	6	-	-
Other receivables	11,457	-	10,200	-
Other current assets	7,584	7,578	307	307
Tax payables	-	24,942	-	1,045
Corporate income tax payable	24,942	-	48	-
Accrued commission and bonus expenses	-	33,178	-	-
Directors' remuneration payables	-	1,760	-	1,760
Accrued expenses	-	18,205	-	407
Accrued expenses - related parties	-	-	-	1,425
Other derivatives liabilities	-	5	-	-
Other payables	53,143	-	3,592	-
Other current liabilities	4,228	4,223	997	-

Statements of comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December 2010			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Personnel expenses	241,884	182,301	6,379	19
Tax and duties	-	1,190	-	244
Management benefit expense	-	59,583	-	6,360
Other expenses	21,963	20,773	1,053	809

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2012.

General Information

Companies and Subsidiaries (holding at 10% or more) as of 31 December 2011

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 0-2343-9500
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
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 2011

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
Soonvijai Branch	2 nd Floor (2R) 499/5 Soi Soonvijai, New Petchburi Rd., Bangkapi, Huay-Khwang, Bangkok 10320	0-2718-0357	0-2369-3984
Sukhumvit 16 Branch	Room Number 3, 3 rd Floor 199/9 Soi Sukhumvit16 (Sammitr), Klongtoey, Bangkok 10110	0-2663-3108	0-2663-3109
Chiang Mai Branch	8/6 Moo 1, Padad , Muang District, Chiang Mai 50100	0-5328-5333	0-5328-5222
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
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

References

Registrar

Thailand Securities Depository Co. Ltd.
62 The Stock Exchange of Thailand Building
Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone : 0-2359-1200-1 Fax : 0-2359-1262-3

Auditor

Ernst & Young Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 New Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone : 0-2264-0777, 0-2661-9190 Fax : 0-2264-0789-90

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	- Ms. Sumalee Reewarabundit	Certified Public Account No. 3970 or
	- Ms. Pimjai Manitkajohnkit	Certified Public Account No. 4521