



บริษัท ตรีนิษฐ์ วัฒนาก จำกัด (มหาชน)

Trinity Watthana Public Company Limited

Ref. Wor Thor. Tor. 018/2021

May 13, 2021

Subject : Explanation and analysis of financial performance for the first quarter ended March 31, 2021

Attention : The President
The Stock Exchange of Thailand

The Board of Directors' meeting of Trinity Watthana Public Company Limited No. 4/2021, held on May 13, 2021, has approved the reviewed financial statements for the first quarter ended March 31, 2021. Net profit for the first quarter ended March 31, 2021 and earnings per share were Baht 66.70 million and Baht 0.31 respectively, which were higher than net loss and loss per share for the same period of 2020 at Baht 105.56 million and Baht 0.53 respectively, equivalent to growth 159%.

The Company would like to explain and analyze the financial position and operating results for the first quarter ended March 31, 2021 and 2020 as follows:

1. Overview of Business Operation and Significant Changes

Due to the widespread outbreak of Coronavirus Disease 2019 (COVID-19) resulted negatively to the world economy, then the government in every country injected cash to drive forward the economy. Excess fund flow flooded into capital market and commodities. As a result, the SET index increased from 1,449.35 points at the end of 2020 to 1,587.21 points or increased by 9.51% in a very short period during the first quarter of 2021 and the average daily trading value was Baht 96,951 million in the first quarter of 2021, increase from Baht 66,901 million in the same period of 2020 or increased by 44.92%.

Derivatives daily trading volume has decreased from 591,802 contracts in first quarter of 2020 to 543,512 contracts in same period of 2021, representing a decrease of 8.16%.

In the first quarter of 2021, the local retail investors were more active in SET than the previous year. That is, their turnovers accounted for 47.3% of SET's total turnovers which increased from 37.8% in the first quarter of 2020. On the other hand, the turnovers made by foreign institutional investors were 34.7% of SET's turnovers which dropped from 38.6% in the same period of 2020. With regard to other types of investors, namely proprietary trading and local institutional investors, their turnovers in the first quarter of 2021 were 10.3% and 7.7 of SET's turnovers which dropped from 11.4% and 12.2% in the same period of 2020, respectively.

2. Operating Results for the first quarter ended March 31, 2021

Income

The consolidated income of the Company and subsidiaries for the first quarter of 2021 was Baht 245.37 million, which was increased from Baht -1.39 million in the same period of 2020 or increased by 17,752%. The changes in the consolidated income of the Company and subsidiaries were attributed to the following:

- 1) The securities business income increased from Baht 124.09 million for the first quarter of 2020 to Baht 135.86 million in the same period of 2021 or increased by 9.49% resulted from the following:
 - An increase in a daily average turnover of SET from Baht 66,901 million to Baht 96,951 million in the first quarter of 2021 or increased by 44.92%. The subsidiary's securities brokerage fee increased from Baht 62.13 million for the first quarter of 2020 to Baht 89.14 million in the same period of 2021 or increased by 43.47%;



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- Fee and service income decreased from Baht 32.44 million for the first quarter of 2020 to Baht 18.52 million in the same period of 2021 or decreased by 42.91% as a result from underwriting business;
 - Interest income from margin loan increased from Baht 23.43 million for the first quarter of 2020 to Baht 26.39 million in the same period of 2021 or increased by 12.63% as a result from the increase in margin loan during the period.
- 2) The Company and subsidiaries' net gain and return from investment was Baht 68.67 million in the first quarter of 2021 whereas in the first quarter of 2020, the Company and subsidiaries' net loss and return from investment was Baht 164.09 million. The huge loss and gain in the first quarter of 2020 resulted from the widespread outbreak of Coronavirus Disease 2019 (COVID-19) which caused the SET index went down deeply around 600 points from 1,580 points at the end of 2019 to 1,024 points in a very short period during the first quarter of 2020.

Operating Expenses

The Company and subsidiaries' total expenses increased from Baht 129.70 million for the first quarter of 2020 to Baht 163.83 million for the first quarter of 2021, or increased by 26.31%. The expenses which had significant changes include:

- Employee benefit expenses in the first quarter of 2021 amounted to Baht 107.01 million which was increased from Baht 73.72 million in the same period of 2020, or by 45.16%. This varied in relation to the overall operating results.

Net Profit (Loss)

The Company and subsidiaries' net profit were Baht 66.70 million for the first quarter of 2021 compared to net loss amounted to Baht 105.56 million in the same period of 2020 equivalent to increase by 163.19%.

3. Financial Position

Total Assets

As of 31 March 2021, the total assets of the Company and subsidiaries amounted to Baht 5,893.16 million comparing to Baht 5,043.36 million at the end of 2020, of which significant items included investments in the amount of Baht 1,128.15 million which was increased from Baht 912.35 million, securities and derivatives business receivables in the amount of Baht 2,641.46 million increased from 2,404.69 million and other short-term loans amounted to Baht 1,164.21 million increased from Baht 1,001.51 million. These main items represented 19.14%, 44.82%, and 19.76% of the total assets as of 31 March 2021, respectively.

Securities and Derivatives Business Receivables

As of 31 March 2021, the subsidiary's securities and derivatives business receivables in the amount of Baht 2,641.46 million included margin loan receivables in the amount of Baht 2,357.01 million increased from Baht 2,204.08 million at the end of 2020. The subsidiary categorized its securities and derivatives business receivables in accordance with the Thai Financial Reporting Standard as performing debts in the amount of Baht 2,265.26 million, under-performing debts in the amount of Baht 370.74 million and non-performing debts in the amount of Baht 62 million. In this regard. The Company has provided allowance for expected credit losses in accordance with the financial reporting standard.

Investments

The Company and subsidiaries' net investments as of 31 March 2021 were Baht 1,128.15 million, 19.14% of total assets, which was increased from Baht 912.35 million at the end of 2020. Out of this amount, short-term investment was Baht 865.53 million increased from Baht 689.76 million at



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the end of 2020. Long-term investment was Baht 233.61 million increased from Baht 195.31 million at the end of 2020 and the remaining investment Baht 29.01 million was the investment in the joint venture which were accounted for under an equity method.

Liabilities

As of 31 March 2021, the Company and subsidiaries' total liabilities stood at Baht 4,164.70 million compared to the total liabilities of Baht 3,446.18 million at the end of 2020. The total liabilities mainly comprised of borrowings increased from Baht 2,853.13 million at the end of 2020 to Baht 3,230 million at the end of 2020 while securities and derivatives business payables increased from Baht 263.64 million at the end of 2020 to Baht 606.57 million.

Shareholders' Equity

As of 31 March 2021, the Company and subsidiaries' shareholders' equity stood at Baht 1,728.46 million compared to Baht 1,597.18 million at the end of 2020. The increase was mainly derived from 1) Share capital and premium on share capital increased Baht 79 million from exercising warrants to purchase ordinary shares from shareholders (TNITY-W1) 12.96 million shares and ESOP warrants 2.25 million shares 2) Net profit for the period amounted to Baht 66.70 million 3) Loss from actuarial amounted to Baht 21.15 million, and a decrease in unrealized loss from investments presented in shareholders' equity amounted to Baht 11.93 million. The return on equity for the first quarter of 2021 was 16.04% per annum comparing to -26.58% per annum in the same period of 2020.

Please be informed accordingly.

Yours faithfully,

Charnchai Kongthongluck
Director & CEO