



บริษัท ทริเน็ตต์ วัตถนา จำกัด (มหาชน)

Trinity Watthana Public Company Limited

Ref. Wor Thor. Tor. 026/2021

August 13, 2021

Subject : Explanation and analysis of financial performance for the second quarter ended June 30, 2021

Attention : The President
The Stock Exchange of Thailand

The Board of Directors' meeting of Trinity Watthana Public Company Limited No. 6/2021, held on August 13, 2021, has approved the reviewed financial statements for the second quarter ended June 30, 2021. The Company would like to explain and analyze the financial position and operating results for the second quarter and the six-month period ended June 30, 2021 compared to the corresponding period of 2020 as follows:

(Unit : Million Baht)	Second quarter ended June 30			Six months ended June 30		
	2021	2020	Change (%)	2021	2020	Change (%)
Profit (Loss) before corporate income tax	53.48	117.10	(54.33)	135.31	(13.98)	1,067.68
Net Profit (Loss)	42.29	94.75	(55.37)	109.00	(10.80)	1,108.98
Earnings (Loss) per share	0.197	0.476	(58.530)	0.508	(0.054)	1,037.395

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 especially from the Delta variance outbreak in the second quarter of 2021. As a result, the SET index decreased from 1,587.21 points at the end of March 2021 to the lowest at 1,541.12 points in April 2021 and then increased to the highest at 1,636.56 in June 2021 and 1,587.79 points at the end of June. The average daily trading value was Baht 98,801 million in the second quarter of 2021, increase from Baht 70,418 million in the same period of 2020 or increased by 40.31%.

Derivatives daily trading volume has increased from 393,889 contracts in the second quarter of 2020 to 571,145 contracts in same period of 2021, representing an increase of 45%.

In the second quarter of 2021, the local retail investors were still active in SET. That is, their turnovers accounted for 48.9% of SET's total turnovers which was the same with last year at 48.0% in the second quarter of 2020. Whereas the turnovers made by foreign institutional investors increased from 33.6% of SET's turnovers in the second quarter of 2020 to 36.0% in the same period of 2021. The local institutional investors' turnovers in the second quarter of 2021 were 6.3% of SET's turnovers which dropped from 9.8% in the same period of 2020. Whereas the proprietary trading's turnovers in the second quarter of 2021 and 2020 were 8.7%.



2. Operating Results for the second quarter ended June 30, 2021

Income

The consolidated income of the Company and subsidiaries for the second quarter of 2021 was Baht 224.42 million, which was quite the same as Baht 226.76 million for the same period of 2020. The changes in the consolidated income of the Company and subsidiaries were attributed to the following:

- 1) The securities business income increased from Baht 99.82 million for the second quarter of 2020 to Baht 137.66 million in the same period of 2021, or increased by 37.90%, resulted from the following:
 - The subsidiary's securities brokerage fee increased from Baht 62.07 million for the second quarter of 2020 to Baht 85.89 million in the same period of 2021 or increased by 38.38% due to the increase in trading volume resulted from the widespread outbreak of Coronavirus Disease 2019 (COVID-19);
 - Fee and service income increased from Baht 11.86 million for the second quarter of 2020 to Baht 19.13 million in the same period of 2021 or increased by 61.30% as a result from underwriting business and selling agent business;
 - Interest income from margin loan increased from Baht 15.90 million for the second quarter of 2020 to Baht 31.23 million in the same period of 2021 or increased by 96.41% 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 40.17 million in the second quarter of 2021, decreased from net gain and return from investment in the same period of 2020 amounted to Baht 92.74 million. The huge gain in the second 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 and bounced back to 1,400 points in June 2020.
- 3) Interest income increased from Baht 22.64 million for the second quarter of 2020 to Baht 30.26 million in the same period of 2021 or increased by 33.66% resulting from an increase in other short-term loans when compared to the same period of 2020.

Operating Expenses

The Company and subsidiaries' total expenses increased from Baht 109.67 million for the second quarter of 2020 to Baht 170.93 million for the same period of 2021, or increased by 55.87%. The expenses which had significant changes include:

- Employee benefit expenses in the second quarter of 2021 amounted to Baht 110.64 million which was increased from Baht 64.01 million in the same period of 2020, or by 72.86%. This varied in relation to the overall operating results.
- Fee and services expenses in the second quarter of 2021 amounted to Baht 16.76 million which was increased from Baht 12.95 million in the same period of 2020, or by 29.41%. This decrease varied in relation to the Company's trading volume.
- The financial costs increased from Baht 13.18 million in the second quarter of 2020 to Baht 20.81 million in the same period of 2021 or increased by 57.88%, resulting from an increase in borrowings for settlement, margin loan and loans to others during the period.



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Net Profit (Loss)

The Company and subsidiaries' net profit were Baht 42.29 million for the second quarter of 2021 compared to net profit amounted to Baht 94.75 million in the same period of 2020, or decreased by 55.37%.

2. Operating Results for the six-month period ended June 30, 2021

Income

The consolidated income of the Company and subsidiaries for the six-month period of 2021 increased from that of 2020 by 108%; that is, the Company and subsidiaries' consolidated income for the six-month period of 2021 was Baht 469.79 million, which was increased from Baht 225.37 million. The major changes in the consolidated income of the Company and subsidiaries were the following:

- 1) The securities business income increased from Baht 223.91 million for the six-month period of 2020 to Baht 273.51 million in the same period of 2021 or increased by 22.15%, resulted from the following:
 - An increase in a daily average turnover of SET from Baht 68,617 million to Baht 97,471 million for the six-month period of 2021 or increased by 42.05%. The subsidiary's securities brokerage fee increased from Baht 124.21 million for the six-month period of 2020 to Baht 175.03 million in the same period of 2021 or increased by 40.91%. The increase in trading volume 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 and bounced back to 1,400 points in June 2020;
 - Interest income from margin loan increased from Baht 39.33 million for the six-month period of 2020 to Baht 57.62 million in the same period of 2021 as a result from the increase in margin loan during the period.
- 2) The Company's net gain and return from investment was Baht 108.83 million for the six-month period of 2021 compared to net loss and return from investment was Baht 71.35 million in the six-month period of 2020. The huge loss in the six-month period 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 and bounced back to 1,400 points in June 2020.
- 3) Interest income increased from Baht 48.69 million for the six-month period of 2020 to Baht 55.53 million in the same period of 2021 or increased by 14.05%, resulting from an increase in other short-term loans during the six-month period of 2021.

Operating Expenses

The Company and subsidiaries' total expenses increased from Baht 239.35 million for the six-month period of 2020 to Baht 334.48 million in the same period of 2021. The expenses which had significant changes include:

- Employee benefits expenses for the six-month period of 2021 amounted to Baht 217.65 million which was increased from Baht 137.73 million in the same period of 2020, or by 58.03%. This increase varied in relation to the Company's overall operating results.
- Fee and services expenses for the six-month period of 2021 amounted to Baht 33.26 million which was increased from Baht 28.43 million in the same period of 2020, or by 16.99%. This increase varied in relation to the Company's trading volume.



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- The financial costs increased from Baht 30.02 million for the six-month period of 2020 to Baht 38.14 million in the same period of 2021 or increased by 27.05%, resulting from an increase in borrowings for settlement, margin loan and loans to others during the period.

Net Profit (Loss)

In the six-month period of 2021, the Company and subsidiaries' net profit were Baht 109.0 million compared to net loss amounted to Baht 10.80 million in the same period of 2020, equivalent to increase 1,109%.

3. Financial Position

Total Assets

As of 30 June 2021, the total assets of the Company and subsidiaries amounted to Baht 6,123.70 million comparing to Baht 5,043.36 million at the end of 2020, of which significant items included investments in the amount of Baht 1,010.13 million which was increased from Baht 912.35 million, securities and derivatives business receivables in the amount of Baht 3,079.51 million increased from 2,404.69 million and other short-term loans amounted to Baht 1,337.88 million increased from Baht 1,001.51 million. These main items represented 16.49%, 50.29%, and 21.85% of the total assets as of 30 June 2020, respectively.

Securities and Derivatives Business Receivables

As of 30 June 2021, the subsidiary's securities and derivatives business receivables in the amount of Baht 3,079.51 million included margin loan receivables in the amount of Baht 2,825.20 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 2,817.47 million, under-performing debts in the amount of Baht 200.06 million and non-performing debts in the amount of Baht 61.97 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 30 June 2021 were Baht 1,010.13 million, 16.49% 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 756.69 million increased from Baht 689.76 million at the end of 2020. Long-term investment was Baht 226.57 million increased from Baht 195.31 million at the end of 2020 and the remaining investment Baht 26.87 million was the investment in the joint venture which were accounted for under an equity method.

Liabilities

As of 30 June 2021, the Company and subsidiaries' total liabilities stood at Baht 4,446.84 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 3,635.41 million at the end of 2021 while securities and derivatives business payables increased from Baht 263.64 million at the end of 2020 to Baht 449.51 million.



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Shareholders' Equity

As of 30 June 2021, the Company and subsidiaries' shareholders' equity stood at Baht 1,676.86 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 109 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 20.77 million. The return on equity for the six months period of 2021 was 13.32% per annum comparing to -1.36% per annum in the same period of 2020.

Please be informed accordingly.

Yours faithfully,

Charnchai Kongthongluck
Director & CEO