



บริษัท ตรีนิษฐ์ วัฒนา จำกัด (มหาชน)
Trinity Watthana Public Company Limited

Ref. Wor Thor. Tor. 022/2022

May 12, 2022

Subject : Explanation and analysis of financial performance for the first quarter ended March 31, 2022

Attention : The President
The Stock Exchange of Thailand

The Board of Directors' meeting of Trinity Watthana Public Company Limited No. 5/2022, held on May 12, 2022, has approved the reviewed financial statements for the first quarter ended March 31, 2022. Net profit for the first quarter ended March 31, 2022 and earnings per share were Baht 56.77 million and Baht 0.26 respectively, which were higher than net profit and loss per share for the same period of 2021 at Baht 66.70 million and Baht 0.31 respectively, equivalent to decline 14.89%.

The Company would like to explain and analyze the financial position and operating results for the first quarter ended March 31, 2022 and 2021 as follows:

1. Overview of Business Operation and Significant Changes

Due to the Russia-Ukraine war and the lockdown measures in China from the widespread of COVID-19, the market was fluctuated during the first quarter of 2022. The SET index increased from 1,657.62 points at the end of 2021 to 1,695.24 points at the end of March 2022 or increased by 2.27% and the average daily trading value was Baht 96,240 million in the first quarter of 2022, comparing to Baht 96,951 million in the same period of 2021.

Derivatives daily trading volume has increased from 543,512 contracts in first quarter of 2021 to 627,573 contracts in same period of 2022, or increased by 15.47%.

In the first quarter of 2022, the foreign institutional investors were more active in SET than the previous year. That is, their turnovers accounted for 43.09% of SET's total turnovers which increased from 34.7% in the first quarter of 2021. On the other hand, the turnovers made by local retail investors were 41.5% of SET's turnovers which dropped from 47.3% in the same period of 2021. With regard to other types of investors, namely proprietary trading and local institutional investors, their turnovers in the first quarter of 2022 were 8.16% and 7.23% of SET's turnovers which dropped from 10.3% and 7.7% in the same period of 2021, respectively.

2. Operating Results for the first quarter ended March 31, 2022

Income

The consolidated income of the Company and subsidiaries for the first quarter of 2022 was Baht 234.07 million, which was decreased from Baht 245.37 million in the same period of 2021 or decreased by 4.6%. The changes in the consolidated income of the Company and subsidiaries were attributed to the following:

- 1) The securities business income increased from Baht 135.86 million for the first quarter of 2021 to Baht 155.05 million in the same period of 2022 or increased by 14.12% resulted from the following:
 - The subsidiary's securities brokerage fee increased from Baht 89.14 million for the first quarter of 2021 to Baht 93.61 million in the same period of 2022 or increased by 5.01% as a result from the increase in retail investors' trading volume;
 - Interest income from margin loan increased from Baht 26.39 million for the first quarter of 2021 to Baht 45.19 million in the same period of 2022 or increased by 60.25% as a result from the increase in margin loan during the period.



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- 2) The Company and subsidiaries' net gain and return from investment was Baht 25.34 million in the first quarter of 2021 whereas in the first quarter of 2020, the Company and subsidiaries' net gain and return from investment was Baht 68.67 million due to the market fluctuation.

Operating Expenses

The Company and subsidiaries' total expenses was Baht 163.04 million for the first quarter of 2022 comparing to Baht 163.83 million for the first quarter of 2021. The expenses which had significant changes include:

- Employee benefit expenses in the first quarter of 2022 amounted to Baht 97.71 million which was decreased from Baht 107.01 million in the same period of 2021, or by 8.69%. This varied in relation to the overall operating results.
- Financial expenses in the first quarter of 2022 was Baht 26.18 million increased from Baht 17.34 million in the first quarter of 2021 due to the increase in borrowings for settlement, margin loans and loans to others during the quarter.

Net Profit (Loss)

The Company and subsidiaries' net profit were Baht 56.77 million for the first quarter of 2022 compared to net profit amounted to Baht 66.70 million in the same period of 2021 equivalent to increase by 14.89%.

3. Financial Position

Total Assets

As of 31 March 2022, the total assets of the Company and subsidiaries amounted to Baht 7,428.96 million comparing to Baht 6,412.18 million at the end of 2021, of which significant items included investments in the amount of Baht 1,143.13 million which was increased from Baht 891.94 million, securities and derivatives business receivables in the amount of Baht 4,296.13 million increased from 3,660 million and other short-term loans amounted to Baht 1,398.76 million increased from Baht 1,204.24 million. These main items represented 15.39%, 57.83%, and 18.83% of the total assets as of 31 March 2022, respectively.

Securities and Derivatives Business Receivables

As of 31 March 2022, the subsidiary's securities and derivatives business receivables in the amount of Baht 4,296.13 million included margin loan receivables in the amount of Baht 3,752.19 million increased from Baht 3,265.37 million at the end of 2021. 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 3,847.41 million, under-performing debts in the amount of Baht 448.71 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 2022 were Baht 1,143.13 million, 15.39% of total assets, which was increased from Baht 891.94 million at the end of 2021. Out of this amount, short-term investment was Baht 888.64 million increased from Baht 637.22 million at the end of 2021. Long-term investment was Baht 230.79 million increased from Baht 215.86 million at the end of 2021 and the remaining investment Baht 43.69 million was the investment in the joint venture which were accounted for under an equity method, increasing from Baht 38.85 million at the end of 2021.



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Liabilities

As of 31 March 2022, the Company and subsidiaries' total liabilities stood at Baht 5,612.40 million compared to the total liabilities of Baht 4,656.34 million at the end of 2021. The total liabilities mainly comprised of the borrowings increased from Baht 3,814.64 million to Baht 4,562.79 million which was borrowed for settlement payment, margin loan receivables and other loans during the quarter. The borrowings included borrowings from financial institutions amounted to Baht 1,190 million, short-term bills of exchange and debentures amounted to Baht 2,132.78 million, long-term bills of exchange and debentures amounted to Baht 1,240.01 million. The interest-bearing debts to equity ratio was 2.51 times increased from 2.17 times at the end of 2021.

Shareholders' Equity

As of 31 March 2022, the Company and subsidiaries' shareholders' equity stood at Baht 1,816.56 million compared to Baht 1,755.85 million at the end of 2021. The increase was mainly derived from net profit for the period amounted to Baht 56.77 million. The return on equity for the first quarter of 2022 was 12.71% per annum comparing to 15.91% per annum in the same period of 2021.

Please be informed accordingly.

Yours faithfully,

Charnchai Kongthongluck
Director & CEO