



# บริษัท ตรีนิษฐ์ วัฒนภา จำกัด (มหาชน)

Trinity Watthana Public Company Limited

Ref. Wor Thor. Tor. 037/2022

August 11, 2022

Subject : Explanation and analysis of financial performance for the second quarter ended June 30, 2022

Attention : The President  
The Stock Exchange of Thailand

The Board of Directors' meeting of Trinity Watthana Public Company Limited No. 8/2022, held on August 11, 2022, has approved the reviewed financial statements for the second quarter ended June 30, 2022. 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, 2022 compared to the corresponding period of 2021 as follows:

(Unit : Million Baht)	Second quarter ended June 30			Six months ended June 30		
	2022	2021	Change (%)	2022	2021	Change (%)
Profit (Loss) before corporate income tax	30.49	53.49	(43.00)	101.52	135.31	(24.97)
Net Profit (Loss)	26.85	42.30	(36.53)	83.62	109.00	(23.28)
Earnings (Loss) per share (Baht)	0.13	0.20	(36.53)	0.39	0.52	(24.76)

## 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 continuously from the first quarter of 2022. As a result, the SET index decreased from 1,695.24 points at the end of March 2022 to 1,568.33 points at the end of June. The average daily trading value was Baht 77,663 million in the second quarter of 2022, decreased from Baht 98,801 million in the same period of 2021 or decreased by 21.39%.

Derivatives daily trading volume has decreased from 571,145 contracts in the second quarter of 2021 to 505,991 contracts in same period of 2022, representing a decrease of 11.41%.

In the second quarter of 2022, the foreign institutional investors were more active in SET than the previous year. That is, their turnovers accounted for 45.77% of SET's total turnovers which increased from 36.05% in the second quarter of 2021. The local institutional investors' turnovers in the second quarter of 2022 increased from 6.31% in the second quarter of 2021 to 7.26%. On the other hand, the turnovers made by local retail investors were 39.43% of SET's turnovers which dropped from 48.95% in the same period of 2021 and proprietary trading turnovers in the second quarter of 2022 were 7.54% of SET's turnovers which dropped from 8.69% in the same period of 2021.

## 2. Operating Results for the second quarter ended June 30, 2022

### Income

The consolidated income of the Company and subsidiaries for the second quarter of 2022 was Baht 192.67 million, which was decreased from Baht 224.42 million for the same period of 2021, or decreased by 14.15%. The changes in the consolidated income of the Company and subsidiaries were attributed to the following:



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- 1) The securities business income increased from Baht 137.66 million for the second quarter of 2021 to Baht 145.54 million in the same period of 2022, or increased by 5.73%, resulted from the following:
  - The subsidiary's securities brokerage fee decreased from Baht 85.89 million for the second quarter of 2021 to Baht 65.12 million in the same period of 2021 or decreased by 24.18% due to the decrease in trading volume resulted from the Russia-Ukraine war;
  - Fee and service income increased from Baht 19.13 million for the second quarter of 2021 to Baht 33.86 million in the same period of 2022 or increased by 77% as a result from underwriting business;
  - Interest income from margin loan increased from Baht 31.23 million for the second quarter of 2021 to Baht 42.65 million in the same period of 2022 or increased by 36.57% as a result from the increase in margin loan during the period.
- 2) The Company and subsidiaries' net loss and return from investment was Baht 1.10 million in the second quarter of 2022, decreased from net gain and return from investment in the same period of 2021 amounted to Baht 40.17 million due to the market fluctuation.

### Operating Expenses

The Company and subsidiaries' total expenses decreased from Baht 170.93 million for the second quarter of 2021 to Baht 162.18 million for the same period of 2022, or decreased by 5.12%. The expenses which had significant changes include:

- Employee benefit expenses in the second quarter of 2022 amounted to Baht 84.98 million which was decreased from Baht 110.64 million in the same period of 2021, or by 23.19%. This varied in relation to the overall operating results.
- Fee and services expenses in the second quarter of 2022 amounted to Baht 19.41 million which was increased from Baht 16.76 million in the same period of 2021, or by 15.81%. This increase varied in relation to the Company's fee and service income.
- Other expenses in the second quarter of 2022 amounted to Baht 20.36 million which was increased from Baht 11.80 million in the same period of 2021, or by 72.54, resulting from loss in digital assets amounted to Baht 7.31 million due to a dramatic drop in price of digital assets during the period.
- The financial costs increased from Baht 20.81 million in the second quarter of 2021 to Baht 26.94 million in the same period of 2022 or increased by 29.48%, resulting from an increase in borrowings for settlement and margin loans during the period.

### Net Profit (Loss)

The Company and subsidiaries' net profit were Baht 26.85 million for the second quarter of 2022 compared to net profit amounted to Baht 42.30 million in the same period of 2021, or decreased by 36.53%.

## 2. Operating results for the six-month period ended June 30, 2022

### Income

The consolidated income of the Company and subsidiaries for the six-month period of 2022 decreased from that of 2021 by 9.16%; that is, the Company and subsidiaries' consolidated income for the six-month period of 2022 was Baht 426.74 million, which was decreased from Baht 469.79 million. The major changes in the consolidated income of the Company and subsidiaries were the following:

- 1) The securities business income increased from Baht 273.51 million for the six-month period of 2021 to Baht 300.59 million in the same period of 2022 or increased by 9.90%, resulted from the following:



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- A decrease in a daily average turnover of SET from Baht 97,471 million to Baht 87,342 million for the six-month period of 2022 or decreased by 10.39%. The subsidiary's securities brokerage fee decreased from Baht 175.03 million for the six-month period of 2021 to Baht 158.73 million in the same period of 2022 or decreased by 9.31%;
  - Fee and service income increased from Baht 37.65 million for the six-month period of 2021 to Baht 50.11 million in the same period of 2022 or increased by 33.09% as a result from underwriting business;
  - Interest income from margin loan increased from Baht 57.62 million for the six-month period of 2021 to Baht 85.28 million in the same period of 2022 as a result from the increase in margin loan during the period.
- 2) The Company's net gain and return from investment was Baht 24.24 million for the six-month period of 2022 compared to net gain and return from investment was Baht 108.83 million in the six-month period of 2021 due to the market fluctuation.

### Operating Expenses

The Company and subsidiaries' total expenses decreased from Baht 334.48 million for the six-month period of 2021 to Baht 325.22 million in the same period of 2022 or decreased by 2.77%. The expenses which had significant changes include:

- Employee benefits expenses for the six-month period of 2022 amounted to Baht 182.69 million which was decreased from Baht 217.65 million in the same period of 2021, or by 16.06%. This increase varied in relation to the Company's overall operating results.
- Other expenses for the six-month period of 2022 amounted to Baht 33.05 million which was increased from Baht 23.49 million in the same period of 2021, or by 40.70%, resulting from loss in digital assets amounted to Baht 7.14 million due to a dramatic drop in price of digital assets during the second quarter.
- The financial costs increased from Baht 38.14 million for the six-month period of 2021 to Baht 53.12 million in the same period of 2022 or increased by 39.28%, 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 2022, the Company and subsidiaries' net profit were Baht 83.62 million compared to net profit amounted to Baht 109.00 million in the same period of 2021, equivalent to decrease 23.28%.

## 3. Financial Position

### Total Assets

As of 30 June 2022, the total assets of the Company and subsidiaries amounted to Baht 6,864.91 million comparing to Baht 6,412.18 million at the end of 2021, of which significant items included investments in the amount of Baht 1,129.69 million which was increased from Baht 891.94 million, securities and derivatives business receivables in the amount of Baht 4,044.72 million increased from 3,660 million and other short-term loans amounted to Baht 1,200.08 million slightly decreased from Baht 1,204.24 million. These main items represented 16.46%, 58.92%, and 17.48% of the total assets as of 30 June 2022, respectively.

### Securities and Derivatives Business Receivables

As of 30 June 2022, the subsidiary's securities and derivatives business receivables in the amount of Baht 4,044.72 million included margin loan receivables in the amount of Baht 3,738.36 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



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performing debts in the amount of Baht 3,597.62 million, under-performing debts in the amount of Baht 447.10 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 30 June 2022 were Baht 1,129.69 million, 16.46% 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 869.36 million increased from Baht 637.22 million at the end of 2021. Long-term investment was Baht 217.05 million slightly increased from Baht 215.86 million at the end of 2021 and the remaining investment Baht 43.28 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.

### **Liabilities**

As of 30 June 2022, the Company and subsidiaries' total liabilities stood at Baht 5,184.44 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 3,814.03 million to Baht 4,391.17 million which was borrowed for settlement payment, margin loan receivables and other loans during the period. The borrowings included borrowings from financial institutions amounted to Baht 1,040 million, short-term bills of exchange and debentures amounted to Baht 2,677.77 million, long-term bills of exchange and debentures amounted to Baht 673.40 million. The interest-bearing debts to equity ratio was 3.11 times increased from 2.68 times at the end of 2021.

### **Shareholders' Equity**

As of 30 June 2022, the Company and subsidiaries' shareholders' equity stood at Baht 1,680.47 million compared to Baht 1,755.85 million at the end of 2021. The decrease was mainly derived from net profit for the period amounted to Baht 83.62 million and dividend for the year 2021 amounted to Baht 160.80 million paid in May 2022. The return on equity for the six-month period of 2022 was 9.73% per annum comparing to 13.00% per annum in the same period of 2021.

Please be informed accordingly.

Yours faithfully,

Charnchai Kongthongluck  
Director & CEO