



บริษัท ตรีนิษฐ์ วัฒนากำกัด (มหาชน)
TRINITY WATTHANA PUBLIC COMPANY LIMITED

Ref. Wor Thor. Tor. 012/2025

February 27, 2025

Subject : MD&A of financial performance for the year ended December 31, 2024

Attention: The President
The Stock Exchange of Thailand

The Board of Directors' meeting of Trinity Watthana Public Company Limited No. 2/2025, held on February 27, 2025, approved the audited financial statements for the year ended December 31, 2024. The Company recorded a net profit of Baht 0.51 million or earnings per share of Baht 0.0024, improving from net loss for the year 2023 of Baht 353.40 million or loss per share of Baht 1.65. This represents an increase of 100.15%.

Auditor's Opinion

In the Auditor's opinion, except for the possible effects on securities business receivables of Baht 479 million that had defaulted on payments of outstanding positions resulting from purchase orders made for shares of a listed company that the Stock Exchange of Thailand ("SET") identified as potentially abnormal purchase and sale transactions in November 2022 (details presented in part 3) Financial position: Securities and Derivatives Business Receivables). The management of the Company and the subsidiary have determined that this event is an abnormal transaction, as it was carried out with fraudulent intent. Such conduct is prohibited by law and runs counter to public order and good morals. Therefore, this event must be canceled and the transaction must be treated as if it had never occurred. Setting up the allowance for expected credit losses may have an adverse effect on the case that the subsidiary has filed with the AMLO seeking protection of its rights from the predicate offense and the AMLO Transaction Committee on November 21, 2023 resolved that the Company be the victim of the underlying crime in the said case, based on the value of the damage. The Company will be compensated or reimbursed from the seized assets in proportion to the damage. It may also adversely affect the case under which the Company has filed the complaint alleging fraudulent conduct with the ECD. Since the setting up the allowance for expected credit losses could be interpreted as the subsidiary's acceptance of the disputed transactions as being valid, along with the acceptance of the damage caused. In this regard, the subsidiary has not recorded any allowance for expected credit losses related to the overdue securities business receivables mentioned above. The management of the Company and the subsidiary believe that there is a high probability that this transaction will be cancelled and treated as if it had never occurred. The overdue amount is expected to be fully reimbursed from assets totaling Baht 4,600.6 million as of December 31, 2024 with interest thereon, which are seized in accordance with the court order, which is the result of the cooperation and coordination of all relevant regulators and presentation of evidence proving the wrongdoing of the offenders, leading to legal proceedings that result in the attachment of assets in accordance with the court order. With the progress from the court, the expectation that the recovery from the seized assets may occur in 2027, the Subsidiary estimated the expected credit loss as of December 31, 2024 amounted to Baht 24.8 million to reflect the present value of the recovery from the seized assets in proportion to the damage.

As this event is considered an abnormal transaction, the management of the Company and the subsidiary are currently unable to find the past comparable cases or any supporting evidence to validate their belief. As a result, the auditor was unable to obtain sufficient appropriate audit evidence for the allowance for expected credit losses for such overdue receivable to conclude whether the



allowance should be set up, and if so, what the appropriate balance of the allowance should be. Consequently, the auditor's opinion on the allowance for expected credit loss is qualified. Any adjustments necessary would result in a decrease in the total assets and retained losses in the consolidated statement of financial position and the separate statement of financial position (which presented investments in subsidiaries under the equity method) as at 31 December 2024, and also impact to the loss and total comprehensive income in the consolidated and separate statements of comprehensive income.

Except for the aforementioned effects, the financial statements present fairly, in all material respects, the financial position, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Impacts on Liquidity and Net Capital Ratio

In case that the subsidiary is required to provide the allowance for expected credit losses in the future due to the changes in circumstances in any amount, this would not have an impact to the subsidiary's liquidity and net capital ratio since the defaulted amount of securities business receivables has not been included as liquid assets in the calculation of net capital ratio as prescribed by the office of Securities and Exchange Committee. As of 31 December 2024, the subsidiary's net capital ratio was at 27.31% which was higher than requirement.

The Company would like to explain and analyze the financial position and operating results for the year 2023 and 2024 as follows:

1. Overview of Business Operation and Significant Changes

In 2024, geopolitical tensions and trade conflicts between the United States and China continued to pose significant risks to the global economy, causing a slowdown that adversely affected global stock markets, including the Thai market. Meanwhile, China's economy decelerated due to persistent property-sector issues, weak consumption, and overcapacity leading to oversupply—pressuring the manufacturing and export sectors of many countries.

Though the Thai economy gained some benefit from the tourism rebound, its export recovery was slower than expected because of the global economic slowdown and recession. In the fourth quarter, the government approved the sale of the VAYUPAK Fund with Baht 150 billion and granted additional tax deductions for investments in the ThaiESG mutual fund. However, the Stock Exchange of Thailand adopted more stringent measures to regulate short-selling and program trading, causing a further decline in market trading value.

These factors resulted in the average daily trading value of Baht 46,551 million for the year, a decrease of 12.71% from Baht 53,331 million in 2023.

Derivatives trading volume also decreased from 129.49 million contracts in 2023 to 118.04 million contracts in 2024.

In 2024, local institutions and retail investors had more share of trading. Local institution accounted for 9.5% of SET's total turnovers which increased from 8.2% in 2023, and retail investors were 34.0% of SET's total turnovers which increased from 33.8% in 2023. On the other hand, proprietary trading and foreign investors decreased from last year, their turnovers in 2024 were 6.5% and 50.0% of SET's turnovers which dropped from 7.3% and 50.7% in 2023, respectively.



2. Summary of Key Events and Developments

Since July 2024 onwards, the subsidiary has added more personnel to boost its revenue from derivatives business. One branch was closed in December, leaving a total of four branches.

3. Summary of Operating Results

Income

The consolidated income of the Company and subsidiaries in 2024 was Baht 645.08 million increased from Baht 304.05 million in 2023 or increased by 112.16%. The changes in major income of the Company and subsidiaries were as follows:

- Income from the securities business accounted for 56.63% of total income, slightly decreased from Baht 372.74 million in 2023 to Baht 365.34 million in 2024 or decreased by 1.99% which comprised of
 - Brokerage fees decreased from Baht 127.05 million to Baht 120.29 million or decreased by 5.32%, consistent with the decrease in the average daily trading value on the SET from Baht 53,331 million to Baht 46,551 million or decreased by 12.71%.
 - Fee and service income increased from Baht 55.70 million to Baht 89.40 million or increased by 60.50%, driven by an increase in underwriting fees.
 - Interest on margin loans decreased from Baht 174.53 million to Baht 138.25 million or decreased by 20.79% in relation to a decrease in the margin loans during the year.
- Income from derivatives brokerage increased from Baht 14.44 million in 2023 to Baht 35.61 million in 2024, an increase of 146.61%, driven by an increase in personnel providing services for derivatives business.
- The Company's net gain and return from financial instrument was Baht 2.47 million in 2024 dividing into loss on securities trading amounted to Baht 62.27 million, dividend income amounted to Baht 16.39 million and gain on derivatives trading amounted to Baht 48.35 million compared to a net loss and return from financial instrument was Baht 237.08 million in 2023 dividing into a loss on securities trading amounted to Baht 394.69 million, dividend income amounted to Baht 41.65 million and a gain on derivatives trading amounted to Baht 115.96 million.
- Interest income increased from Baht 84.34 million in 2023 to Baht 100.38 million in the 2024, due to an increase in interest on other loans from Baht 82.31 million to Baht 97.79 million or increased by 18.81%, reflecting higher lending to the joint venture.
- Other income increased from Baht 23.71 million in 2023 to Baht 55.13 million in 2024, profitable to a Baht 21.68 million gain from digital asset investments in 2024.
- Profit sharing from investments under the equity method increased from Baht 1.63 million in 2023 to Baht 8.22 million in 2024 or increased by 406%, driven by better operating results of the joint venture.



Operating Expenses

In 2024, the Company and subsidiaries incurred total expenses in the amount of Baht 647.77 million, a decline of 13.31% from Baht 747.22 million in 2023. The expenses with significant changes include:

- Employee benefit expenses of Baht 317.97 million in 2024, increased from Baht 217.78 million in 2023 or increased by 46%, which varied in relation to the Company's overall performance and the increase in employee.
- Fees and service charges of Baht 50.66 million in 2024, increased from Baht 44.29 million in 2023 or increased by 14.39%, which varied in relation to the increase in trading volume.
- Finance costs of Baht 128.13 million in 2024, decreased from Baht 141.77 million in 2023 or decreased by 9.62%, due to a decrease in borrowings used for settlements and margin loans during the quarter.
- Expected credit losses of Baht 37.41 million, decreased from Baht 239.01 million in 2023. This decrease was due to an extraordinary event in June 2023 when a subsidiary recorded expected credit losses of Baht 232.18 million. This event occurred as two credit balance account receivables faced forced sell of their collateral as a result from the collateral price dropping by 30% (a floor price) in 5 consecutive business days which was unprecedented in the Stock Exchange of Thailand. Therefore, the collateral value decreased rapidly and was insufficient to cover the debts. However, the subsidiary is currently monitoring additional customer debt repayments.

Net Profit (Loss)

In 2024, the Company and its subsidiaries posted a net profit of Baht 0.51 million, increased from a net loss of Baht 353.40 million in 2023, an increase of 100.15%.

4. Financial Position

Total Assets

As of December 31, 2024, the company and its subsidiaries had total assets of Baht 4,597.58 million, a decrease compared to total assets of Baht 5,507.15 million at the end of 2023. Key items included:

- Securities and derivatives business receivables: Baht 2,228.66 million decreased from Baht 3,043.50 million.
- Investments in securities: Baht 417.02 million decreased from Baht 800.32 million.
- Other loans: Baht 876.01 million increased from Baht 872.38 million.

These amounts accounted for 48.47%, 9.07%, and 19.05% of total assets, respectively.

Securities and Derivatives Business Receivables

As of December 31, 2024, the subsidiary's receivables from securities and derivatives businesses amounted to Baht 2,228.66 million, which included margin loan receivables of Baht 1,711.41 million, decreased from Baht 2,446.66 million at the end of 2023, cash account receivables for securities of Baht 38.08 million, decreased from Baht 98.75 million.

The subsidiary classified these receivables from securities and derivatives businesses according to financial reporting standards as follows:



- Performing debts: Baht 1,395.17 million
- Under-performing debts: Baht 379.10 million,
- Non-performing debts: Baht 778.86 million, for which the subsidiary has already recorded an allowance for expected credit losses of Baht 324.64 million in accordance with financial reporting standards. This included securities business receivables of Baht 479 million that had defaulted on payments of outstanding positions resulting from purchase orders made for shares of a listed company that the Stock Exchange of Thailand (“SET”) identified as potentially abnormal purchase and sale transactions in November 2022. The management of the Company and the subsidiary have determined that this event is an abnormal transaction, as it was carried out with fraudulent intent. Such conduct is prohibited by law and runs counter to public order and good morals. Therefore this event must be cancelled and the transaction must be treated as if it had never occurred. Setting up the allowance for expected credit losses may have an adverse affect on the case that the subsidiary has filed with the AMLO, seeking protection of its rights from the predicate offense and the AMLO Transaction Committee resolved on November 21, 2023 that the Company be the victim of the underlying crime in the said case, based on the value of the damage. The Company will be compensated or reimbursed from the seized assets in proportion to the damage. It may also adversely affect the case under which the Company has filed the complaint alleging fraudulent conduct with the ECD. Since the setting up the allowance for expected credit losses could be interpreted as the subsidiary’s acceptance of the disputed transactions as being valid, along with the acceptance of the damage caused. In this regard, the subsidiary has not recorded any allowance for expected credit losses related to the overdue securities business receivables mentioned above. The management of the Company and the subsidiary believe that there is a high probability that this transaction will be cancelled and treated as if it had never occurred. The overdue amount is expected to be fully reimbursed from assets totaling Baht 4,600.6 million with interest thereon, which are seized in accordance with the court order, which is the result of the cooperation and coordination of all relevant regulators and presentation of evidence proving the wrongdoing of the offenders, leading to legal proceedings that result in the attachment of assets in accordance with the court order. With the progress from the court, the expectation that the recovery from the seized assets may occur in 2027, the Subsidiary estimated the expected credit loss as of December 31, 2024 amounted to Baht 24.8 million to reflect the present value of the recovery from the seized assets in proportion to the damage.

Investments in Securities

As of December 31, 2024, net investments in securities held by the Company and its subsidiaries amounted to Baht 417.02 million, a decrease from Baht 800.32 million at the end of 2023. These investments are categorized as follows:

- Current investments amounting to Baht 146.12 million, decreased from Baht 429.88 million at the end of 2023 due to the sale of investments during the year.
- Long-term investments amounting to Baht 185.93 million, decreased from Baht 293.85 million at the end of 2023 due to the sale of investments during the year.
- Investments in joint ventures and associates, recorded by the equity method, amounting to Baht 84.96 million, increased from Baht 76.59 million at the end of 2023.



Other Short-Term Loans

As of December 31, 2024, other short-term loans amounted to Baht 876.01 million, accounting for 19.05% of total assets, slightly increased from Baht 872.38 million at the end of 2023. The company provides these loans to unrelated entities and individuals, secured by the pledge of both listed and unlisted equity securities of the borrowers. As of December 31, 2024, loans with insufficient collateral was 1.56% of the total loans amount, which was currently followed up additional collateral.

Liabilities

As of December 31, 2024, total liabilities of the Company and its subsidiaries were Baht 3,218.06 million, decreased by 21.91% from Baht 4,120.90 million at the end of 2023, resulting in a debt-to-equity ratio of 2.33 times, a decrease from 2.97 times at the end of 2023. Key changes included:

1. Total borrowings decreased from Baht 3,617.80 million at year-end 2023 to Baht 2,785.60 million at year-end 2024. This included Baht 1,190.00 million in borrowings from financial institutions and Baht 1,595.60 million in short-term and current-maturing long-term debentures. These borrowings supported settlement, margin lending, and other loans during the year.
2. Securities and derivatives business payables decreased from Baht 138.02 million at year-end 2023 to Baht 80.19 million at year-end 2024.

Financial Ratios	Year 2023	Year 2024
Interest Bearing Debt to Equity	2.73	2.39
Interest Bearing Debt to EBITDA Ratio (times)	-15.13	16.56
Interest Coverage Ratio (times)	-1.77	1.39
Debt Service Coverage Ratio (times)	-0.08	0.06

These financial ratios improved due to the company's reduced debt burden and better operational performance, reflecting an improvement in the company's debt repayment capacity.

Liquidity

As of December 31, 2024, the Company and its subsidiaries had a net decrease of Baht 38.12 million in cash and cash equivalents, resulting from the following:

- Operating cash inflows of Baht 720.02 million from operating activities, primarily driven by cash received from receivables/payables of securities businesses and derivatives business of Baht 784.53 million and from current investments of Baht 292.87 million, offset by Baht 269.85 million in additional loans to a joint venture.
- Investment cash inflows of Baht 76.70 million from proceeds of Baht 108.68 million from the disposal of long-term investments, offset by capital expenditures of Baht 26.18 million.
- Financing cash outflows of Baht 834.83 million from financing activities, mainly due to redemptions of debentures of Baht 1,357.50 million, partially offset by issuing new debentures of Baht 560.30 million.

The Company's current ratio was 1.19 times, compared with 1.31 times at the end of 2023, indicating that current assets still exceeded current liabilities.



Shareholders' Equity

As of December 31, 2024, shareholders' equity of the Company and its subsidiaries was Baht 1,379.52 million, compared with Baht 1,386.25 million at the end of 2023. The Company's return on equity was 0.04% per year, compared with -22.61% per year in 2023.

5. Factors That May Affect Future Operations or Growth

Factors influencing the Company's future operations and financial position include the global economic slowdown, potential recession, and geopolitical tensions, all of which could impact global stock markets. In Thailand, however, the government's visa-free policy may help boost tourism. Furthermore, government disbursement has normalized, domestic consumption shows signs of recovery from government stimulus measures, and capital market support—including the Vajiralongkorn Fund and Thai ESG initiatives—may help revive the Thai capital market. These shifts could ultimately affect the revenues and financial position of the Company and its subsidiaries.

The Company remains prepared for future changes or opportunities by modernizing its technology to optimize operational efficiency, developing employees' knowledge and skill sets to accommodate new transactions, and securing stable financing sources to support expanded business volume and future revenue growth.

Additionally, regarding the subsidiary's lawsuit against a defaulted securities business receivable of Baht 479 million, with the progress from the court, the expectation that the recovery from the seized assets may occur in 2027. The Subsidiary estimated the expected credit loss as of December 31, 2024 amounted to Baht 24.8 million to reflect the present value of the recovery from the seized assets in proportion to the damage. If a credit loss allowance is recorded in the future, it would reduce the subsidiary's assets and profit. However, this would not impact the subsidiary's liquidity or net capital ratio, as these amounts are not included in liquid asset calculations.

6. Sustainability Developments

The Company operates with a commitment to sustainability under the Group's ESG principles, encompassing Environmental, Social, and Governance dimensions, as follows:

1) Environment

The Company promotes 3R (Reuse, Reduce, Recycle) practices among employees, including initiatives to reduce consumption of electricity, water, and fuel, promote renewable energy, reduce paper use, and encourage improved waste sorting and disposal. The Company collaborated with the SEC on the "Ting Tu Trash" project to educate employees on sorting waste. Nevertheless, these efforts remain indirect. As of this year, the Company has not conducted any direct environmental conservation activities such as tree planting or other campaigns specifically targeting climate change or greenhouse gas emissions. Hence, no data on greenhouse gas emissions has been compiled, nor has a corporate carbon footprint been registered with the Thailand Greenhouse Gas Management Organization (TGO) or an equivalent international standard.

2) Social

The Company has organized seminars to inform customers, investors, communities, and media about new investment products and innovations. It continually upgrades client service processes and online trading platforms. Employees are encouraged to use Artificial Intelligence (AI) to enhance work efficiency.



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Internally, the Company supports employee training and development at all levels, both online and offline, with a minimum of 12 hours per person per year (about once per quarter). The Company also strives to treat employees equitably and foster a “Happy Workplace.” Additionally, it organizes activities for employees to support social causes, such as donations and religious charitable events.

3) Governance

The Company conducts its business under ethical principles and sound corporate governance. In 2024, it participated in Opportunity Day to provide updates to investors and the general public. It received an “Excellent” score on its AGM assessment and a “Five-Star” rating for good corporate governance. Furthermore, the Company renewed for the third time its certification under the Private Sector Collective Action Against Corruption (CAC), affirming its commitment to fighting bribery and corruption in the private sector.

Please be informed accordingly.

Yours faithfully,

Dr.Visit Ongpipattanakul

Director & CEO