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May 14, 2025

Subject : Explanation and analysis of financial performance for the first quarter ended March 31, 2025

Attention : The President
The Stock Exchange of Thailand

The Board of Directors' meeting of Trinity Watthana Public Company Limited No. 3/2025, held on May 14, 2025, has approved the reviewed financial statements for the first quarter ended March 31, 2025. Net profit for the first quarter ended March 31, 2025 and earnings per share were Baht 7.69 million and Baht 0.04 respectively, which were lower than net profit and earnings per share for the same period of 2024 at Baht 15.86 million and Baht 0.07 respectively, decreased by 51.51%.

Auditor's opinion

The auditor has reviewed the financial statements and issued a qualified opinion stating that except for the possible effects on securities business receivables of Baht 479 million, which is included in the securities business receivables and derivatives of Trinity Securities Company Limited, a subsidiary of the company, amounting to Baht 2,237.44 million as at March 31, 2025, 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. Setting up the allowance for expected credit losses may have an adverse effect on the cases that the subsidiary has filed, therefore 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 which are seized in accordance with the court order.

As this event is considered an abnormal transaction, the management of the Company and the subsidiary is currently unable to find past comparable cases or any other evidence to support this belief for the auditor, and a large number of victims are involved in the matter. Therefore, it is beyond the auditor's ability to obtain evidence regarding the damage each entity suffered and file a claim for damage recovery with the relevant authorities, as to the amount and whether the total value exceeds the value of assets ordered to be frozen. However, given that the frozen assets, which partly consist of common shares, have decreased in fair value, coupled with significant progress in the first-instance court proceedings, with the Civil Court's witness examination scheduled to conclude by mid-March 2025, the subsidiary's legal advisor estimates that the distribution of frozen assets back to the victims might occur in the year 2027. The subsidiary has therefore estimated an expected credit loss allowance as at December 31, 2024, of approximately Baht 25 million, to reflect the present value of assets the subsidiary expects to recover in proportion to the damage. As a result, the auditor was unable to obtain sufficient appropriate audit evidence for the allowance for expected credit losses for such receivable to conclude whether the allowance should be set up, and if so, what the appropriate balance of the allowance should be, and therefore cannot conclude whether any adjustment to the amount of expected credit loss allowance is necessary or to what extent. Any adjustments necessary would result in a decrease in the total assets and retained earnings 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 March 2025, and an increase in the loss in the consolidated and separate statements of comprehensive income for the three-month period ended March 31, 2025.



Except for the possible effects of the matter as described above, nothing has come to the auditor's attention that causes the auditor to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Impact on Liquidity and Net Liquid Assets

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 March 2025, the subsidiary's net capital ratio was at 25.49% which was higher than the SEC requirement.

1. Overview of Business Operation, Economic Conditions, and Industry Trends Impacting Operations

In the first quarter of 2025, geopolitical conflicts and the trade war between the United States and China continued to be significant risk factors for the global economy, particularly from President Trump's tax/tariff policies causing a global economic slowdown, which will negatively impact stock markets worldwide, including the Thai stock market.

Although the Thai economy recovered due to continued good export growth, improving tourism, and moderate expansion in private consumption, private investment slowed down due to economic and policy uncertainty, resulting in market volatility in the first quarter. The stock market index decreased significantly by 17.3%, which was more than most stock markets in the region. The SET Index fell from 1,400.21 points at the end of 2024 to 1,158.09 points at the end of March 2025.

The average daily trading value for the first quarter of 2025 was Baht 47,775 million, an increase from the same quarter of 2024 which was Baht 45,684 million or increased by 4.58%.

The derivatives daily trading volume increased from the first quarter of 2024, which had an average daily trading volume of 432,727 contracts, to 465,490 contracts in the first quarter of 2025, or increased by 7.57%.

In the first quarter of 2025, foreign investors' share of securities trading increased to 53.13% from 52.36% in the same period of 2024. Local institutional investors' share also increased to 10.75% from 8.88% in the same period of 2024. Meanwhile, retail investors' share of securities trading value was 30.02%, decreased from 32.06% in the same period of 2024. Proprietary trading's share decreased to 6.10% from 6.70% in the same period of 2024.

2. Summary of Key Events and Developments

The subsidiary has increased personnel focusing on using AI to provide timely information to investors.

3. Summary of Operating Results for the first quarter ended March 31, 2025

Income

The consolidated income of the Company and subsidiaries for the first quarter of 2025 increased from the same period in 2024, which increased from Baht 157.77 million to Baht 164.03 million, or increased by 4.00%. Key changes in income are as follows:



1. The securities business income for the first quarter of 2025 was Baht 73.33 million, which decreased from Baht 92.25 million in the same period of 2024 or decreased by 20.51%. The changes in the securities business income were attributed to the following:
 - The subsidiary's securities brokerage fee increased from Baht 24.32 million for the first quarter of 2024 to Baht 28.41 million in the same period of 2025 or increased by 16.82% as a result from the increase in overall trading volume and retail investors' trading volume.
 - Interest income from margin loan decreased from Baht 38.92 million for the first quarter of 2024 to Baht 28.65 million in the same period of 2025 or decreased by 26.39% as a result from the decrease in margin loan during the period.
 - Fee and service income decreased from Baht 25.57 million for the first quarter of 2024 to Baht 13.69 million in the same period of 2025 or decreased by 46.46% as a result from fee received from underwriting securities.
2. Income from derivatives brokerage increased from Baht 3.68 million in the first quarter of 2024 to Baht 9.39 million in the same period of 2025, an increase of 155.16%, driven by an increase in overall trading volume and retail investors' trading volume.
3. The company and its subsidiaries incurred net gain and return from investments of Baht 25.61 million in the first quarter of 2025, increase from net gain and return from investment of Baht 18.90 million in the same period of 2024. This was due to continued market volatility.
4. Interest income increased from Baht 21.30 million in the first quarter of 2024 to Baht 27.10 million in the same period of 2025. This resulted from interest income from other loans receivable, which increased from Baht 20.59 million in the first quarter of 2024 to Baht 26.51 million, an increase of 28.75%, primarily due to increase in loans to joint ventures.
5. Share of profit from investments accounted for using the equity method increased from Baht 1.0 million in the first quarter of 2024 to Baht 4.02 million in the same period of 2025, an increase of 302%, in line with the improved operating results of joint ventures and associates.

Operating Expenses

The Company and subsidiaries' total expenses was Baht 155.35 million for the first quarter of 2025 increased from Baht 138.39 million for the first quarter of 2024 or increased by 12.26%. The expenses which had significant changes include:

1. Employee benefit expenses in the first quarter of 2025 amounted to Baht 73.08 million which increased from Baht 69.03 million in the same period of 2024, or increased by 5.87 %. This increase was due to higher compensation in line with commission income.
2. Fee and service expenses in the first quarter of 2025 amounted to Baht 13.92 million which increased from Baht 9.29 million in the same period of 2024, or increased by 49.84 %. This increase was due to increase in securities and derivatives trading volume during the quarter.
3. Finance costs amounted to Baht 26.57 million for the first quarter of 2025, a decrease compared to Baht 34.39 million in the same period of 2024, representing a decrease rate of 22.74%, caused by a decrease in borrowings used for settlement and margin loans during the year.
4. Expected credit loss amounted to Baht 13.62 million, an increase compared to Baht 1.55 million in the same period of 2024, which arose from receivables with insufficient collateral that are currently in the process of providing additional collateral.



Net Profit (Loss)

The Company and subsidiaries' net profit was Baht 7.69 million for the first quarter of 2025 compared to a net profit of Baht 15.86 million in the same period of 2024, representing a decrease of 51.51%.

4. Financial Position

Total Assets

As of March 31, 2025, the Company and its subsidiaries had total assets of Baht 4,601.18 million, a increase compared to total assets of Baht 4,585.68 million at the end of 2024. Key items included:

- Receivables from securities and derivatives businesses in the amount of Baht 2,237.44 million, close to Baht 2,236.48 million.
- Investments in the amount of Baht 498.18 million, increased from Baht 417.02 million.
- Other loans in the amount of Baht 807.96 million, decreased from Baht 876.01 million.

These amounts represented 48.63%, 10.83%, and 17.56% of total assets of 2025, respectively.

Securities and Derivatives Business Receivables

As of March 31, 2025, the subsidiary's receivables from securities and derivatives businesses amounted to Baht 2,237.44 million, which included margin loan receivables of Baht 1,628.92 million, decreased from Baht 1,711.41 million at the end of 2024.

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

- Performing debts: Baht 1,429.52 million
- Under-performing debts: Baht 336.46 million,
- Non-performing debts: Baht 797.74 million, for which the subsidiary has already recorded an allowance for expected credit losses of Baht 326.29 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 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 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. 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. However, given that the frozen assets, which partly consist of common shares, have decreased in fair value, coupled with significant progress in the first-instance court proceedings, with the Civil Court's witness examination scheduled to conclude by mid-March 2025. The subsidiary's legal advisor estimates that the distribution of frozen



assets back to the victims might occur in the year 2027. The subsidiary has therefore estimated an expected credit loss allowance as at December 31, 2024, of approximately Baht 25 million, to reflect the present value of assets the subsidiary expects to recover in proportion to the damage

Investments in Securities

As of March 31, 2025, net investments in securities held by the Company and its subsidiaries amounted to Baht 417.02 million, a decrease from Baht 417.02 million at the end of 2024. These investments are categorized as follows:

- Current investments at fair value through profit or loss: Baht 217.07 million
- Current investments at amortized cost: Baht 6.19 million
- Long-term investments at fair value through profit or loss: Baht 115.00 million
- Long-term investments at fair value through other comprehensive income: Baht 70.93 million
- Investments in joint ventures and associates: Baht 88.99 million (accounted for using the equity method)

Other Short-Term Loans

As of March 31, 2025, other short-term loans amounted to Baht 807.96 million, representing 17.56 percent of total assets, a decrease from Baht 876.01 million at the end of 2024. These loans were provided to unrelated legal entities and individuals and are guaranteed by pledging the borrowers' equity instruments, both listed and unlisted. As at March 31, 2025, the Company has set up an allowance for expected credit loss totaling Baht 25.43 million for debts with insufficient collateral, for which additional collateral is currently being tracked.

Liabilities

As at March 31, 2025, the Company and subsidiaries had total liabilities of Baht 3,214.09 million, close to total liabilities of Baht 3,206.16 million at the end of 2024. The debt-to-equity ratio was 2.32 times, which was the same as at the end of 2024. Significant changes in total liabilities were as follows:

1. Total borrowings decreased from Baht 2,785.60 million at the end of 2024 to Baht 2,760.90 million as at March 31, 2025, comprising loans from financial institutions amounting to Baht 1,280.00 million and short-term and long-term debentures due within 1 year amounting to Baht 1,480.90 million, used for settlement, margin loans, and other loans during the year.

Financial Ratios	Y 2024	Q1 2025
Interest Bearing Debt to Equity	2.13	2.09
Interest Bearing Debt to EBITDA Ratio (times)	16.56	14.79
Interest Coverage Ratio (times)	1.39	1.84
Debt Service Coverage Ratio (times)	0.06	0.06

The above financial ratios improved due to the company's decreased debt burden and improved operating results, reflecting the company's improved ability to repay debt.



Liquidity

As at March 31, 2025, the Company and subsidiaries had an increase in cash and cash equivalents of Baht 81.29 million, resulting from the following types of cash flows:

- Cash flows from operating activities amounted to Baht 198.14 million (inflow), mainly comprising cash received from securities business receivables/payables and clearing houses of Baht 144.19 million and cash received from short-term loans of Baht 137.75 million, offset by cash used for payment of interest and employee benefits amounting to Baht 63.57 million
- Cash flows used in investing activities amounted to Baht 0.55 million.
- Cash flows used in financing activities amounted to Baht 116.30 million (outflow), consisting of repayment of debentures totaling Baht 106.20 million and repayment of principal of lease liabilities totaling Baht 10.10 million.

The Company's current ratio was 1.43 times, compared with 1.19 times at the end of 2024, indicating that current assets still exceeded current liabilities.

Shareholders' Equity

As at March 31, 2025, the Company and subsidiaries had shareholders' equity of Baht 1,387.21 million, close to Baht 1,379.52 million at the end of 2024. The Company's return on shareholders' equity was 10.19 percent per annum, lower than 15.55 percent per annum for the same period of 2024.

5. Factors That May Affect Future Operations or Growth

Factors that will impact the Company's future performance and financial position include the growth of the global economy, which may be in a recessionary state due to President Trump's announcements of increased customs duties, as well as geopolitical tensions, which will affect trading conditions in stock markets worldwide.

The Company has prepared for future business changes or opportunities by developing its technology to be modern and aligned with efficient operational systems, as well as developing personnel with modern knowledge and skills ready to support new transactions. Furthermore, the Company has made preparations regarding stable funding sources to support the expansion of business volume and increase future revenue.

6. Sustainability Developments

The Company operates sustainably according to the group's sustainable development guidelines based on the principles of ESG, namely Environment, Social, and Governance, as follows:

1) Environment

The Company has continuously organized 3R (Reuse, Reduce, Recycle) campaigns for employees, including activities related to reducing energy consumption (electricity, tap water, fuel) and promoting the use of various renewable energies, activities related to paper usage, and activities related to waste and waste sorting. The Company has collaborated with the SEC (Securities and Exchange Commission) in participating in the "Ting Too Trash" project to educate employees on waste sorting. However, although the Company has undertaken activities that reduce negative environmental impacts as mentioned above, they are still considered indirect actions. Furthermore, in the past year, the Company did not have direct environmental conservation activities such as tree planting, reforestation, or other campaigns directly related to climate change and greenhouse gas emissions. As a result, there is still no data related to greenhouse gas emissions, and no organizational carbon footprint has been



registered with the Thailand Greenhouse Gas Management Organization (TGO) according to international standards or equivalent.

2) **Social**

The Company has organized knowledge seminars on investment, innovation, and new financial products for customers, investors, the community, and the media, continuing from 2024. Customer service procedures and the online securities trading system have been developed to be modern. Employees are also encouraged to apply Artificial Intelligence (AI) for work efficiency and speed. For employees, the Company provides training and potential development for all levels, both online and offline, with a minimum of 12 hours per person per year or once per quarter. Employees are treated equally, and the Company strives to be a Happy Workplace. The Company also organizes activities for employees to assist society, such as supporting religious activities like Kathina and Pha Pa ceremonies, helping the needy in society, and various donation activities.

3) **Governance**

The Company conducts business based on ethics and good corporate governance. Regarding shareholder meetings, the Company received an "Excellent" level evaluation score for its Annual General Meeting (AGM). It also received an "Excellent" level evaluation for good corporate governance. Additionally, the Company received its 3rd renewal as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and was certified by CAC. Please be informed accordingly.

Yours faithfully,

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Director & CEO