February 27, 2025

Subject: Management discussion and analysis the operating results for the third quarter of 2024

To: The President
The Stock Exchange of Thailand

TVD Holdings Public Company Limited ("the Company") and its subsidiaries (“the Group”) would like to clarify the operating results for the year 2024 ended December 31, 2024 compare with the year 2023 as per the consolidated financial statement reviewed by the Certified Auditor as follows.

Business operations overview

The Group's strategic is to distribute goods on various channels including Tele marketing, Satellite TV, Digital TV and also expansion of its customer group to various online platforms. The Group is focusing on building strategic partnership with key partners. Alongside this, the Group has an effective process for selecting new products and partners to diversify its product offerings and provide more choices to customers.

Summary of key events and developments

In the year of 2024, there was a restructuring of shareholding within the Group, improvements in operational procedures and expenses reductions, along with significant events during the period, such as investment of Baht 22 million or 55 percent of investment proportion of registered capital in a new subsidiary in February 2024, disbursement of all investment in a subsidiary for Baht 40 million in March 2024, disbursement of all investment in a subsidiary for Baht 1 million in November 2024. In addition, the Annual General Meeting of Shareholders for the year 2024 on 30 April 2024, has approved the deduction of Baht 241.72 million of share premium to compensate the accumulated losses of the Company as at 31 December 2023, amounting to Baht 241.72 million.

Analysis of operating results

(Unit: Million Baht)	FOR THE YEAR ENDED DECEMBER 31,				Change	
	2024	%	2023	%	Amount	%
Revenues from sales and services	1,353.88	100.00	1,825.49	100.00	(471.61)	(25.83)
Cost of goods sold and services	(636.01)	(46.98)	(1,009.92)	(55.32)	373.92	(37.02)
Gross profit	**717.87**	**53.02**	**815.56**	**44.68**	**(97.69)**	**(11.98)**
Other income	20.10	1.48	17.94	0.98	2.16	12.02
Profit before expenses	**737.97**	**54.51**	**833.50**	**45.66**	**(95.53)**	**(11.46)**
Media cost	(314.99)	(23.27)	(348.69)	(19.10)	33.70	(9.66)
Distribution costs	(288.06)	(21.28)	(527.61)	(28.90)	239.55	(45.40)
Administrative expenses	(100.73)	(7.44)	(359.13)	(19.67)	258.40	(71.95)
Profit (loss) from sales of investments	18.90	1.40	-	-	18.90	-
Profit (loss) on diposal of assets	1.68	0.12	(46.39)	(2.54)	48.07	(103.62)
Other expenses	(0.08)	(0.01)	(0.27)	(0.01)	0.19	(69.13)
Finance costs	(20.98)	(1.55)	(28.65)	(1.57)	7.68	(26.79)
Income tax income (expense)	(11.46)	(0.85)	38.70	2.12	(50.16)	(129.62)
Profit (loss) for the year	**22.25**	**1.64**	**(438.54)**	**(24.02)**	**460.79**	**(105.07)**
Shareholders of the parent company	22.13	1.63	(418.95)	(22.95)	441.08	(105.28)
Non-controlling interests	0.13	0.01	(19.58)	(1.07)	19.71	(100.66)

1. Revenues from sales and services

The Group has revenue from sales and services for the year of 2024, amounting to Baht 1,353.88 million. This represents a decreasing of Baht 471.61 million compared to the same periods last year, reflecting a decrease of 25.83%. This increase is attributed to the Group's ongoing strategy to expand its customer base through satellite TV and digital TV channels, focusing on building strategic partnerships. The Group has also been accelerating its customer base expansion through online channels to reach both existing and new customers. Additionally, the Group has efficient process for selecting new products and partners to diversify and provide more options for customers. Furthermore, the flooding event in the northern region of Thailand in September 2024 also contributed to the overall decline in revenue compared to the same period last year.

2. Cost of goods sold and services and Gross profit

The Group has cost of sales and services for the year 2024, amounting to Baht 636.01 million. This represents a decreasing of Baht 373.92 million compared to the last year, reflecting a decrease of 37.02%. The gross profit margin on sales was 53.02% compared to the previous year, which had a gross profit margin of 44.68%. The increase in gross profit margin is attributed to the Group's focus on selling products with higher gross profit margins, resulting from negotiations with partners, as well as adjustments in work processes and strategic planning to ensure maximum efficiency in all operational areas.

3. Media cost

The Group has media costs for the year 2024, amounting to Baht 314.99 million. This represents a decrease of Baht 33.70 million, or 9.66%. This reduction was due to the Group's strategy adjustment, particularly in managing costs for Satellite TV and Digital TV channels, as well as increasing the proportion of product sales through online channels, where the Group is able to control media costs more effectively.

4. Distribution costs

Distribution costs include tele sales staff expenses, commissions, telephone costs, warehouse management and transportation costs.

The Group has distribution costs of Baht 288.06 million for the year 2024, respectively. This represents a decreasing of Baht 239.55 million, reflecting a decrease of 45.40%. The Group is currently implemented cost control in distribution and improving transportation methods and warehouse management and negotiating with distributors to enable faster and more efficient product delivery.

5. Administrative expenses

The Group's administrative expenses include employee expenses, depreciation of office buildings and office equipment, as well as utility expenses for operations

The Group has administrative expenses for the year 2024, totaling Baht 100.73 million. This represents a decrease of Baht 258.40 million, or 71.95% compared to the same periods of the previous year. The decrease is due to the revision of work processes and cost saving.

In the year 2023, the Group recorded one-time expenses related to restructuring business operations, including a provision for Expected Credit Loss (ECL) from a logistic company due to uncollected cash-on-delivery (COD) payments amounting to Baht 41.80 million, a provision for impairment of building improvements and program software totaling Baht 18.40 million, and a provision for employee benefit expense for early retirement of Baht 15.99 million.

In the year 2024, The decrease in administrative expenses was due to the Group setting aside provision for Expected Credit Loss (ECL) from a logistic company due to uncollected cash-on-delivery (COD) payments Baht 5.66 million. Additionally, the Group recognized a net gain of Baht 3.10 million from partial debt settlement by goods net of related expenses from a logistics company, which a provision for Expected Credit Loss was set up in 2023, based on a court ruling made during 2024. The Group also recorded a gain of Baht 10.45 million from reversing long-outstanding payables, a provision for employee benefit expense for early retirement of Baht 5.87 million, an investment reserve of Baht 4 million and an allowance for inventory of Baht 14.42 million.

6. Reversal of losses from investment impairment

The Company has reversed the loss from impairment of investments in subsidiaries in amounting to Baht 247.73 million in the separate financial statements. This is because during the first quarter of 2024 there was a restructuring of shareholding within the Group. This item has been eliminated from related transactions in preparing the consolidated financial statements.

7. Finance costs

The Group has financial costs for the year 2024, amounted to Baht 20.98 million. This represents a decrease of Baht 7.68 million or 26.79% from the same periods of the previous year. The decrease is due to repayments of interest-bearing borrowings.

8. Net Profit (loss)

The Group has a net profit attributable to the parent company for the year 2024, amounting to Baht 22.13 million. The profit increased by Baht 441.08 million and Baht, or 105.28% compared to the same periods of the previous year. This increase was due to internal organizational restructuring to improve efficiency, the group has experienced an overall increase in operating profit compared to the previous year.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at December 31, 2024 when compared with the balance as at December 31, 2023 were as follows:

(Unit: Million Baht)	AS AT DECEMBER 31,				Change	
	2024	%	2023	%	Amount	%
Current assets	222.99	14.76	226.38	15.30	(3.39)	(1.50)
Non-current assets	1,287.34	85.24	1,252.85	84.70	34.48	2.75
Total assets	**1,510.33**	**100.00**	**1,479.24**	**100.00**	**31.09**	**2.10**
Current liabilities	649.80	43.02	718.14	48.55	(68.35)	(9.52)
Non-current liabilities	183.31	12.14	119.81	8.10	63.51	53.01
Total liabilities	**833.11**	**55.16**	**837.95**	**56.65**	**(4.84)**	**(0.58)**
Total attributable to company's shareholders	660.51	43.73	641.29	43.35	19.22	3.00
Non-controlling interests	16.71	1.11	-	-	16.71	-
Total shareholders' equity	677.22	44.84	641.29	43.35	35.93	5.60
Total liabilities and shareholders' equity	**1,510.33**	**100.00**	**1,479.24**	**100.00**	**14.38**	**0.97**

Current assets

- **Cash and cash equivalents**: As at December 31, 2024, the balance was Baht 27.79 million, a decrease of Baht 42.64 million, resulting from the Group's capital management, as follows:

Net cash receipts from operating activities	66.41	Million Baht
Net cash receipts from investing activities	40.50	Million Baht
Net cash payments from financing activities	(109.03)	Million Baht
Net increase in cash and cash equivalents	(2.12)	Million Baht
Net cash transferred from disposals of investments in subsidiaries.	(40.52)	Million Baht
Net decrease in cash during the period	(42.64)	Million Baht

- **Trade receivables and other current receivables:** As at December 31, 2024, the balance was Baht 87.44 million, an increase of Baht 21.28 million, consisting of:
    1) **Trade receivables**: Amount of Baht 27.46 million, with customers paying by cash on delivery (COD). Trade receivables and other receivables have payment terms as per the credit terms received, net of the allowance for expected credit losses. During the year, the Group set aside provisions for expected credit losses from a logistics company's receivables due to outstanding COD amounts totaling approximately Baht 4.20 million since the receivable faced payment difficulties. The Group has ceased delivering goods to the receivable and is in the process of pursuing debt collection. For other receivables, the Group has already assessed and made adequate provisions.
    2) **Receivables from sale of investments:** Amounting of Baht 15 million from sale of investments in subsidiaries.
    3) **Other current receivables:** Amounting of Baht 44.98 million, consisting of accrued income, advance payments and prepaid expenses.
- **Other current financial assets**: As at December 31, 2024, the balance was Baht 31.50 million, due to the Group's investment in financial assets that generate consistent returns and provide liquidity to manage the Group's cash flow.
- **Inventories**: As at December 31, 2024, the balance was Baht 14.58 million, an increase of Baht 11.02 million, due to stockpiling for future sales, particularly seasonal best-sellers. The Group has managed inventory balance in line with sales forecasts to minimize inventory storage costs.

Non-current assets

- **Other non-current financial assets:** As of December 31, 2024, the balance was zero, a decrease of Baht 13.97 million due to the sale of investments in startup and SME businesses.
- **Long-term loans:** As of December 31, 2024, the outstanding balance amounted to Baht 434.60 million, a decrease of Baht 37.59 million, a reduction from collections of Baht 34.52 million, and decrease from the sale of investments in subsidiaries with long-term loans amounting to Baht 8.00 million.
- **Property, plant and equipment**: As at December 31, 2024, the balance was Baht 306.57 million, a decrease of Baht 21.05 million, with a change from additional investment of Baht 10.36 million, decrease from disposal of assets (net) Baht 0.02 million, depreciation Baht 25.86 million, decrease due to sale of investments in subsidiaries Baht 7.86 million and allowance for impairment of assets decreased Baht 2.32 million.
- **Goodwill:** As at December 31, 2024, the balance was Baht 1.73 million because the subsidiary's acquisition of shares in TVD Broadcast Company Limited, completed on March 22, 2024, which is considered the business acquisition date. The subsidiary is in the process of valuation as required by Financial Reporting Standard No. 3 within one year from the acquisition date.

- **Right of use assets:** As of December 31, 2024, the balance was Baht 252.31 million, an increase of Baht 140.90 million, due to additional lease agreements for broadcasting time to support business expansion amounting to Baht 293.75 million, lease terminations of Baht 89.61 million, depreciation of Baht 75.49 million, and transfers due to the sale of investments in subsidiaries of Baht 12.25 million.
- **Intangible assets:** As of December 31, 2024, the balance was Baht 61.79 million, a decrease of Baht 31.58 million, due to changes from additional investments of Baht 53.39 million, write-off of unused assets (net) of Baht 3.46 million, amortization of Baht 7.51 million, impairment provisions for inactive assets of Baht 1.32 million, and a decrease from the sale of investments in subsidiaries of Baht 9.52 million.

Current liabilities

- **Bank overdrafts and short-term loans from financial institutions:** As of December 31, 2024, the balance was Baht 169.51 million, with a decrease of Baht 37.19 million, resulting from the Group's capital management.
- **Trade payables and other current payables:** As of December 31, 2024, the balance was Baht 376.94 million, with a decrease of Baht 79.56 million, due to the payment of outstanding debts.
- **Lease liabilities:** As of December 31, 2024, the balance was Baht 254.70 million (including Baht 96.34 million due within one year and Baht 158.36 million due over one year). The increased of Baht 141.64 million due to the following factors: an increase of Baht 293.75 million due to new broadcasting lease agreements during the period, an increase of Baht 5.43 million from accretion of interest, a decrease of Baht 75.21 million from payments made, a decrease of Baht 93.49 million due to contract cancellations, and a decrease of Baht 10.86 million due to the sale of investments in subsidiaries.

Shareholder's equity

As of December 31, 2024, the Group had shareholders' equity of Baht 660.51 million, non-controlling interests of Baht 16.71 million, including shareholders' equity of Baht 677.22 million, increased by Baht 35.93 million, with changes as follows:

- **Comprehensive income (loss):** For the year 2024, amounting to Baht 19.35 million.
- **Non-controlling interests in subsidiaries:** Increased due to the subsidiary's purchase of an investment in TVD Broadcast Company Limited in the proportion of 55.00%, amounting to Baht 16.58 million and profits attributable to non-controlling interests in subsidiaries of Baht 0.13 million, totaling Baht 16.71 million.
- **Unappropriated Retained Earnings:** As approved by the Annual General Meeting of Shareholders on April 30, 2024, it was resolved to use Baht 241.72 million of excess of the common share capital to offset the Company's accumulated losses as of December 31, 2023, totaling Baht 241.72 million, in accordance with Section 119 of the Public Limited Companies Act B.E. 2535, as amended by the Public Limited Companies Act (No.2) B.E. 2544, to prepare the Company for future dividend payments when there are sufficient profits and cash flows.

Factors that may affect operations or future growth

The Group continues to follow its sale strategy, which includes selling through Telemarketing, Satellite TV, Digital TV, and online channels and offer the quality products. The group expects that government economic stimulus measures will positively impact the Group’s sales in the future.

Sustainability Developments

The Company has been recognized as a constituent of the ESG Investment list for 2023 by the Stock Exchange of Thailand, reflecting its ongoing commitment to sustainable business practices. The Company has been selected for inclusion in the sustainable stocks list a total of six times, in the years 2016, 2017, 2020, 2021, 2022, and 2023. The Company continues to maintain its standards in operation to be in line with sustainability developments plan.

Please be informed accordingly.

Yours faithfully,

(Miss Jiraporn Pinijnorachai)

Acting of Chief Financial Officer