

TWZ033/2021

November 12, 2021

Subject : Management Discussion and Analysis for Quarter 3 Ending September, 2021.

To : President,
The Stock Exchange of Thailand

With the TWZ Corporation Public Company Limited (the "Company") has submitted consolidated financial statement of the Company and its subsidiary for Quarter 3 Ending September 30, 2021 which was reviewed by authorized auditor. The Company and its subsidiaries wishes to clarify the operation result of the Company and its subsidiary as follows:

Operating Results

For Quarter 3 Ending September 30, 2021, the company and its subsidiaries had total revenue Baht 771.15 million, decreased from Baht 772.33 million in the same period which was Baht 1.18 million or equivalent to decrease of 0.15%, as follows;

- Revenues from sales and services. Baht 759.88 million, from increased Baht 758.27 million of the same period last year which was Baht 1.61 million or equivalent to the increase of 0.21%. Because The company was impacted by the Covid-19 pandemic, resulting in lower sales revenues.
- Sales promotion income was Baht 3.05 million decreased from Baht 7.69 million of the same period last year which was Baht 4.64 million or equivalent to the decrease of 60.34%. Because the company and its subsidiaries received lower sales support from suppliers.
- Others income was Baht 8.22 million increased from Baht 6.37 million of the same period last year which was Baht 1.85 million or equivalent to the increase of 29.04%. Mainly of the company's other income consists of foreign exchange gains. and interest income.
- Cost of sales and services was Baht 690.31 million increased from Baht 682.42 million of the same period last year. Because the Company and its subsidiaries had increased product distribution from the same period of the previous year.
- Distribution costs were Baht 12.69 million, decreased from Baht 16.86 million of the same period last year, and Administrative expenses of Baht 34.19 million, decreased from the amount of Baht 35.74 million of the same period last year because the company was able to manage selling and administrative expenses effectively.

- Share of profit from investments in associates amounted to Baht 5.43 million, increased from Baht (0.45) million of the same period last year amounted to Baht 5.88 million, resulting from accounting adjustments according to the Financial Reporting Standard No. 16, Lease agreement.
- Finance cost was Baht 28.98 million increased from Baht 28.97 million of the same period last year which was Financial cost of the normal operation of the company.
- Income tax expenses was Baht 2.09 million of Quarter 3, 2021 decreased from Baht 3.48 million of the same period last year which was Baht 1.39 million Because the operating result as described above.
- Net profit amounted to Baht 8.32 million, which net profit was deducted for loss attributable to non-controlling interests amounting Baht 0.21 million, resulting in the net profit attributable to the company amounted to Baht 8.53 million From 4.78 million baht of the same period of the previous year which was Baht 3.75 million or an increase of 78.45 percent due to the company. And its subsidiaries have the operating results as mentioned above.

Financial Status

The total assets of the Company in Quarter 3, 2021 were Baht 6,011.45 million and as of December 31, 2020 were Baht 5,758.67 million increased in amount of Baht 252.78 million or equivalent to the increase of 4.39%. The Company's total assets at Quarter 3, September 30, 2021 consisted of current assets with the portion of 81.61% and non-current assets with the portion of 18.39% The Company's major assets were summarized as follows:

- Accounts receivable of the Company in Quarter 3, 2021 were Baht 1,658.86 million and as of December 31, 2020 were Baht 1,734.02 million decreases in amount of Baht 75.16 million or equivalent to the decrease of 4.33 %. The company's Account receivable declined due to the impact of the Covid-19 epidemic, causing the company's revenue to decline continuously. Most of the other receivables of operations consisted of Advance payments for goods, other receivables, expenses paid in advance accrued income Operating Advances, and accrued interest.
- The inventory of the Company consisted of mobile phone and accessories Including waste that is a raw material for the production of electric power of its subsidiary were at the total amount of Baht 1,868.08 million in Quarter 3, 2021 and as of December 31, 2020 were Baht 1,781.64 million increases in amount of Baht 86.44 million or equivalent to the increase of 4.85 %.
- Other current financial assets which were the deposits that are pledged as collateral amounted to Baht 352.28 million, an increase from Baht 351.40 million of the previous year. amounting to Baht 0.88 million or an increase of 0.25%
- Non-current assets or assets to be disposed of classified as assets held for sale amounted to Baht 151.85 million, decreased from Baht 180.25 million due to the Company's asset impairment estimates.

Liquidity

The company and its subsidiaries have cash and cash equivalent as September 30, 2021 was Baht 581.89 million increases from the same period last year amount Baht 253.10 million or equivalent to the increase of 129.91 %. The details of the sources and uses of cash as follows;

- Net cash provided from operating activities was Baht 101.25 million. Most of due to a decrease in trade accounts receivable and an increase in trade accounts payable.
- Net cash used from investing activities was Baht 9.17 million. Most of the money was paid for the purchase of land, building and equipment.
- Net cash provided from financing activities was Baht 138.64 million. Most of them come from the issuance of equity shares.

Current ratio of the Company and its subsidiaries in September 30, 2021 equaled to 2.24 times. The current assets of the company and its subsidiaries in terms of cash and cash equivalents, bank overdraft and short-term loans to buy products decreased compared to the December 31, 2020, which has a current ratio of 2.27 times.

Source of Capital

As of September 30, 2021, the Company and its subsidiaries had total liabilities of Baht 2,466.86 million, while the shareholder's equity of the Company equal to Baht 3,544.59 million a result, debt to equity ratio was 0.70 times, decreased from 0.90 times as at December 31, 2020.

Please be informed accordingly.

Yours Faithfully,

(Mr.Kittipong Kittipassorn)

Director