

TWZ017/2022

August 11, 2022

Subject : Management Discussion and Analysis for Quarter 2 Ending June 30, 2022.

To : Secretary,
Securities and Exchange Commission, Thailand

With the TWZ Corporation Public Company Limited (the “Company”) has submitted consolidated financial statement of the Company and its subsidiary for Quarter 2 Ending June 30, 2022 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 2 Ending June 30, 2022, the company and its subsidiaries had total revenue Baht 847.67 million, increased from Baht 847.55 million in the same period which was Baht 0.12 million or equivalent to increase of 0.01%, as follows;

- Revenues from sales and services Baht 838.57 million, from decreased Baht 841.38 million of the same period last year which was Baht 2.81 million or equivalent to the decrease of 0.33 %.
- Sales promotion income was Baht 3.53 million increased from Baht 1.93 million of the same period last year which was Baht 1.60 million or equivalent to the increased of 82.90%. Because the company and its subsidiaries received lower sales support from suppliers.
- Others income was Baht 5.57 million increased from Baht 4.24 million of the same period last year which was Baht 1.33 million or equivalent to the increased of 31.37%. The company's other income mainly consists of the interest received from financial lease agreements and interest received from deposits from financial institutions.
- The cost of distribution was Baht 16.86 million, increased from Baht 16.18 million in the same period of the previous year or equivalent to the increased of 0.68 % or increase of 4.20% and administrative expenses of Baht 30.86 million, decreased from Baht 32.24 million of the same period last year. amounting to Baht 1.38 million or a decrease of 4.20%.
- Finance cost was Baht 21.20 million, decreased from Baht 29.31 million of the same period last year which was Baht 8.11 million or equivalent to the decreased of 27.67 %. Because the company has decreased interest-bearing debt.
- Income tax expenses was Baht 1.01 million decreased from Baht 1.31 million of the same period last year which was Baht 0.30 million because the operating result as described above.

- An amount of net profit was approximately Baht 4.97 million which was deducted by a deficit of non-controlling interests at Baht 0.08 million. Therefore, the net profit attributable to the company is an amount Baht 5.05 million, increase from Baht 1.96 million of the same period last year, was Baht 3.09 million or an increase of 157.65% because the operating result as described above.

Financial Status

The total assets of the Company in Quarter 2, 2022 were Baht 6,088.59 million and as of December 31, 2021 were Baht 6,497.95 million decreased in amount of Baht 409.36 million or equivalent to the decrease of 6.30 %. The Company's total assets at Quarter 2, June 30, 2022 consisted of current assets with the portion of 81.71 % and non-current assets with the portion of 18.29% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 1,903.60 million increases amount of Baht 1,733.35 million or amount of Baht 170.25 million or equivalent to the increase of 9.82 %. The Company's account Receivable increased because The company has revenue from sales and services by Offering credit to customers. To assist customers from the impact of the Covid-19 epidemic, The other accounts receivable consist of Advance payments for goods, Other receivables, Prepaid expenses, accrued income, Operating Advances and accrued interest receivable.
- The inventory of the Company and its subsidiaries consisted of mobile phones 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 2,046.78 million decrease in amount of Baht 2,062.19 million of the same period last year was Baht 15.41 million or equivalent to the decrease 0.75 %. The inventories are in accordance with the Company's product management policy. Currently, the cost of mobile phone products per unit is higher than in the past year.

Liquidity

The company and its subsidiaries have cash and cash equivalent as June 30, 2022 was Baht 375.86 million. The details of the sources and uses of cash as follows;

- Net cash used from operating activities was Baht 137.27 million. Mainly incurred from trade accounts receivable and other current receivables increased. Trade and other current payables decreased. and interest expenses.
- Net cash used from investing activities was Baht 0.80 million. Mainly from the cash received from sale of land, plant and equipment.
- Net cash provided from financing activities was Baht 398.96 million. Mainly caused by the payment of debentures and loan.

Current ratio of the Company and its subsidiaries in June 30, 2022 equaled to 3.20 times. The Company and its subsidiaries have current assets and current liabilities decreased compared to December 31, 2021 with the current ratio of 2.74 times.

Source of Capital

As of June 30, 2022 , the Company and its subsidiaries had total liabilities of Baht 2,013.18 million, while the shareholder's equity of the Company equal to Baht 4,075.41million a result, debt to equity ratio was 0.49 times, decreased from 0.60 times as at December 31, 2021.

Please be informed

Yours Sincerely,

(Mr. Teerayot Suthisamdaeng)

Managing Director (Acting)