

TWZ021/2022

November 11, 2022

Subject : Management Discussion and Analysis for Quarter 3 Ending September 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 3 Ending September 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 3 Ending September 30, 2022, the company and its subsidiaries had total revenue Baht 895.42 million, increased from Baht 771.15 million in the same period which was Baht 124.28 million or equivalent to increase of 16.12%, as follows;

- Revenues from sales and services Baht 882.76 million, from increased Baht 759.88 million of the same period last year which was Baht 122.88 million or equivalent to the increase of 16.17%. Because the company has increased mobile phone sales.
- Sales promotion income was Baht 8.14 million increased from Baht 3.05 million of the same period last year which was Baht 5.08 million or equivalent to the increased of 166.40%. Because the company and its subsidiaries received lower sales support from suppliers.
- Others income was Baht 4.53 million decreased from Baht 8.22 million of the same period last year which was Baht 3.69 million or equivalent to the decreased of 44.87%. The company's other income mainly consists of the interest received from financial lease agreements, interest received from deposits from financial institutions and Foreign exchange gains.
- Cost of sales and services was Baht 819.45 million increased from Baht 690.31 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 14.83 million, increased from Baht 12.69 million of the same period last year, which was Baht 2.13 million or equivalent to the increased of 16.81% Because the Company and its subsidiaries had increased product distribution and Administrative expenses of Baht 29.06 million, decreased from the amount of Baht 34.13 million of the same period last year which was Baht 5.07 million or equivalent to the decreased of 14.87%. Because the company was able to manage selling and administrative expenses effectively.

- Finance cost was Baht 22.63 million, decreased from Baht 28.99 million of the same period last year which was Baht 6.35 million or equivalent to the decreased of 21.91%. Because the company has decreased interest-bearing debt.
- Income tax expenses was Baht 2.93 million increased from Baht 2.09 million of the same period last year which was Baht 0.84 million because the operating result as described above.
- An amount of net profit was Baht 2.68 million which was deducted by a deficit of non-controlling interests at Baht 0.20 million. Therefore, the net profit attributable to the company is an amount Baht 2.87 million. Because the operating result as described above.

### Financial Status

The total assets of the Company in Quarter 3, 2022 were Baht 6,057.61 million and as of December 31, 2021 were Baht 6,497.95 million decreased in amount of Baht 440.34 million or equivalent to the decrease of 6.78%. The Company's total assets at Quarter 3, September 30, 2022 consisted of current assets with the portion of 81.85% and non-current assets with the portion of 18.15% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 1,864.04 million increases amount of Baht 1,733.35 million or amount of Baht 130.70 million or equivalent to the increase of 7.54%. The Company's accounts Receivable increased because The company has revenue from sales and services by Offering credit to customers. To assist customers with the impact of the Covid-19 epidemic, 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 2,042.37 million decrease in amount of Baht 2,062.19 million of the same period last year was Baht 19.81 million or equivalent to the decrease 0.96%. 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 September 30, 2022 was Baht 408.53 million The details of the sources and uses of cash as follows;

- Net cash used from operating activities was Baht 75.29 million. Mainly caused by the 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 11.87 million. Mainly caused by cash received from investing activities.
- Net cash provided from financing activities was Baht 439.34 million. Mainly caused by payment of debentures and loan.

Current ratio of the Company and its subsidiaries in September 30, 2022 equaled to 3.24 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 September 30, 2022, the Company and its subsidiaries had total liabilities of Baht 1,979.36 million, while the shareholder's equity of the Company equal to Baht 4,078.25 million 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.Puttachat Rungkasiri)

Managing Director