

TWZ007/2023

May 12, 2023

Subject : Management Discussion and Analysis for Quarter 1 Ending March 31, 2023.

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 1 Ending March 31, 2023 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 1 Ending March 31, 2023, the company and its subsidiaries had total revenue Baht 909.85 million, increased from Baht 815.38 million in the same period which was Baht 94.47 million or equivalent to increase of 11.59%, as follows;

- Revenues from sales and services Baht 897.77 million, from increased Baht 808.97 million of the same period last year which was Baht 88.80 million or equivalent to the increase of 10.98%. Because the company has focused on selling products Including increasing sales and working out sales increase.
- Sales promotion income was Baht 3.90 million increased from Baht 2.08 million of the same period last year which was Baht 1.83 million or equivalent to the increased of 88.10%. Because the company and its subsidiaries received upper sales support from suppliers.
- Others income was Baht 8.18 million increased from Baht 4.34 million of the same period last year which was Baht 3.84 million or equivalent to the increased of 88.50%. The company's other income mainly consists of the interest received from financial lease agreements and interest received from deposits from financial institutions. For the first quarter of 2023, the subsidiary has transferred the real estate development project for rent under the financial lease agreement to investment property, thereby gaining profit from the transfer of such assets from the market price.
- Distribution cost was Baht 13.80 million, decreased from Baht 15.63 million in the same period of the previous year because the company was able to manage expenses efficiently and administrative expenses in the amount of Baht 40.95 million, increase of Baht 31.12 million in the same period last year which was

Baht 9.83 million or equivalent to the increased of 31.58%. Due to the current period, the company has estimated a credit allowance for real estate project receivables under finance lease agreements.

- Expenses (income) income tax was Baht 3.49 million increased from Baht 2.28 million of the same period last year which was Baht 1.21 million because the operating result as described above.
- An amount of net profit was approximately Baht 11.30 million which was deducted by a deficit of non-controlling interests at Baht 0.97 million. Therefore, the net profit attributable to the company is an amount Baht 12.27 million, increase from Baht 7.88 million of the same period last year, was Baht 4.39 million or increase of 55.74% because the operating result as described above.

Financial Status

The total assets of the Company in Quarter 1, 2023 were Baht 6,126.57 million and December 31, 2022 were Baht 6,097.92 million increased in amount of Baht 28.65 million or equivalent to the increase of 0.47%. The Company's total assets at Quarter 1, March 31, 2023 consisted of current assets with the portion of 82.36% and non-current assets with the portion of 17.64% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 2,052.81 million increases amount of Baht 1,925.81 million or amount of Baht 127.00 million or equivalent to the increase of 6.59%. The Company's accounts Receivable increased because The company has revenue from sales and services by Offering credit to customers, 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 2,404.79 million increase in amount of Baht 2,358.26 million of the same period last year was Baht 46.53 million or equivalent to the increase 1.97%. 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.
- Real estate development projects for rent under finance lease amount of Baht 53.24 million, which decreased from Baht 63.58 million last year was Baht 10.34 million or a decrease of 16.26%. Since the Company considers expected credit loss for real estate project receivables under finance lease agreements..
- Investment Property amount of Baht 134.00 million, increased of Baht 122.00 million from the previous year was Baht 12.00 million or increased of 9.84% Since the subsidiary has transferred the real estate development project for rent under the finance lease agreement is Investment Property to revenue recognition from short-term leases.

Liquidity

The company and its subsidiaries have cash and cash equivalent as March 31, 2023 was Baht 226.43 million decreases from the same period last year amount Baht 143.81 million or equivalent to the decrease of 38.84%. The details of the sources and uses of cash as follows

- Net cash provided from operating activities was Baht 152.47 million. Mainly due to interest expenses, and increase inventories. Trade and other current receivables.
- Net cash used from investing activities was Baht 0.64 million. Mainly from cash paid for the purchase of intangible assets, property, plant and equipment.
- Net cash provided from financing activities was Baht 23.14 million. Mainly due to cash received from loans.

Current ratio of the Company and its subsidiaries as March 31, 2023 equaled to 3.23 times. The Company and its subsidiaries have current assets and current liabilities decreased compared as December 31, 2022 with the current ratio 3.21 times.

Source of Capital

The total liabilities of the Company as March 31, 2023, amounted to Baht 2,027.66 million. While the company's shareholders' equity was Baht 4,098.91 million. As a result, the debt-to-equity ratio 0.49 times, the same as on December 31, 2022.

Please be informed accordingly.

Yours Faithfully,

(Mr.Puttachat Rungkasiri)

Managing Director