

TWZ009/2023

August 11, 2023

Subject : Management Discussion and Analysis for Quarter 2 Ending June 30, 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 2 Ending June 30, 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 2 Ending June 30, 2023, the company and its subsidiaries had total revenue Baht 870.04 million, increased from Baht 842.53 million in the same period which was Baht 27.50 million or equivalent to increase of 3.26%, as follows;

- Revenues from sales and services Baht 865.24 million, increased Baht 837.13 million of the same period last year which was Baht 28.11 million or equivalent to the increase of 3.36%. Because the company has focused on selling products Including increasing sales.
- Sales promotion income was Baht 2.07 million decreased from Baht 2.26 million of the same period last year which was Baht 0.19 million or equivalent to the decreased of 8.48%. Because the company and its subsidiaries received lower sales support from suppliers.
- The cost of distribution was Baht 13.13 million, which decreased from Baht 16.86 million in the same period of the previous year because the company was able to manage expenses efficiently and administrative expenses of Baht 33.78 million, increase of Baht 30.85 million from the same period of the previous year in the amount of 2.93 million baht or increase of 9.49% due to the current period, the subsidiary has more administrative expenses.
- Income tax expenses was Baht 2.99 million increased from Baht 1.02 million of the same period last year which was Baht 1.97 million because the operating result as described above.
- An amount of net profit was approximately Baht 3.86 million which was deducted by a deficit of non-controlling interests at Baht 0.62 million. Therefore, the net profit attributable to the company is an amount Baht 4.48 million, decrease from Baht 5.06 million of the same period last year, was Baht 0.59 million or an decrease of 11.60% because the operating result as described above.

## **Financial Status**

The total assets of the Company in Quarter 2, 2023 were Baht 6,142.60 million and as of December 31, 2022 were Baht 6,097.92 million increased in amount of Baht 44.68 million or equivalent to the increase of 0.73%. The Company's total assets at Quarter 2, June 30, 2023 consisted of current assets with the portion of 82.76% and non-current assets with the portion of 17.24% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 2,036.21 million increases amount of Baht 1,925.81 million or amount of Baht 110.40 million or equivalent to the increase of 5.73%. 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 2,454.02 million increase in amount of Baht 2,358.26 million of the same period last year was Baht 95.76 million or equivalent to the increase 4.06%. 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 45.06 million, which decreased from Baht 63.58 million last year was Baht 18.52 million or a decrease of 29.13%. 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 increase of 9.84% Because 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 June 30, 2023 was Baht 229.59 million decreases from the same period last year amount Baht 126.81 million or equivalent to the decrease of 35.58%. The details of the sources and uses of cash as follows :

- Net cash provided from operating activities was Baht 154.62 million. Mainly due to interest expenses, and increase inventories. Trade and other current receivables.
- Net cash used from investing activities was Baht 4.92 million. Mainly from the cash received from investing activities.
- Net cash provided from financing activities was Baht 22.89 million. Mainly due to cash received from loans.

Current ratio of the Company and its subsidiaries as June 30, 2023 equaled to 2.85 times. The Company and its subsidiaries have current assets and current liabilities increased compared as December 31, 2022 with the current ratio 3.22 times.

**Source of Capital**

The total liabilities of the Company as June 30, 2023, amounted to Baht 2,039.83 million. While the company's shareholders' equity was Baht 4,102.77 million. As a result, the debt-to-equity ratio 0.50 times, increased from 0.49 times the same as on December 31, 2022.

Please be informed accordingly.

Yours Faithfully,

(Mr.Puttachat Rungkasiri)

Managing Director