

TWZ011/2023

November 13, 2023

Subject : Management Discussion and Analysis for Quarter 3 Ending September 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 3 Ending September 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 3 Ending September 30, 2023, the company and its subsidiaries had total revenue Baht 892.39 million, increased from Baht 891.09 million in the same period which was Baht 1.30 million or equivalent to increase of 0.15%, as follows;

- Revenues from sales and services Baht 883.13 million, decreased Baht 886.41 million of the same period last year which was Baht 3.28 million or equivalent to the decrease of 0.37%.
- Sales promotion income was Baht 2.72 million increased Baht 1.38 million of the same period last year which was Baht 1.35 million or equivalent to the increased of 97.53%. Because the company and its subsidiaries received lower sales support from suppliers.
- Distribution Cost was Baht 13.95 million decreased Baht 14.83 million of the same period last year because the company was able to manage expenses efficiently and administrative expenses amounted to Baht 33.13 million, an increase of Baht 29.07 million of the same period last year was Baht 4.09 million or increase of 13.96%. because, the subsidiary has increased administrative expenses.
- Income tax expenses was Baht 2.37 million decreased from Baht 2.93 million of the same period last year which was Baht 0.57 million because the operating result as described above.
- An amount of net profit was approximately Baht 7.54 million which was deducted by a deficit of non-controlling interests at Baht 0.79 million. Therefore, the net profit attributable to the company is an amount Baht 8.32 million, increase from Baht 2.87 million of the same period last year, was Baht 5.45 million or increase of 189.53% because the operating result as described above.

Financial Status

The total assets of the Company in Quarter 3, 2023 were Baht 6,138.95 million and as of December 31, 2022 were Baht 6,097.92 million increased in amount of Baht 41.03 million or equivalent to the increase of 0.67%. The Company's total assets at Quarter 3, September 30, 2023 consisted of current assets with the portion of 82.84% and non-current assets with the portion of 17.16% The Company's major assets were summarized as follows:

- The Company and its subsidiaries had account Receivable and other current receivables amount of Baht 2,040.64 million increases amount of Baht 1,925.81 million of the same period last year or amount of Baht 114.83 million or equivalent to the increase of 5.96%. 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 2,497.04 million increase in amount of Baht 2,358.26 million of the same period last year was Baht 138.78 million or equivalent to the increase 5.88%. 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 45.67 million, which decreased from Baht 63.58 million last year was Baht 17.90 million or a decrease of 28.16%. Because the company considers setting up credit allowances for real estate project debtors under financial lease agreements and receives payments from the debtors within the specified period.
- 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 September 30, 2023 was Baht 202.90 million decreases from the same period last year amount Baht 205.63 million or equivalent to the decrease of 50.33%. The details of the sources and uses of cash as follows;

- Net cash used from operating activities was Baht 155.83 million. Mainly caused due to interest expenses and an increase in inventories. Trade and other current receivables.
- Net cash used from investing activities was Baht 10.31 million. Mainly caused by cash received from investing activities.
- Net cash used from financing activities was Baht 7.97 million. Mainly caused due to the cash paid by the lessee to reduce the amount of debt arising from the finance lease.

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

Source of Capital

As of September 30, 2023, the Company and its subsidiaries had total liabilities of Baht 2,028.65 million, while the shareholder's equity of the Company equal to Baht 4,110.31 million a result, debt to equity ratio was 0.49 times, decreased from 0.49 times as at December 31, 2022.

Please be informed

Yours Sincerely,

(Mr.Puttachat Rungkasiri)

Managing Director