



No. CHO 17/2022

February 25, 2022

Subject: Management Discussion and Analysis Quarter 4 of 2021 Ending December 31, 2021

To: The President

The Stock Exchange of Thailand

Cho Thavee Public Company Limited (“The company” or “CHO”) and its subsidiaries would like to clarify Performance of the Quarter 4 of 2021 and the Fiscal Year 2021 (January to December) which details are as follows.

Business overview:

In Q4/2021, CHO and its subsidiaries reported net loss of THB 218.75 million, increased by THB 119.14 million, or 119.61% YoY

In FY2021, CHO and its subsidiaries reported net loss of THB 475.32 million, increased by THB 236.56 million, or 99.08%

In the quarter 4 of 2021 (“Q4/2021”), CHO and its subsidiaries, reported a net loss of THB 218.75 million. The revenue from contract has decreased (in some of customers) amended purchasing contracts to be 2022, resulted in the reversal of transaction to be products under production and the reversal of recognized revenue to be recognized upon the stage of completion of works. Revenues decreased by THB 66.82 million, or decreased by 104.29% YoY. Revenue from sale and service was THB 66.70 million, decreased by THB 0.65 million, or 0.97% YoY, due to an uncertain of revenue as a delay on domestic and overseas customer orders, which impacted by the epidemic situation of COVID-19. The Company considered and recorded a depreciation of liabilities regarding a major domestic airline entered the rehabilitation plan caused a continuing impact on the Company in 2021.

For the Fiscal Year 2021 (“FY2021”), CHO and its subsidiaries, reported a net loss of THB 475.32 million, increased by THB 236.56 million, or increased by 99.08% YoY. Total revenue was THB 440.67 million, decreased by THB 207.29 million. Revenue from contract was THB

140.11 million, decreased by THB 210.30 million, due to the impact by the COVID-19 pandemic, resulted in a delay on investment from Government Authorities and private sectors. Especially, airline business worldwide had lower revenue, so they postpone their catering truck orders. Moreover, there was the airline business customer group entered the rehabilitation plan under the rehabilitation procedure of the Central Bankruptcy Court, so the company set allowance for doubtful accounts. Revenue from sales and maintenance service was THB 261.75 million, decreased by THB 15.30 million. The revenue was from the bus and truck maintenance service and commercial vehicle service center, those affected by the bus operation suspension and control due to the continuing enforcement of preventive measures and surveillance of the COVID-19 pandemic.

Revenue:

In Q4/2021, CHO and its subsidiaries reported total revenue of THB 90.46 million, or decreased by 28.76% YoY. Revenue from contract decreased by 104.29%, because the customer had impacts by the COVID-19 situation, their orders had been postponed continually. Revenue from sales and services decreased by 0.97%, due to the SIBLOR 24 hours service center and maintenance service contracts made with Private Sectors and Government Authorities.

In FY2021, CHO and its subsidiaries reported total revenue of THB 440.67 million, decreased by 31.99%, due to the unstable revenue from delaying domestic customer orders and customers in domestic and overseas airline group for those who affected by the COVID-19 pandemic. The Company considered and recorded a depreciation of liabilities regarding a major domestic airline entered the rehabilitation plan caused a continuing impact on the Company in 2021. Revenue

from sales and services were THB 261.76 million, decreased by 5.52%, comprising of revenue from bus maintenance service center and bus maintenance service according to the long-term service contract. The decrease was from a continuous enforcement of preventive measures and surveillance of the COVID-19 pandemic.

Other Revenues

In Q4/2021, the Company and its subsidiaries reported other revenues of THB 26.51 million, increased by 697.07% YoY, due to the adjusted fair price of the asset for investment.

In FY2021, the Company and its subsidiaries reported other revenue of THB 38.80 million, increased by 89.36% YoY, due to the adjusted fair price of the asset for investment.

Cost and Expense:

Cost:

In Q4/2021, CHO and its subsidiaries reported a cost of THB 105.76 million, decreased by 11.11% YoY,

In FY2021, CHO and its subsidiaries reported a cost of THB 473.41 million, decreased by 14.64% proportionally

Gross Profit (Loss):

In the Q4/2021, CHO and its subsidiaries reported the gross profit of THB (41.81) million, the loss increased by 436.06% YoY, due to a decrease in revenue, but still have to record fixed costs and reserve for long-standing goods according to accounting standards.

In FY2021, CHO and its subsidiaries reported the gross profit of THB (71.54) million, increased by 198.19% YoY, due to a decrease in revenue, but still have to record fixed cost and reserve for long-standing goods according to accounting standards.

Distribution Cost:

In Q4/2021, CHO and its subsidiaries reported distribution cost of THB 4.27 million, increased by 22.70%, due to an adjustment of employee expense instead of the cost reduction measure for the Company and its subsidiaries during the first 3 quarters.

Administrative Cost:

In Q4/2021, CHO and its subsidiaries reported administrative cost of THB 131.01 million, increased by 87.18% YoY, due to the set of allowance for doubtful accounts, which affected by the COVID-19 pandemic, and a reserve for dead stock

In FY2021, CHO and its subsidiaries reported administrative cost of THB 219.25 million, increased by 30.63% YoY, the set of allowance for doubtful accounts, which affected by the COVID-19 pandemic, a reserve for dead stock, and an estimate of non-current liabilities.

Financial Cost:

In Q4/2021, CHO and its subsidiaries reported financing cost of THB 75.95 million, increased by 121.36% YoY, due to the Convertible bond interest, and the right to choose to convert at fair value.

Financial Position:

As of December 31, 2021, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,221.70 million, increased by 2.66% YoY, due to an investment fund on associates and purchasing of assets for the project of personnel transportation bus service. CHO and its subsidiaries reported liabilities of THB 2,340.60 million, increased by 6.35%. D/E Ratio was 2.66 times, increased by 0.31 times YoY. Interest



Bearing Debt D/E Ratio was 2.25 times increased from December 31, 2021, by 2.25 times. The Company and its subsidiaries reported a net loss during the period, resulted in an increase in the D/E ratio.

Please be informed accordingly,

Yours Sincerely,

Cho Thavee Public Company Limited

(Mr. Suradech Taweesaengsakulthai)

President and Chief Executive Officer