



No. CHO 35/2022

May 13, 2022

Subject: Management Discussion and Analysis Quarter 1 of 2022 Ending March 31, 2022

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 1 of 2022 (January to March) which details are as follows.

Business overview:

In Q1/2022, CHO and its subsidiaries reported net loss of THB 157.35 million, loss increased by THB 98.89 million, or 169.19% YoY

In the quarter 1 of 2022 (“Q1/2022”), CHO and its subsidiaries, reported a net loss of THB 157.35 million, an increase in total cost of 126.91 million baht, or increase by 111.08% YoY due to fixed costs and provision for impairment of work in process (Parts). Contract revenue increased by THB 90.17 million or 192.06% YoY. Revenue from sales and services amounted to THB 59.60 million, a decrease of THB 7.90 million or 11.70% YoY, affected by the uncertainty in revenue from the delay of orders from domestic customers and customers in airlines both domestically and internationally affected by the COVID-19 outbreak, including the company was consider and record various impairments including fixed expenses that must be recorded in accordance with accounting standards for the period.

Revenue:

In Q1/2022, CHO and its subsidiaries reported total revenue of THB 214.10 million, or increased by 81.50% YoY. Revenue from contract decreased by 104.29%, because orders for special urgent analysis vehicles (Covid-19 testing) and Catering service truck from foreign

customers. However, customers of this product group are still continuously affected by the COVID-19 situation. (Delaying orders) for sales and service income decreased by 11.70% from the SIBLOR 24 hours service center and maintenance according to contracts with private and government customers who have been continuously affected by the COVID-19 situation.

Other Revenues

In Q2/2022, the Company and its subsidiaries reported other revenues of THB 17.38 million, increased by 395.16% YoY, due to compensation from flood insurance last year, interest income and scrap sales.

Cost and Expense:

Cost:

In Q1/2022, CHO and its subsidiaries reported a cost of THB 241.16 million, increased by 111.08% YoY, in proportion to the increase in revenue and fixed costs, provision for impairment of work in process (Parts) according to accounting standards.

Gross Profit (Loss):

In the Q1/2022, CHO and its subsidiaries reported the gross profit of THB (54.81) million, the loss increased by 91.78% YoY, due to a decrease in revenue, but still have to record fixed costs and reserve for long-standing goods according to accounting standards.

Distribution Cost:

In Q1/2022, CHO and its subsidiaries reported distribution cost of THB 4.13 million, decreased by 0.72%, due to an adjustment of the cost reduction measure for the Company and its subsidiaries.

Administrative Cost:

In Q1/2022, CHO and its subsidiaries reported administrative cost of THB 23.62 million, decreased by 16.03% YoY, due to reverse the company's provision for doubtful accounts, which affected by the COVID-19 pandemic and a reserve obsolete products. (Some items reevaluated according to accounting standards)

Financial Cost:

In Q1/2022, CHO and its subsidiaries reported financing cost of THB 100.63 million, increased by 248.68% YoY, due to the Convertible bond interest, and the right to choose to convert at fair value.

Financial Position:

As of March 31, 2022, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,265.17 million, increased by 1.36% YoY, from having the balance of receivables delivered and pending collection. CHO and its subsidiaries reported liabilities of THB 2,161.04 million, decreased by 7.67%. D/E Ratio was 1.96 times, decreased by 0.70 times YoY. Interest Bearing Debt D/E Ratio was 1.65 times decreased from December 31, 2021, by 0.55 times. The Company and its subsidiaries reported an increased paid-up capital during the period, resulted in an decrease in the D/E ratio.

Please be informed accordingly,

Yours Sincerely,

Cho Thavee Public Company Limited

(Mr. Suradech Taweesaengsakulthai)

President and Chief Executive Officer