

CTW023/2022

August 10, 2022

Subject : Management Discussion and Analysis for the second quarter of 2022

To : President
The Stock Exchange of Thailand

Charoong Thai Wire and Cable Plc.(CTW) would like to clarify the Company and its subsidiaries' operating results based on the consolidated financial statements for the second quarter of 2022, three-month period, ended 30 June 2022 as follows:

(Unit : Million Baht)

Operating Results	The second quarter (three-month period)			
	2022	2021	Change	
			Million Baht	%
Total revenues	1,507.69	1,650.12	(142.43)	(8.63)
Profit attributable to equity holders of CTW	61.26	60.51	0.76	1.25
Earnings per share (Baht/Share)	0.15	0.15		

Profit

Profit attributable to equity holders of CTW for the second quarter of 2022, three months period, was THB 61.26 million, increasing by THB 0.76 million or 1.25% from THB 60.51 million in the same period of 2021, caused by the following main reasons:

Revenue from Sales

Revenue from sales of THB 1,503.86 million decreased by THB 140.36 million or 8.54% when compared with THB 1,644.22 million in the same period of the previous year. In the second quarter of 2022, three-month period, the Company and its subsidiaries had revenue from Enameled and non-enameled wire of THB 968.23 million, followed by Power cable of THB 524.60 million, Fiber optic cable of THB 6.89 million and Communication cable of THB 3.49 million, respectively.

Other Income

Other Income of THB 3.83 million decreased by THB 2.07 million or 35.05% from THB 5.90 million in the same period of the previous year. In the second quarter of 2021, there was dividend income of THB 3.27 million.

Expenses

Total expenses of THB 1,424.81 million decreased by THB 146.79 million or 9.34% from THB 1,571.60 million in the same period of the previous year, details were summarized as follows.

1. Cost of Sales

Total cost of sales of THB 1,602.38 million increased by THB 101.56 million or 6.77% when compared with THB 1,500.82 million in the same period of the previous year. In the second quarter of 2022, the negative gross was THB 98.51 million or the negative

gross margin was 6.55%. While, the gross profit was THB 143.41 million or the gross profit margin was 8.72% in the same period of the previous year. Since the main raw materials are commodities which their price always fluctuate, they are valued at the lower of average cost and net realisable value. Thus, there was the allowance for diminution in value of inventories of THB 138.61 million, which were included in the cost of sales, in the second quarter of 2022. While, there was reversal of the allowance for diminution in value of inventories of THB 51.08 million in the same period of the previous year.

2. Administrative Expenses

Administrative expenses of THB 58.95 million increased by THB 2.33 million or 4.11% from THB 56.63 million in the same period of the previous year. In the second quarter of 2022, there was loss on exchange rate of THB 16.89 million, increasing from THB 1.73 million in the same period of the previous year.

In the second quarter of 2022, there was reversal of loss on onerous contracts of THB 251.90 million, due to decrease in quantity and price of main raw materials that must be delivered to the customers under the contract. There was reversal of loss on onerous contracts of THB 4.50 million in the same period of the previous year.

Financial position

1. Assets :

As at 30 June 2022, the Company and its subsidiaries had total assets of THB 6,219.08 million, decreasing by 3.73% from THB 6,459.93 million at the end of 2021 caused by the decrease in cash and cash equivalents and other non-current financial assets.

2. Liabilities :

As at 30 June 2022, the Company and its subsidiaries had total liabilities of THB 2,387.82 million, decreasing by 5.54% from THB 2,527.93 million at the end of 2021, due to decrease in trust receipts.

3. Shareholders' equity of the Company :

As at 30 June 2022, the Company and its subsidiaries had shareholders' equity of the Company of THB 3,828.19 million, decreasing by 2.64% from THB 3,932.10 million at the end of 2021, mainly due to decrease in the retained earnings of the Company.

(Unit : Million Baht)	Consolidated F/S			Separate F/S		
	30 Jun.2022	31 Dec.2021	% of Change	30 Jun.2022	31 Dec.2021	% of Change
Total assets	6,219.08	6,459.93	(3.73)	4,855.26	5,280.91	(8.06)
Total Liabilities	2,387.82	2,527.93	(5.54)	1,414.86	1,738.99	(18.64)
Total shareholders' equity of the Company	3,828.19	3,932.10	(2.64)	3,440.40	3,541.92	(2.87)
Debt-To-Equity (times)	0.62	0.64		0.41	0.49	
Return on Equity (%)	(0.71)	(9.59)		(0.68)	(12.53)	

Please be informed accordingly.

Sincerely yours,

-- Mr. Sun Tao-Heng --

(Mr. Sun Tao-Heng)
Managing Director