

No.CHO 79/2022

November 14, 2022

Subject: Management Discussion and Analysis Quarter 3 of 2022 Ending September 30, 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 3 of 2022 (July to September) which details are as follows.

In 3Q/2022, CHO and its subsidiaries reported net loss of THB 134.49 million, In 9M/2022, CHO and its subsidiaries reported net loss of THB 427.52 million

**Business overview:**

In the quarter 3 of 2022 (“Q3/2022”), CHO and its subsidiaries, reported a net loss of THB 134.49 million due to an decrease in total costs of THB 22.35 million or an decrease of 27.34% compared to the same period of the previous year by continuous affected of the COVID-19 virus epidemic causing some projects to extend the delivery period, which has increased cost of imported products and the hiring of foreign experts. Revenue from contract has decreased by THB 4.74 million, or decreased by 7.30% YoY. Resulting in losses as mentioned above.

For the period of 9 month of 2022 (“9M/2022”), CHO and its subsidiaries, reported a net loss of THB 427.52 million. While Revenue from contract an increase by THB 199.57 million or 117.23% YoY. By continuous affected by the COVID-19 virus epidemic causing some projects to extend the delivery period, which has increased cost of imported products and the hiring of foreign experts. However, the company can generate revenue from maintenance service of THB 178.05 million, or 43.11% of 9M/2022 revenue.

**Revenue:**

In Q3/2022, CHO and its subsidiaries reported total revenue of THB 121.99 million, a decreased of 19.29% YoY. Although contract revenues from project management and truck&bus maintenance services, Revenue from repair services under contracts with logistics customers government agency and providing car rental services for staff of THB 60.17 million, or decreased by 7.30 percent due to the measure to stop public bus operation to reduce the risk of spreading viral transmission, and other revenue from interest income, management of related companies, and various scrap sales amounted to THB 2.43 million.

For the period of 9M/2022, CHO and its subsidiaries reported total revenue of THB 413.03 million, an Increased by 17.94% YOY, revenue from contract increased by THB 52.09 % because receiving an order for The special urgent analysis vehicle project (for COVID-19 testing) from domestic customers and ground service truck in airport from foreign customers. CHO has project management and maintenance

according to contracts with logistics customers government agency and the provision of car rental services to revenue of sales and service of THB 178.05 million, a decreased of 8.72% YOY, due to the measure to stop public bus operation to reduce the risk of spreading viral transmission, and other revenue from interest receivable, related the company's management, and sales of scrap left from the production and compensation from the flood in 2021 amounted to THB 17.72 million.

**Cost and Expense:****Cost:****Q3/2022**

- CHO and its subsidiaries reported cost of THB 199.88 million, an increase of 41.76% YoY, due to by continuous affected of the COVID-19 virus epidemic causing some projects to extend the delivery period, which has increased cost of imported products and the hiring of foreign experts and fixed expenses and provisioning according to accounting standards.
- Distribution expenses of THB 3.63 million, a decrease of 4.22%, due to the company set sales compensation based on sales volume and cost control measurement.
- Administrative expenses of THB 17.77 million baht, a decrease of 48.18% YoY, because of last year there were expenses related to employees, allowance for doubtful accounts, and professional consultant fees to assess and offer opinions according to accounting standards.

**9M/2022**

- Total cost was THB 589.41 million, Increased by 60.32% YOY according to revenue proportion by increased cost of imported products and the hiring of foreign experts and fixed expenses and provisioning according to accounting standards.
- Selling expenses were THB 12.55 million, decreased by 0.48% due to setting up of sales compensation based on sales volume
- Administrative expenses were THB 63.91 million, decreased by 30.72%, because of last year there were expenses related to employees, allowance for doubtful accounts and professional consultant fees to assess and offer opinions according to accounting standards.

**Gross Profit:**

In the Q3/2022 and 9M/2022, CHO and its subsidiaries reported gross loss of THB 80.32 million, and THB 194.10 million with gross loss ratio of 65.84% and 46.99% respectively.

**Financing Cost :**

In the Q3/2022 and 9M/2022, CHO and its subsidiaries reported financing cost of THB 32.48 million and THB 169.11 million, decreased by 55.32% YOY and Increased by 27.02% YoY respectively, due to an interest item on debentures and convertible



options calculated on models using observable market data, including taking into account the rate of price volatility and the rate of return used to be adjusted by other risk factors to assess the fair value.

**Financial Position :**

As of September 30, 2022, CHO and its subsidiaries had a strong financial stability with total assets of THB 2,890.70 million, decreased by THB 331 million or 10.27% at December 31, 2021 because The contract assets have been delivered and receivables that have been paid, therefore D/E ratio was 2.18 times, decreased from the previous year at a rate of 0.48 times, Interest Bearing Debt D/E Ratio was 1.78 times, Decreased from the previous year at a rate of 0.48 times, due to decrease in debt and increased in paid-up capital.

Please be informed accordingly.

Yours Sincerely,

Cho Thavee Public Company Limited

(Mr. Suradech Taweesaengsakulthai)

President and Chief Executive Officer