



No. CHO 25/2023

February 27, 2023

Subject: Management Discussion and Analysis Quarter 4 of 2022 Ending December 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 4 of 2022 and the Fiscal Year 2022 (January to December) which details are as follows.

Business overview:

In Q4/2022, CHO and its subsidiaries reported net loss of THB 240.78 million, increased by THB 19.92 million, or 9.02% YoY

In FY2022, CHO and its subsidiaries reported net loss of THB 642.77 million, increased by THB 167.46 million, or 35.23%

In the quarter 4 of 2021 (“Q4/2021”), CHO and its subsidiaries, reported a net loss of THB 240.78 million. From the cost of contract work has an increase of THB 59.31 million or 179.44% YoY, which has been continuously affected by the spread of the COVID-19 virus causing some projects to extend the delivery period, cost of imported products and the hiring of foreign experts. Resulting in The company's other income decreased by THB 21.61 million or 81.51 %, and interest income, management of related companies, and income from sale of scrap materials left over from production.

For the Fiscal Year 2022 (“FY2022”), CHO and its subsidiaries, reported a net loss of THB 642.77 million, from the cost of contract work has an increased by THB 258.88 million, or increased by 127.34% YoY, which has been continuously affected by the spread of the COVID-19 virus causing some projects to extend the delivery period, cost of imported products and the hiring of foreign experts. Revenue from sales and maintenance service was THB 249.61 million or 47.24% of total revenue in year 2022.

Revenue:

In Q4/2022, CHO and its subsidiaries reported total revenue of THB 111.69 million, or increased by 23.46% YoY. Revenue from contract of THB 35.63 million and income from project management and maintenance services for trucks and buses from truck repair centers, revenue from repair services according to contracts with logistics customers government agency and providing car rental services to transport employees, revenue from sales and services amounted to THB 71.16 million, an increase of 6.67 % YoY, and other income of THB 4.90 million, which is income from interest income, management of related companies, and income from sale of scrap materials left over from production.

In FY2022, CHO and its subsidiaries reported total revenue of THB 527.53 million, increased by 19.71% YoY, due to an increase in contract revenue of 80.50 %, resulting from the order of a special express analysis vehicle (for COVID-19 testing) and a food transport vehicle for airplanes from foreign customers. The company has income from project management and maintenance services for trucks and buses from truck repair centers. Revenue from repair services according to contracts with logistics customer's government agency and the provision of car rental services to transport employees Revenue from sales and services amounted to THB 249.21 million, a decrease of 4.79 %. As a result of measures to stop public transport to reduce the risk of COVID-19 virus, and other income of THB 25.43 million, which is income from interest income, management of related companies and income from sale of scrap materials left over from production and received compensation from the flood in the year 2021.

Cost and Expense:

Cost:

- In Q4/2022, CHO and its subsidiaries reported a cost of THB 174.24 million, Increased by 64.76% YoY, affected by spread of the COVID-19 virus causing some projects to extend the delivery period, cost of imported products and the hiring of foreign experts with fixed expenses and provisions were recorded according to accounting standards.
- Distribution expenses of THB 3.67 million, a decrease of 14.07 %, due to the company setting a return on sales and cost control measures.
- Administrative expenses of THB 107.31 million baht, a decrease of 18.10 percent YoY, due expenses related to employees, allowance for doubtful accounts, and professional consultant fees to accounting standards.

- In FY2022, CHO and its subsidiaries reported a cost of THB 763.64 million, increased by 61.31%, affected by spread of the COVID-19 virus causing some projects to extend the delivery period, cost of imported products and the hiring of foreign experts with fixed expenses and provisions were recorded according to accounting standards.
- Distribution expenses of THB 16.22 million, decreased of 3.91 %, due to the company setting a return on sales.
- Administrative expenses of THB 107.31 million baht, a decrease of 20.63 percent YoY, due to cost control measures with expenses related to employees, allowance for doubtful accounts, and professional consultant fees to accounting standards.

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Gross Profit (Loss):

In Q4/2022 and FY2022, CHO and its subsidiaries reported the gross profit of THB (64.75) million and gross profit of THB (261.53) million respectively. 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.

Financial Cost:

In Q4/2022 and FY2022, CHO and its subsidiaries reported financing cost of THB 50.98 million decrease by 32.87 YoY and THB 220.10 million increase by 5.26 % respectively from the Debentures interest, conversion options from the model using observable market data, including taking into account the rate of price volatility, and the right to choose to convert at fair value.

Financial Position:

As of December 31, 2022, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,052.25 million, decreased by THB 169.45 million or 5.26% YoY, due to the contract assets have been delivered and received payments from trade accounts receivable, causing the balance to decrease

As of December 31, 2022, D/E Ratio was 2.51 times, decreased by 0.15 times YoY. Interest Bearing Debt D/E Ratio was 1.83 times decreased from December 31, 2021, by 0.43 times, resulted in an decrease in The Company's debt and its paid-up capital has increased.



Please be informed accordingly,

Yours Sincerely,

Cho Thavee Public Company Limited

(Mr. Suradech Taweesaengsakulthai)

President and Chief Executive Officer