



No. CHO 39/2023

May 12, 2023

Subject: Management Discussion and Analysis Quarter 1 of 2023 Ending March 31, 2023
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 2023 (January to March) which details are as follows.

In Q1/2023, CHO and its subsidiaries reported net loss of THB 125.00 million, loss decreased by THB 32.34 million, or 20.55% YoY

Business overview:

In the quarter 1 of 2023 ("Q1/2023"), CHO and its subsidiaries, reported a net loss of THB 125.00 million, or decrease by THB 32.34 million or 20.55% YoY due to fixed costs and provision for impairment of work in process (Parts). Contract revenue decreased by THB 98.82 million or 72.07% YoY. Revenue from sales and services amounted to THB 93.87 million, an increase of THB 34.27 million or 57.51% YoY, due to an increase in sales of spare parts in the country and customers in both domestic and international airlines, 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 Q1/2023, CHO and its subsidiaries reported total revenue of THB 136.74 million, or decreased by THB 77.36 million or 36.13% YoY. Revenue from contract of THB 38.30 million decreased by 72.07%, due to the expansion of foreign customer orders to the second quarter of 2023, sales and service income of THB 93.87 million or increased by 57.51% from the SIBLOR 24 hours service center and maintenance according to contracts with private and government customers , including orders for spare parts from customers in the country.

Other Revenues

In Q1/2023, the Company and its subsidiaries reported other revenues of THB 151.78 million, decreased by THB 89.38 million or 37.06% YoY, due to fixed costs and provision for impairment of work in process (Prat) according to accounting

standards.

Cost and Expense:

Cost:

In Q1/2023, CHO and its subsidiaries reported a cost of THB 151.78 million, decreased by THB 89.38 million or 37.06% YoY, in proportion to the decrease 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 (19.61) million, the loss increased by 55.87% 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 Q1/2023, CHO and its subsidiaries reported distribution cost of THB 3.35 million, decreased by 18.95%, due to an adjustment of the cost reduction measure for the Company and its subsidiaries.

Administrative Cost:

In Q1/2023, CHO and its subsidiaries reported administrative cost of THB 36.04 million, increased by 52.57% YoY, due to reverse the company's provision for doubtful accounts and reserve obsolete products. (Items reevaluated according to accounting standards)

Financial Cost:

In Q1/2023, CHO and its subsidiaries reported financing cost of THB 65.69 million, decreased by 34.72% YoY, due to the Convertible bond interest, and the right to choose to convert at fair value by using information obtained from the market (Observable Market Data), including considering the rate of price volatility. And the rate of return used to adjust with other risks to determine the fair value of the conversion of convertible debentures into ordinary shares.



Financial Position:

As of March 31, 2023, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,203.13 million, increased by 4.94% YoY, from increase in account receivables. CHO and its subsidiaries reported liabilities of THB 2,330.39 million, increased by 6.78% from increased loans, resulting in D/E Ratio was 2.65 times, increased by 0.16 times YoY. Interest Bearing Debt D/E Ratio was 1.92 times decreased from December 31, 2022, by 0.09 times. The Company and its subsidiaries reported an increased debt 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