

CTW024/2023

August 15, 2023

Subject : Management Discussion and Analysis for the second quarter of 2023

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 2023, three-month period, ended 30 June 2023 as follows:

(Unit : Million Baht)

Operating Results	The second quarter (three-month period)			
	2023	2022	Change	
			Million Baht	%
Total revenues	1,285.77	1,507.69	(221.92)	(14.72)
Profit (loss) attributable to equity holders of CTW	(110.35)	61.26	(171.61)	(280.12)
Earnings (loss) per share (Baht/Share)	(0.28)	0.15		

Profit (loss)

Loss attributable to equity holders of CTW for the second quarter of 2023, three months period, was THB 110.35 million, increasing by THB 171.61 million or 280.12% from profit attributable to equity holders of THB 61.26 million in the same period of 2022, caused by the following main reasons:

Revenue from Sales

Revenue from sales of THB 1,282.37 million decreased by THB 221.50 million or 14.73% when compared with THB 1,503.86 million in the same period of the previous year. In the second quarter of 2023, three-month period, the Company and its subsidiaries had revenue from Enameled and non-enameled wire of THB 704.22 million, followed by Power cable of THB 560.42 million, Others of THB 10.41 and Fiber optic cable of THB 7.23 million, respectively.

Expenses

Total expenses of THB 1,412.42 million decreased by THB 12.39 million or 0.87% from THB 1,424.81 million in the same period of the previous year, details were summarized as follows.

1. Cost of Sales

Total cost of sales of THB 1,351.42 million decreased by THB 250.95 million or 15.66% when compared with THB 1,602.38 million in the same period of the previous year. In the second quarter of 2023, the negative gross was THB 69.06 million or the negative gross margin was 5.39% and there was the allowance for diminution in value of inventories of THB 32.50 million, while the same period of 2022, the negative gross was THB 98.51 million or the negative gross margin was 6.55% and there was the allowance for diminution in value of inventories of THB 138.61 million.

2. Administrative Expenses

Administrative expenses of THB 41.94 million decreased by THB 17.01 million or 28.86% from THB 58.95 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.

In addition, in the second quarter of 2023, there was loss on onerous contracts of THB 4.61 million. While in the same period 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.

3. Finance Cost

Finance cost of THB 13.61 million increased by THB 7.35 million or 117.48% from THB 6.26 million in 2022 due to the interest expenses of long-term loan from financial institution.

Financial position

1. Assets :

As at 30 June 2023, the Company and its subsidiaries had total assets of THB 6,066.93 million, decreasing by 0.10% from THB 6,072.82 million at the end of 2022 caused by the decrease in cash and cash equivalents and trade and other receivables.

2. Liabilities :

As at 30 June 2023, the Company and its subsidiaries had total liabilities of THB 2,330.22 million, increasing by 7.24% from THB 2,172.89 million at the end of 2022, due to increase in trade and other payables.

3. Shareholders' equity of the Company :

As at 30 June 2023, the Company and its subsidiaries had shareholders' equity of the Company of THB 3,735.02 million, decreasing by 4.17% from THB 3,897.67 million at the end of 2022, mainly due to decrease in the retained earnings of the Company.

(Unit : Million Baht)	Consolidated F/S			Separate F/S		
	30 Jun.2023	31 Dec.2022	% of Change	30 Jun.2023	31 Dec.2022	% of Change
Total assets	6,066.93	6,072.82	(0.10)	4,913.00	4,973.66	(1.22)
Total Liabilities	2,330.22	2,172.89	7.24	1,591.27	1,494.29	6.49
Total shareholders' equity of the Company	3,735.02	3,897.67	(4.17)	3,321.73	3,479.37	(4.53)
Debt-To-Equity (times)	0.62	0.56		0.48	0.43	
Return on Equity (%)	(4.27)	0.62		(4.63)	(0.17)	

Please be informed accordingly.

Sincerely yours,

-- Mr.Shih-Hao Chiu --

(Mr.Shih-Hao Chiu)
Managing Director