



No. CHO 72/2023

August 15, 2023

Subject: Management Discussion and Analysis Quarter 2 of 2023 Ending June 30, 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 2 of 2023 (January to June) which details are as follows.

In Q2/2023, CHO and its subsidiaries reported net loss of THB 89.46 million, and loss for the first half-year 2023 of 214.46 million baht.

Business overview:

In the quarter 2 of 2023 ("Q2/2023"), CHO and its subsidiaries, reported a net loss of THB 89.46 million, or decrease by THB 46.22 million or 34.06% YoY due to Contract revenue increased by THB 37.86 million or 182.46% YoY. Revenue from sales and services amounted to THB 56.27 million, decrease of THB 2.01 million or 3.45% YoY, including fixed expenses that must be recorded in accordance with accounting standards for the period.

First half-year 2023

CHO and its subsidiaries, reported a net loss of THB 214.46 million due to Contract revenue decreased by THB 60.96 million or 38.62% YoY, caused by the receiving orders for a special express analysis vehicle (for testing for COVID-19) in previous year, the company earning income from maintenance service including truck repair services according to the contract increased by THB 32.25 million or 27.36 % YoY due to increase in sales of spare parts. However, the company still had fixed expenses that had to be recorded according to the accounting standards, resulting in a loss for the period.

Revenue:

In Q2/2023, CHO and its subsidiaries reported total revenue of THB 119.45 million, or increased by THB 39.71 million or 49.80% YoY. Revenue from contract of THB 58.61 million increased by 182.46%, due to received orders from foreign customers, sales and service income of THB 56.27 million or decreased by 3.45% due to decreased on maintenance contract with private and government

customers.

First half-year 2023

CHO and its subsidiaries reported total revenue of THB 256.19 million, or decreased 12.81% YoY, Due to decrease on revenue from contract of THB 60.96 million caused by the receiving orders for a special express analysis vehicle (for testing for COVID-19) in previous year and food transport vehicles for airplanes from foreign customers, sales and service income of THB 150.14 million or increased by 27.36% due to increase of sales of spare parts in the first quarter of 2023.

Other Revenues

In Q2/2023, the Company and its subsidiaries reported other revenues of THB 4.57 million, increased by 73.70% YoY, due to increase of interest income and sales of scrap materials.

First half-year 2023

CHO and its subsidiaries reported total revenue of THB 9.15 million, or decreased 49.43% YoY, Due to last year, there was a claim in the event of a flood, other income comes from interest management of related companies and income from the sale of scrap materials left over from production.

Cost and Expense:

Cost:

In Q2/2023, CHO and its subsidiaries reported

- Total cost of THB 126.14 million, decreased by THB 22.22 or 14.98% YoY due to proportion of revenue decreased compared to the same quarter of the previous year.
- Distribution cost of THB 4.21 million, decreased by 0.58%, due to the company sets a return on sales based.
- Administrative cost of THB 38.81 million, increased by 52.23% YoY, due to fees for extending the bond payment period (BONDS) and provisioning according to accounting standards

First half-year 2023

CHO and its subsidiaries reported

- Total cost of THB 277.92 million, decreased by 28.65% YoY due to control expenses measures.
- Distribution cost of THB 7.57 million, decreased by 15.23%, due to the company sets a return on sales based.
- Administrative cost of THB 74.85 million, increased by 52.92% YoY, due to fees for extending the bond payment period (BONDS) and provisioning according to accounting standards

Gross Profit (Loss):

In the Q2/2023 and First half-year 2023, CHO and its subsidiaries reported the gross profit (loss) of THB (11.26) million and (30.87) million, The gross loss rate was 9.43% and 12.05% respectively.

Financial Cost:

In the Q2/2023 and First half-year 2023, Financing cost of THB 43.03 million and 108.72 million, increased by 19.56% YoY and decrease by 20.42% respectively, due to the Convertible bond interest, and the right to choose to convert at fair value 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 June 31, 2023, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,173.77 million, increased by 3.98% YoY, from increase in account receivables. Liabilities of THB 2,345.68 million, increased by 7.48% from increased of long-term loans and trade payables, resulting in D/E Ratio was 2.83 times, increased by 0.32 times YoY. Interest Bearing Debt D/E Ratio was 1.99 times increased from December 31, 2022, by 0.13 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