



No.CHO 88/2023

November 14, 2023

Subject: Management Discussion and Analysis Quarter 3 of 2023 Ending September 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 3 of 2023 (July to September) which details are as follows.

In 3Q/2023, CHO and its subsidiaries reported net loss of THB 114.85 million, In 9M/2023, CHO and its subsidiaries reported net loss of THB 329.31 million

Business overview:

In the quarter 3 of 2023 ("Q3/2023"), CHO and its subsidiaries, reported a net loss of THB 114.85 million due to an decrease in total costs of THB 19.64 million or an decrease of 14.60% compared to the same period of the previous year. Revenue from contract decreased by THB 42.01 million, or decreased by 70.73% YoY. Revenue from sales and service of THB 46.84 million decreased by THB 13.33 million, or decreased by 70.73% YoY. Resulting in losses as mentioned above. And fixed expenses that must be recorded according to accounting standards, thus resulting in a loss for the period.

For the period of 9 month of 2023 ("9M/2023"), CHO and its subsidiaries, reported a net loss of THB 329.31 million, due to revenue from contract an decrease by THB 102.97 million or 47.39% YoY. Due to receiving orders for special express analysis vehicles (COVID-19 testing). Income from the maintenance service group, including truck repair centers and contract of repair and service work increased by THB 18.93 million or 10.63 % compared to the same period last year due to increased spare parts sales. However, the company still has fixed expenses according to accounting standards, thus resulting in a loss for the period.

Revenue:

In Q3/2023, CHO and its subsidiaries reported total revenue of THB 67.13 million, a decreased by THB 54.88 million of 44.98% YoY. The contract revenues of THB 17.38 million, decreased by 42.01% YoY due to decreased of orders from domestic customers in the 3rd quarter of 2023. Sales and service revenue of 46.84 million baht, a decrease of 13.33% due to Reduced contractual maintenance work with private and government customers.

For the period of 9M/2023, CHO and its subsidiaries reported total revenue of THB 323.32 million decreased by 21.72% YOY, revenue from contract decreased by 102.97 THB because receiving an order for The special urgent analysis vehicle project (COVID-19 testing) from domestic customers and ground service truck in airport from foreign customers. Revenue of sales and service of THB 196.98 million,

increased by 18.93% YOY, due to increase of spare parts sales in the 1st quarter of 2023.

Other Revenue:

In Q3/2023, Other revenue to THB 2.90 million, an increase of 18.97 % YoY, due to an increase of interest income. And increased sales of various scrap materials.

For the period of 9M/2023, the company and its subsidiaries had other revenue of THB 12.05 million, a decrease of 5.67% YoY. And last year there was a flood claim. Other revenue comes from interest income from Management of related companies and income from selling scrap materials left over from production.

Cost and Expense:

Cost:

Q3/2023

- CHO and its subsidiaries reported cost of THB 101.91 million, decrease of 49.02% YoY.
- Distribution expenses of THB 2.53 million, a decrease of 1.10%, due to the company set sales compensation based on sales volume and cost control measurement.
- Administrative expenses of THB 36.12 million baht, Increase of 18.35% YoY, various fees for requesting an extension of time for repayment of bonds and provision according to accounting standards.

9M/2023

- Total cost was THB 379.82 million, decreased by 209.58% YOY according to revenue proportion to the decrease in income compared to the previous year.
- Selling expenses were THB 10.09 million, decreased by 2.46% due to setting up of sales compensation based on sales volume
- Administrative expenses were THB 110.97 million, increased by 47.05%, increased from various fees for requesting an extension of time for repayment of debentures and provision according to accounting standard.

Gross Profit:

In the Q3/2023 and 9M/2023, CHO and its subsidiaries reported gross loss of THB 37.68 million, and THB 68.55 million with gross loss ratio of 56.13% and 21.20% respectively.

Financing Cost :

In the Q3/2023 and 9M/2023, CHO and its subsidiaries reported financing cost of THB 43.34 million and THB 152.07 million, increased by 33.42% YOY and decreased by 17.05% 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, 2023, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,177.59 million, increased by 4.11% by December 31, 2022 with total liabilities of THB 2,439.32 million, increase of 11.77% from the increase in long-term loans and trade payables, therefore D/E ratio was 3.30 times, increased from the previous year at a rate of 0.80 times, Interest Bearing Debt D/E Ratio was 2.35 times, Increased from the previous year at a rate of 0.48 times, due to increase in debt and increased D/E ratio.

Please be informed accordingly.

Yours Sincerely,

Cho Thavee Public Company Limited

(Mr. Suradech Taweesaengsakulthai)

President and Chief Executive Officer