

CTW006/2024

February 22, 2024

Subject : Management Discussion and Analysis for 2023's operating results

To : President
The Stock Exchange of Thailand

Charoong Thai Wire and Cable Plc.(CTW) would like to clarify the Company and its subsidiaries' 2023 operating results based on the consolidated financial statements for the year ended 31 December 2023 as follows:

(Unit : Million Baht)

Operating Results	Period of the Year		
	2023	2022	% Change
Total revenues	5,817.65	6,030.83	(3.53)
Profit (loss) attributable to equity holders of CTW	(137.52)	24.45	(662.47)
Basic earnings (loss) per share (Baht/Share)	(0.35)	0.06	

Profit (loss)

Loss was THB 137.52 million in 2023, profit decreased by THB 161.97 million or 662.47% from profit of THB 24.45 million in 2022 caused from the following main reasons:

Revenue from Sales

Revenue from sales of THB 5,790.25 million in 2023 decreased by THB 208.39 million or 3.47% from THB 5,998.64 million in 2022. In 2023, the Company and its subsidiaries had revenue from local customers of THB 5,288.19 million and from overseas customers of THB 502.06 million.

Other Income

Other Income of THB 27.40 million decreased by THB 4.79 million or 14.88% from THB 32.19 million in 2022 since its subsidiaries had gain on sales of investment properties of THB 9.44 million and gain on sales of assets of THB 8.48 million.

Expenses

Total expenses of THB 5,877.96 million in 2023 decreased by THB 95.88 million or 1.61% from THB 5,973.84 million in 2022, details were summarized as follows.

1. Cost of Sales

Total cost of sales of THB 5,581.85 million in 2023, representing 96.40% of sales, decreased by THB 231.47 million or 3.98%, when compared with THB 5,813.32 million in 2022, representing 96.91% of sales. In 2023, there was the reversal of allowance for diminution in value of inventory of THB 339.68 million, which resulting in decrease in cost of sales.

2. Administrative expenses

Administrative expenses of THB 165.14 million decreased by THB 17.39 million or 9.52% from THB 182.53 million in 2022 due to foreign currency risk management. As a result, there was gain on exchange of THB 19.19 million in 2023, when compared with loss on exchange of THB 20.27 million in 2022.

3. Other expenses

In 2023, there was loss on onerous contracts of THB 67.37 million resulting from the quantity and price of main raw materials that must be delivered to the customers under the contract, while there was the reversal of allowance for loss on onerous contracts of THB 93.55 million in 2022.

4. Finance Cost

Finance cost of THB 56.67 million increased by THB 27.04 million or 91.27% from THB 29.63 million in 2022, due to increase in the interest expenses of long-term loan and trust receipts.

5. Income tax

Income tax of THB 30.72 million in 2023 consisted of the corporate income tax of THB 4.97 million and relating to origination and reversal of temporary differences of THB 25.75 million.

Financial position

1. Assets :

As at 31 December 2023, the Company and its subsidiaries had total assets of THB 6,102.03 million, increasing by 0.48% from THB 6,072.82 million at the end of 2022 due to increase in trade and other receivables.

2. Liabilities :

As at 31 December 2023, the Company and its subsidiaries had total liabilities of THB 2,279.48 million, increasing by 4.91% from THB 2,172.89 million at the end of 2022 mainly due to increase in trust receipts and trade and other payables.

3. Equity attributable to owners of the Company :

As at 31 December 2023, the Company and its subsidiaries had shareholders' equity of THB 3,821.41 million, decreasing by 1.96% from THB 3,897.67 million at the end of 2022 mainly due to loss of the year 2023.

(Unit : Million Baht)	Consolidated F/S			Separate F/S		
	31 Dec.2023	31 Dec.2022	% of Change	31 Dec.2023	31 Dec.2022	% of Change
Total assets	6,102.03	6,072.82	0.48	5,191.17	4,973.66	4.37
Total liabilities	2,279.48	2,172.89	4.91	1,774.26	1,494.29	18.74
Equity attributable to owners of the Company	3,821.41	3,897.67	(1.96)	3,416.91	3,479.37	(1.80)
Debt-To-Equity(D/E Ratio)	0.60	0.56		0.52	0.43	
Return on Equity(ROE)	(3.56)	0.62		(3.61)	(0.17)	

Base on the separate financial statements for the year 2023, the Company had loss of Baht 124.43 million, increasing by Baht 118.50 million or 1,995.43% when compared with the loss of Baht 5.94 million in 2022 since there was increase in finance cost and recognition of the loss on onerous contracts and deferred tax assets which were not recorded during the year.

Please be informed accordingly.

Sincerely yours,

-- *Mr. Shih-Hao Chiu* --

(Mr. Shih-Hao Chiu)
Managing Director