



No. CHO 10/2024

February 27, 2024

Subject: Management Discussion and Analysis Quarter 4 of 2023 Ending December 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 4 of 2023 and the Fiscal Year 2023 (January to December) which details are as follows.

In Q4/2023, CHO and its subsidiaries reported net loss of THB 243.17 million, Loss increased by THB 27.91 million, or 12.97% YoY

In FY2023, CHO and its subsidiaries reported net loss of THB 572.48 million, Loss increased by THB 70.29 million, or 10.94%

Business overview:

In the quarter 4 of 2023 ("Q4/2023"), CHO and its subsidiaries, reported a net loss of THB 243.17 million, 12.97% YoY, due to sales and service income of 28.20 million baht, a decrease of 42.96 million baht or a decrease of 60.37 percent from the same period of the previous year. Due to maintenance work according to contracts with private sector customers. And The Government sector which has decreased and still has fixed expenses that must be recorded according to accounting standards, thus still resulting in a loss for the period.

For the Fiscal Year 2023 ("FY2023"), CHO and its subsidiaries, reported a net loss of THB 572.48 million, due to contract income decreasing by 89.39 million baht or a decrease of 35.35 percent from the same period of the previous year. This stemmed from last year receiving orders for special express analysis vehicles. (For COVID-19 testing) The company still had income in the maintenance service group, decreased by 24.03 million baht or a decrease of 9.64 percent, with maintenance service costs increasing by 8.02 million baht or an increase of 2.66 percent when Compared to the same period of the previous year, due to maintenance work according to contracts with private sector customers and The Government sector has decreased, The company still has fixed expenses that must be recorded according to accounting standards, which results in a loss for the period.

Revenue:

In Q4/2023, CHO and its subsidiaries reported total revenue of THB 83.17 million, or decreased by THB 28.52 million or 25.53% YoY. The contract

income was 49.21 million baht, an increase of 38.11 percent due to receiving more orders from foreign customers in the 4th quarter of 2023. For the amount of sales and service income, 28.20 million baht, a decrease of 60.37 percent due to maintenance work according to contracts with private customers and the government sector has decreased.

In FY2023, CHO and its subsidiaries reported total revenue of THB 406.49 million, decreased by 22.95% YoY, due to contract revenue decreasing by 89.39 million baht due to last year receiving orders for special express analysis vehicles (for COVID-19 testing) and food transport vehicles for airplanes from foreign customers. And income from sales and services amounted to 225.18 million baht, a decrease of 24.03 million baht or a decrease of 9.64 percent, resulting from contractual maintenance work with private sector customers and the government sector has decreased.

Cost and Expense:

Cost:

- In Q4/2023, CHO and its subsidiaries reported a cost of THB 127.02 million, decreased by 27.10% YoY, affected by proportion to the decrease in income compared to the same quarter of the previous year.
- Distribution expenses of THB 1.03 million, a decrease of 72.06 percent, with the company setting returns based on sales, there were administrative expenses of THB 178.34 million baht, an increase of 66.20 percent, coming from various fees and provisions for impairment of assets and inventory according to accounting standards.
- Administrative expenses of THB 107.31 million, a decrease of 18.10 percent YoY, due expenses related to employees, allowance for doubtful accounts, and professional consultant fees to accounting standards.
- In FY2023, CHO and its subsidiaries reported a cost of THB 506.84 million, decreased by 33.63%, affected by proportion to the decrease in income compared to the same quarter of the previous year.
- Distribution expenses of THB 11.12 million, decreased of 31.47 %, due to the company setting a return on sales.

- Administrative expenses of THB 289.31 million baht, Increase of 66.25 % YoY, due to cost control measures with expenses related to employees, allowance for doubtful accounts, and professional consultant fees to accounting standards.

Gross Profit (Loss):

In Q4/2023 and FY2023, CHO and its subsidiaries reported the gross profit (loss) of THB (49.61) million and gross profit of THB (118.16) million respectively. Loss increased by 436.06% YoY. and 29.07% YoY.

Financial Cost:

In Q4/2023 and FY2023, CHO and its subsidiaries reported financing cost of THB 38.80 million decrease by 23.90% YoY and THB 190.86 million decrease by 13.28 % respectively from the Debentures interest, conversion options from the model using observable market data, including taking into account the rate of price volatility, and the right to choose to convert at fair value.

Financial Position:

As of December 31, 2023, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,277.96 million, increased by 7.39% YoY, due to increased debtors and bank deposits, with total liabilities of 2,749.35 million baht, an increase of 25.98 percent from the total amount of loans and creditors subscribing to additional common shares. As a result, the debt-to-equity ratio (D/E Ratio) was equal to 5.20 times, an increase of 2.69 times from the previous year. Interest Bearing Debt D/E Ratio was 3.29 times increased from December 31, 2022, by 1.43 times, The Company and its subsidiaries have increased of debt and decreased of equity that make D/E ratio has increased.

Please be informed accordingly,

Yours Sincerely,

Cho Thavee Public Company Limited

(Mr. Suradech Taweesaengsakulthai)

President and Chief Executive Officer