



No. CHO 24/2024

May 15, 2024

Subject: Management Discussion and Analysis Quarter 1 of 2024 Ending March 31, 2024

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 1 of 2024 (January to March) which details are as follows.

In Q1/2024, CHO and its subsidiaries reported net loss of THB 90.53 million, loss decreased by THB 34.46 million, or 27.57% YoY

Business overview:

In the quarter 1 of 2024 ("Q1/2024"), CHO and its subsidiaries, reported a net loss of THB 90.53 million, or decrease by THB 34.46 million or 27.57% YoY, due to decreased of financial costs and contract revenue decreased by THB 13.90 million or 36.30% YoY. Revenue from sales and services amounted to THB 40.32 million, decrease by THB 53.55 million or 57.04% YoY, due to decreased of maintenance work according to contracts with private sector customers and the government sector.

However, the company has considered and recorded various impairments, including fixed expenses that must be recorded according to accounting standards, resulting in a loss for the period and the cancellation of some service repair centers to reduce costs.

Revenue:

In Q1/2024, CHO and its subsidiaries reported total revenue of THB 68.49 million, or decreased by THB 68.26 million or 49.92% YoY. Revenue from contract of THB 24.40 million decreased by 36.30%, due to decreased orders from customers, sales and service income of THB 40.32 million or increased by 57.04% from the contractual maintenance work with private and government customers and from reducing the number of service repair centers.

Other Revenues

In Q1/2024, the Company and its subsidiaries reported other revenues of THB 3.77 million, decreased by 17.66% YoY, due to Interest income from sales of

various scrap materials decreased.

Cost and Expense:

Cost:

In Q1/2024, CHO and its subsidiaries reported a cost of THB 86.20 million, decreased by THB 65.58 million or 43.21% YoY, in proportion to the decrease in revenue and fixed costs, provision for impairment of work in process (Parts) according to accounting standards.

- Distribution expenses: equal to THB 3.68 million, an increase of 9.72% due to an increase in selling expenses compared to the previous year.
- Administrative expenses: equal to THB 41.04 million, an increase of 13.85% from the same period last year because the company had set aside a reserve for doubtful debts. and increasing reserves of obsolete products (some items have been reevaluated according to accounting standards)

Gross Profit (Loss):

In the Q1/2024, CHO and its subsidiaries reported the gross profit of THB (21.48) million, the loss increased by 9.53% YoY, due to record fixed costs and reserve for long-standing goods according to accounting standards.

Financial Cost:

In Q1/2024, CHO and its subsidiaries reported financing cost of THB 34.36 million, decreased by 47.70% YoY, due to the Convertible bond interest, and the right to choose to convert at fair value by using information obtained 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 March 31, 2024, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,224.04 million, decreased by 1.65% YoY, from decrease in Bank deposit. CHO and its subsidiaries reported liabilities of THB 2,344.18 million, decreased by 14.74% from decreased of loans and Creditors subscribe for newly



common shares, resulting in D/E Ratio was 2.66 times, decreased by 2.54 times YoY. Interest Bearing Debt D/E Ratio was 1.84 times decreased from December 31, 2023, by 1.46 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