



NO. CHO 59/2021

November 15, 2021

Subject: Management Discussion and Analysis Quarter 3 of 2021 Ending September 30, 2021
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 2021 (July to September) which details are as follows.

In 3Q/2021, CHO
and its subsidiaries
reported net loss of
THB 100.16 million,
In 9M/2021, CHO
and its subsidiaries
reported net loss of
THB 256.58 million

Business overview:

In the quarter 3 of 2021 ("Q3/2021"), CHO and its subsidiaries, reported a net loss of THB 100.16 million, revenue from contract has decreased by THB 53.20 million, or decreased by 39.43% QoQ. which was from an effect of the COVID-19 pandemic, resulting in domestic and overseas customers in aviation business postponed their investment, and the customer who is a domestic airline entered the rehabilitation plan to The Central Bankruptcy Court, and service income has decreased due to surveillance measures to control the epidemic situation of COVID-19. As a result, in the Q3/2021, there was a loss.

For the Period of 9M/2021 ("9M/2021"), CHO and its subsidiaries, reported a net loss of THB 256.58 million, mainly due to the revenue from contract decreased by THB 143.49 million, or decreased by 50.11% YOY. This was affected by the COVID-19 pandemic which had an impact on aviation business, causing no income from foreign countries in terms of the catering truck product, an airline customer facing a problem of the rehabilitation plan, Government and private sectors postpone investment in projects, and the company has set

allowance for doubtful accounts for the debtors who effected by the COVID-19. In the 9M/2021, the company can generate revenue from maintenance service of THB 195.06 million, or 55.70% of total revenue of 9M/2021, but not enough for the cost, resulting in the loss in 9M/2021.

Revenue:

In Q3/2021, CHO and its subsidiaries reported total revenue of THB 151.15 million, or decreased by 28.37% QoQ, because of the impact on COVID-19 pandemic, effected the revenue of special design product (catering truck), gaining from both domestic and overseas customers, as well as standard product of domestic customers who affected by the enforcement of COVID-19 epidemic prevention and surveillance measures announced by the Government. The company gained revenues from project management and truck and bus maintenance service from commercial vehicle service center, revenue from service contract of logistics group customers, government agencies, and providing bus rental service for employee transportation. In Q3/2021, CHO and its subsidiaries reported revenue from sales and services of 64.91 million baht, has decreased by 2.39%, which was the maintenance service contract of private sectors and government agencies postponed their order, and other revenue from interest income, Management of related companies, and various scrap sales amounted to THB 4.50 million.

In 9M/2021, CHO and its subsidiaries reported total revenue of THB 350.21 million, decreased by 32.78% YOY, revenue from contract decreased by 50.11%, because of the impact on COVID-19 pandemic, effected the revenue of special design product (catering truck), gaining

from both domestic and overseas customers, as well as standard product of domestic customers who affected by the enforcement of COVID-19 epidemic prevention and surveillance measures announced by the Government. The company gained revenues from project management and truck and bus maintenance service from commercial vehicle service center, revenue from service contract of logistics group customers, government agencies, and providing bus rental service for employee transportation. In 9M/2021, CHO and its subsidiaries reported revenues from sales and service of THB 195.06 million, decreased by 6.99%, due to the measure to stop public bus operation to reduce the risk of spreading viral transmission. Other revenues were THB 12.29 million from interest receivable, revenue from related company's management, and sales of scrap left from the production.

Cost and Expense:

Cost:

In Q3/2021,

- CHO and its subsidiaries reported cost of THB 141 million, decreased by 22.58% QoQ, due to proportion to revenue compared to the same quarter of the previous year, fixed expenses, and provisioning according to accounting standards.
- Distribution expenses of 3.79 million baht, a decrease of 5.85%, with the company set a return based on sales.
- Administrative expenses of 30.57 million baht, an Increase of 28.94% QoQ, due to expenses related to employees, allowance for doubtful accounts, and professional advisors' fees to propose opinions according to accounting standards.

In 9M/2021

- Total cost was THB 367.66 million, decreased by 15.61% YOY

according to revenue proportion.

- Selling expenses were THB 12.61 million, decreased by 22.87% due to setting up of sales compensation based on sales volume.
- Administrative expenses were THB 88.24 million, decreased by 2.85%, due to the company's cost saving policy and in the same period of the previous year, allowance for doubtful accounts was recorded for customers who are in the process of rehabilitation.

Gross Profit:

In the Q3/2021 and 9M/2021, CHO and its subsidiaries reported gross profit of THB 5.65 million, and loss of THB 29.74 million with Gross Profit (Loss) Ratio of 3.74% and (8.49) %, respectively.

Financing Cost :

In the Q3/2021 and 9M/2021, CHO and its subsidiaries reported financing cost of THB 72.55 million and THB 133.14 million Increased by 48.00% QoQ, and 38.02% YoY due to interest payments on long-term debentures and the use of credit with financial institutions, the Convertible bond interest, and the right to choose to convert at fair value.

Financial Position :

As of September 30, 2021, CHO and its subsidiaries had a strong financial stability with total assets of THB 3,212.49 million, Increased from 2021 by THB 74.16 million, Increased by 2.36% as of December 31, 2020 because from purchases raw materials waiting to be withdrawn into the production process and buy assets for new projects, as of September 30, 2021 D/E ratio was 2.53 times, Increased from the previous year at a rate of 0.18 times, Interest Bearing Debt D/E Ratio was 2.14 times, Increased from the previous year at a rate of 0.10 times,



due to The shareholders' equity decreased from operating at a loss.

Please be informed accordingly,

Yours Sincerely,

Cho Thavee Public Company Limited

(Mr. Suradech Taweesaengsakulthai)

President and Chief Executive Officer