

CTW019/2021

August 13, 2021

Subject : Management Discussion and Analysis for the second quarter of 2021

To : President
The Stock Exchange of Thailand

Charoong Thai Wire and Cable Plc.(CTW) would like to clarify the Company and its subsidiaries' operating results based on the consolidated financial statements for the second quarter of 2021, three-month period, ended 30 June 2021 as follows:

(Unit : Million Baht)

| Operating Results | The second quarter (three-month period) | | | |
|----------------------------------------------|-----------------------------------------|--------|--------------|---------|
| | 2021 | 2020 | Change | |
| | | | Million Baht | % |
| Total revenues | 1,650.12 | 923.61 | 726.51 | 78.66 |
| Profit attributable to equity holders of CTW | 60.51 | 110.00 | (49.49) | (44.99) |
| Earnings per share (Baht/Share) | 0.15 | 0.28 | | |

Profit

Profit attributable to equity holders of CTW was THB 60.51 million, decreasing by THB 49.49 million or 44.99% from THB 110.00 million in the same period of 2020, caused by the following main reasons:

Revenue from Sales

Revenue from sales of THB 1,644.22 million increased by THB 736.48 million or 81.13% when compared with THB 907.74 million in the same period of the previous year. In the second quarter of 2021, three-month period, the Company and its subsidiaries had revenue from Enameled and non-enameled wire of THB 938.25 million, followed by Power cable of THB 699.12 million, Communication cable of THB 2.41 million and Fiber optic cable of THB 1.67 million, respectively.

Other Income

Other Income of THB 5.90 million decreased by THB 9.97 million or 62.84% from THB 15.86 million in the second quarter of the previous year. In the second quarter of 2021, there was loss on exchange rate of THB 15.16 million, while there was gain on exchange rate of THB 14.25 million in the second quarter of 2020.

Finance Income

Finance Income of THB 0.92 million decreased by THB 20.66 million or 95.73% from THB 21.59 million in the same period of the previous year since a subsidiary company received interest from account receivables under the order of the Legal Execution Department amounting to Baht 19.91 million.

Expenses

Total expenses of THB 1,571.60 million increased by THB 759.72 million or 93.58% from THB 811.88 million in the second quarter of the previous year, details were summarized as follows.

1. Cost of Sales

Total cost of sales of THB 1,500.82 million increased by THB 757.19 million or 101.82% when compared with THB 743.63 million in the same period of the previous year. In the second quarter of 2021, the gross profit was THB 143.41 million or the gross profit margin was 8.72%. While the gross profit was THB 164.11 million or the gross profit margin was 18.08% in the same period of the previous year. In the second quarter of 2021, there was allowance for diminution in value of inventories of THB 51.60 million, which were included in the cost of sales. While the same period of the previous year, there was reversal of the allowance for diminution in value of inventories of THB 55.50 million since the main raw materials are commodities which their price always fluctuate, they are valued at the lower of average cost and net realisable value.

2. Administrative Expenses

Administrative expenses of THB 52.13 million increased by THB 8.99 million or 20.83% from THB 43.14 million in the same period. In the second quarter of 2021, there was loss on exchange rate of THB 15.16 million.

3. Allowance for loss on impairment of building, machinery and equipment

In the second quarter of 2021, there was allowance for loss on impairment of building, machinery and equipment of THB 1.46 million, which is an allowance for loss on impairment of non-operating building, machinery and equipment of 2 subsidiaries.

Please be informed accordingly.

Sincerely yours,

-- Mrs. Sununtha Phaengsook --

(Mrs. Sununtha Phaengsook)
Deputy Managing Director (Finance)