

CTW0023/2021

November 11, 2021

Subject : Management Discussion and Analysis for the third 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 third quarter of 2021, three-month period, ended 30 September 2021 as follows:

(Unit : Million Baht)

Operating Results	The third quarter (three-month period)			
	2021	2020	Change	
			Million Baht	%
Total revenues	1,412.76	1,225.07	187.68	15.32
Profit (Loss) attributable to equity holders of CTW	(44.94)	135.68	(180.62)	(133.12)
Earnings (Loss) per share (Baht/Share)	(0.11)	0.34		

### **Profit (loss)**

Loss attributable to equity holders of CTW for the third quarter of 2021, three-month period, was THB 44.94 million, increasing by THB 180.62 million or 133.12%, when compared with the profit of THB 135.68 million in the same period of the previous year which was mainly caused by the following reasons:

### **Revenue from Sales**

Revenue from sales of THB 1,407.92 million increased by THB 204.07 million or 16.95% from THB 1,203.85 million in the same period of the previous year. In the third quarter of 2021, three-month period, the Company and its subsidiaries had revenue from Enameled and non-enameled wire of THB 893.36 million, followed by Power cable of THB 471.15 million, Fiber optic cable of THB 6.49 million, Communication cable of THB 0.94 million and Others of THB 35.98 million.

### **Other Income**

Other Income of THB 4.84 million decreased by THB 16.39 million or 77.21% from THB 21.22 million in the same period of the previous year. In the third quarter of 2020, a subsidiary received the transfer of leasehold rights of land and buildings from trade accounts receivable for debt repayment of THB 16.45 million.

### **Expenses**

Total expenses of THB 1,462.48 million increased by THB 411.40 million or 39.14% from THB 1,051.08 million in the same period of the previous year, details were summarized as follows.

#### **1. Cost of Sales**

Total cost of sales of THB 1,375.94 million, representing 97.73% of sales, increased by THB 409.92 million or 42.43%, when compared with THB 966.03 million in the same period of the previous year. In the third quarter of 2021, the gross profit was THB 31.98 million or the gross profit margin was 2.27%. While the gross profit was THB 237.83

million or the gross profit margin was 19.76% in the same period of the previous year. Since the main raw materials, copper and aluminum, are the commodities which their price always fluctuate, they are valued at the lower of average cost and net realisable value. Thus, in the third quarter of 2021, there was the allowance for diminution in value of inventories of THB 144.03 million which were included in the cost of sales due to decrease in the price of the main raw materials at the end of period, resulting in higher cost of sales.

## 2. Administrative Expenses

Administrative expenses of THB 70.76 million increased by THB 30.35 million or 75.09% from THB 40.42 million in the same period of the previous year, due to the weakness of Thai baht against the US dollar. In the third quarter of 2021, there was the loss on exchange THB 45.77 million.

## 3. Finance Cost

Finance cost of THB 4.43 million increased by THB 2.14 million or 93.40% from THB 2.29 million in the same period of the previous year, due to increase in the interest of trust receipts.

### Financial position

#### 1. Assets :

As at 30 September 2021, the Company and its subsidiaries had total assets of THB 6,973.84 million, arising 27.53% from THB 5,468.43 million at the end of 2020 caused by the increase in trade receivables and inventories.

#### 2. Liabilities :

As at 30 September 2021, the Company and its subsidiaries had total liabilities of THB 2,640.67 million, arising 174.43% from THB 962.25 million at the end of 2020, due to increasing in trust receipts.

#### 3. Shareholder's equity :

As at 30 September 2021, the Company and its subsidiaries had shareholders' equity of THB 4,333.17 million, decreasing 3.84% from THB 4,506.18 million at the end of 2020, due to decrease in retained earnings, resulting from decrease in the net profit during the period.

(Unit : Million Baht)	Consolidated F/S			Separate F/S		
	30 Sep.2021	31 Dec.2020	% of Change	30 Sep.2021	31 Dec.2020	% of Change
Total assets	6,973.84	5,468.43	27.53	5,698.90	4,816.05	18.33
Total Liabilities	2,640.67	962.25	174.43	1,732.77	636.30	172.32
Total shareholders' equity	4,333.17	4,506.18	(3.84)	3,966.13	4,179.75	(5.11)
Debt-To-Equity(D/E Ratio)	0.61	0.21		0.44	0.15	
Return on Equity(ROE)	(0.63)	4.60		(1.77)	4.71	

Please be informed accordingly.

Sincerely yours,

--- Mr. Sun Tao-Heng ---

(Mr. Sun Tao-Heng)  
Managing Director