

CTW023/2018

May 14, 2018

Subject : Management Discussion and Analysis for the first quarter of 2018

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 first quarter of 2018, three-month period, ended 31 March 2018 as follows:

(Unit : Million Baht)

Operating Results	The first quarter (three-month period)			
	2018	2017	Change	
			Million Baht	%
Total revenues	1,843.64	1,570.06	273.58	17.42
Profit attributable to equity holders of CTW	68.60	45.74	22.86	49.97
Earnings per share (Baht/Share)	0.17	0.11		

Profit (Loss)

Profit attributable to equity holders of CTW of THB 68.60 million increased by THB 22.86 million or 49.97% from profit of THB 45.74 million in the same period of 2017, caused by the following main reasons:

Revenue from Sales

Revenue from sales of THB 1,813.96 million increased by THB 256.34 million or 16.46% when compared with THB 1,557.62 million in the same period of the previous year. In the first quarter of 2018, the Company and its subsidiaries had revenue from Enameled and non-enameled wire of THB 938.65 Million, followed by Power cable of THB 821.71 Million, Fiber optic cable of THB 33.62 Million and Communication cable of THB 13.24 Million, respectively.

Other Income

Other Income of THB 29.67 million increased by THB 17.24 million or 138.63% from THB 12.44 million in the same period of 2017 since there was increase in gain on exchange rate of THB 18.73 million arising from the strength of the Thai Baht against the US dollar.

Expenses

Total expenses of THB 1,752.86 million increased by THB 246.58 million or 16.37% from THB 1,506.29 million in the first quarter of 2017, details were summarized as follows.

1. Cost of Sales

Total cost of sales in the third quarter of 2018 of THB 1,694.71 million increased by THB 253.73 million or 17.61% when compared with THB 1,440.97 million in the same period of 2017. In the first quarter of 2018, the gross profit was THB 119.26 million,

increasing by THB 2.61 million or 2.23% from THB 116.65 million in the same period of the previous year. The gross profit margin was 6.57% which decreased from 7.49% in the same period of 2017.

2. Selling Expenses

Selling expenses of THB 23.39 million decreased by THB 2.88 million or 10.96% from THB 26.27 million in the same period of 2017 due to decrease in the commission fee and transportation fee.

3. Administrative Expenses

Administrative expenses of THB 34.77 million decreased by THB 4.28 million or 10.95% from THB 39.04 million in the same period of 2017 since there was reversal of allowance for doubtful account of THB 10.13 million in the first quarter of 2018, arising from the repayment from trade accounts receivable of the Company and its subsidiaries.

4. Finance Cost

Finance cost of THB 9.07 million increased by THB 1.94 million or 27.30% from THB 7.12 million in the same period of the previous year which were mainly the interest expenses of trust receipts.

Please be informed accordingly.

Sincerely yours,

(Mr. Sun Tao-Heng)
Managing Director