

No. 24CS 2566-004

10 August 2023

Subject Management's Analysis and Discussion as at 30 June 2023 and for the six-month period ended 30 June 2023

Dear Directors and Managers,

Stock Exchange of Thailand

Twenty-Four Con & Supply Public Company Limited and its subsidiary (the "Group") would like to submit the Management's analysis and explanation as at 30 June 2023 and for the six-month period ended 30 June 2023 as follows:

Revenues from construction contracts

For the year 2023, revenues from construction contracts amounting to Baht 356.26 million increased from the previous year by Baht 105.85 million or 42.27%. Increase in revenues from construction contracts for year 2023 compared to the same period last year mainly from the Group has won biddings for several large-scale projects, including revenues recognized from projects under construction for 2023 higher than the same period of the prior year. In year 2023, the main project such as JLK TOWER Sukhumvit project has increased in revenue by Baht 132 million and, TUM 3.2 project has increased in revenue by Baht 90 million.

Revenues from sales of goods

For the year 2023, revenues from sales of goods amounting to Baht 114.42 million decrease from the previous year by Baht 40.88 million or 26.32% mainly from the Group sold products to large scale projects from both public and private sectors during last year. However, in year 2023, the Group sold most of products to small size projects therefore, revenue from sale of goods decreased compared to the year 2022.

Other income

For the year 2023, other income amounting to Baht 7.20 million or 1.51% of total revenue, increased from the previous year by Baht 6.00 million or 500.00% due to gain on reversal of accounting estimates amounting to Baht 5.31 million and gain on disposal of assets amounting to Baht 0.56 million.

Cost of constructions

For the year 2023, cost of constructions amounting to Baht 313.40 million or 87.97% of revenues from construction contracts. This is close to the ratio of cost of constructions to revenues from construction contracts from the same period of the previous year by 88.07%, mainly from the cost of materials, subcontractors, salaries, and employee expenses including overhead expenses for each project, such as office rental, electricity expense, water expense, and bank fees.

Cost of sales of goods

For the year 2023, cost of sales of goods amounting to Baht 111.43 million or 97.38% of revenues from sales of goods which increased from the same period last year due to the cost of supply and equipment have increased.

Selling and administrative expenses

For the year 2023, selling and administrative expenses increased by Baht 2.55 million or 7.56%, which was primarily due to an increase in administrative employee expenses that were variable with an increase in the number of employees of the Group. However, other expenses related to the preparation of initial public offering filing (IPO), including financial advisory fees, legal advisory fees decreased due to public offering filing completed in the fourth quarter 2022.

Profit for the year

For the year 2023, the Group has comprehensive income amounting to Baht 12.18 million or 2.55% of total revenue that increased by Baht 0.27 million compared the same period last year which was 11.91 million Baht or 2.93% of total revenue. Net profit margin decreased because the cost of materials raised up compared to the same period last year.

Assets

As at 30 June 2023, the Group had total assets of Baht 960.64 million which decreased by Baht 58.22 million when compare to total asset as at 31 December 2022. The decrease in total assets million mainly from decreased in cash and cash equivalents by used in operating activities amounting to Baht 198.03 million and increased in financing activities amounting to Baht 34.91 million. Inventory also decreased by Baht 13.12 million. However, contract assets raised by Baht 67.60 million due to increasing in percentage of completion in the year 2023. Trade and other receivables increased by Baht 18.46 million.

Liabilities

As at 30 June 2023, the Group had total liabilities of Baht 339.39 million or 54.63% of equity. Total liabilities as at 30 June 2023 decreased by Baht 70.37 million when compare to total liabilities as at 31 December 2022. The decrease in total liabilities mainly from declining in trade and other payables due to the Group paid to creditors amount of Baht 131.37 million during the year 2023 for TUM 3.2 project, Rattanaaburi Power Station and JLK TOWER Sukhumvit. However, short-term borrowings from financial institutions increased amounting Baht 44.04 million from discount on notes payable.

Equity

As at 30 June 2023, the Group had total equity of Baht 621.25 million which increased by Baht 12.18 million when compare to equity as at 31 December 2022 due to profit for the six-month period ended 30 June 2023 amounting of Baht 12.18 million.

Yours sincerely,

Santi Maneewong

(SANTI MANEEWONG)

Chief Financial Officer