

No. 24CS 2567-002

Date 8 August 2024

Subject Management's Analysis and Discussion for the six-month period ended 30 June 2024

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 for the six-month period ended 30 June 2024 as follows:

Revenues from construction and service contracts

For the six-month period ended 30 June 2024, revenues from construction and service contracts amounting to Baht 64.52 million decreased from the same period of year 2023 by Baht 291.75 million or 82% mainly from several projects were completed during the beginning and the middle of year 2023. Moreover, the Group has delayed accepting new projects because the Group needs to screen works and customers that meet our qualities. For the new projects that the Group won bidding are still in the beginning of construction.

Revenues from sales of goods

For the six-month period ended 30 June 2024, revenues from sales of goods amounting to Baht 45.21 million decrease from the same period of year 2023 by Baht 69.21 million or 60% mainly from the Group sold products to large scale projects from both public and private sectors during the same period of last year. However, in 1st – 2nd quarters of 2024, the Group sold most of products to small size projects and quality customers.

Other income

For the six-month period ended 30 June 2024, other income amounting to Baht 1.08 million or 0.98% of total revenue, which decreased from the other income of same period of year 2023 by Baht 6.12 million or 85% from 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 and services

For the six-month period ended 30 June 2024, cost of constructions and services amounting to Baht 63.51 million or 98% of revenues from construction and service contracts of . The ratio of cost of constructions and services to revenues from construction and service contracts of the 1st – 2nd quarters of 2024 was higher than same period of year 2023 which was 88%. According to actual cost higher than the estimate cost due to rising material prices and contractor's wages during the construction period. The main construction costs are 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 six-month period ended 30 June 2024, cost of sales of goods amounting to Baht 40.75 million or 90% of revenues from sales of goods which decreased from the same period of last year which was 97% due to the Company and the subsidiary sell to new sectors of customers with higher gross margins than large projects.

Selling and administrative expenses

For the six-month period ended 30 June 2024, selling and administrative expenses amounting to Baht 34.52 million which decreased by Baht 1.75 million or 5% compare the same period of year 2023, due to a decrease in commission expenses and salaries expenses of sale department declined by Baht 4.24 million. However, administrative expenses increased by Baht 3.29 million because of the increase in management salaries from the addition of executives in the energy department and sales department for finding new customers and increasing the Group's income. Selling and administrative expenses accounted for 31% of total revenue.

Loss for the period

For the six-month period ended 30 June 2024, the Group has comprehensive loss amounting to Baht 53.37 million compared to the same period of year 2023 which profit was Baht 12.18 million due to decreasing in total revenue during 1st – 2nd quarters of the year 2024 and cost of construction also have increased when compare to the same period last year. In addition, the Group has an expected credit loss (ECL) of contract assets that have been outstanding for more than 1 year in the amount of Baht 36.62 million.

Assets

As at 30 June 2024, the Group had total assets of Baht 715.49 million which decreased by Baht 42.52 million when compare to total asset as at 31 December 2023. The decrease in total assets mainly from decreased in cash and cash equivalents amounting to Baht 18.64 million due to the Group paid to account payables and paid for material and labor during the period. In addition, contract assets decreased by Baht 39.59 million mainly due to expected credit losses (ECL) of contract assets during the period.

Liabilities

As at 30 June 2024, the Group had total liabilities of Baht 204.86 million or 40% of equity. Total liabilities as at 30 June 2024 increased by Baht 10.85 million when compare to total liabilities as at 31 December 2023. The increase in total liabilities mainly from inclining in contract liabilities of Baht 27.90 million, which was advances received from customers for new projects in 2024 which are currently under construction. However, trade payables and other current payables decreased by Baht 13.12 million from payment to creditors as scheduled.

Equity

As at 30 June 2024, the Group had total equity of Baht 510.63 million which decreased by Baht 53.37 million when compare to equity as at 31 December 2023 due to loss for the six-month period ended 30 June 2024 amounting of Baht 53.37 million.

Yours sincerely,

-Santi Maneewong-

(SANTI MANEEWONG)

Chief Financial Officer