

No. 24CS 2566-005

Date 9 November 2023

Subject Management's Analysis and Discussion as at 30 September 2023 and for the nine-month period ended 30 September 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 September 2023 and for the nine-month period ended 30 September 2023 as follows:

Revenues from construction and service contracts

For the year 2023, revenues from construction and service contracts amounting to Baht 436.32 million increased from the previous year by Baht 65.38 million or 14.98%. Increase in revenues from construction and service contracts for year 2023 compared to the same period last year mainly from percentage of completion of construction contracts which were recognized in 2023 higher than prior year. In year 2023, the main projects such as JLK TOWER Sukhumvit project has increased in revenue by Baht 137 million, TUM 3.2 project has increased in revenue by Baht 110 million and, Government Complex Zone C project has increased in revenue by Baht 67 million.

Revenues from sales of goods

For the year 2023, revenues from sales of goods amounting to Baht 196.25 million decrease from the previous year by Baht 33.33 million or 14.52% 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 8.45 million or 1.32% of total revenue, increased from the previous year by Baht 6.84 million or 424.85% due to gain on reversal of accounting estimates amounting to Baht 6.23 million and gain on disposal of assets amounting to Baht 1.23 million.

Cost of constructions and services

For the year 2023, cost of constructions and services amounting to Baht 425.79 million or 97.59% of revenues from construction and service contracts. The ratio of cost of constructions and services to revenues from construction and service contracts of year 2023 higher than year 2022 which was 86.57%. According to revision of budget in the 3rd quarter because of actual cost higher than the estimate due to rising material prices 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 year 2023, cost of sales of goods amounting to Baht 180.97 million or 92.21% of revenues from sales of goods increased from the same period last year which was 89.31% 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 1.84 million or 3.56%, 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.

Loss for the year

For the year 2023, the Group has comprehensive loss amounting to Baht 17.53 million or 2.73% of total revenue that decreased by Baht 36.36 million compared the same period last year which profit was 18.83 million Baht or 3.13% 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 September 2023, the Group had total assets of Baht 868.67 million which decreased by Baht 150.19 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 amounting to Baht 208.43 million due to the Group paid to account payables, paid for material and labor during the year. Trade and other receivables decreased by Baht 69.51 million because the Group received payment from main account receivables during year 2023. In addition, inventories declined by Baht 24.21 million due to many construction projects nearly complete therefore, almost all construction materials were withdrawn for the construction. However, contract assets raised by Baht 101.67 million due to increasing in percentage of completion in the year 2023.

Liabilities

As at 30 September 2023, the Group had total liabilities of Baht 277.12 million or 46.85% of equity. Total liabilities as at 30 September 2023 decreased by Baht 132.67 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 135 million during the year 2023 for TUM 3.2 project, Rattanaburi Power Station and JLK TOWER Sukhumvit.

Equity

As at 30 September 2023, the Group had total equity of Baht 591.55 million which decreased by Baht 17.52 million when compare to equity as at 31 December 2022 due to loss for the nine-month period ended 30 September 2023 amounting of Baht 17.52 million.

Yours sincerely,

Santi Maneewong

(SANTI MANEEWONG)

Chief Financial Officer