

No. 24CS 2566-002

12 May 2023

**Subject Management's Analysis and Discussion for the three-month period ended 31 March 2023**

Dear Directors and Managers,

Stock Exchange of Thailand

Twenty-Four Con & Supply Public Company Limited (the "Company") would like to submit the Management's analysis and explanation for the three-month period ended 31 March 2023 as follows:

**Revenues from construction contracts**

For the 1<sup>st</sup> quarter 2023, revenues from construction contracts amounting to Baht 226.28 million increased from the previous year by Baht 58.59 million or 34.93%. Increase in revenues from construction contracts for the 1<sup>st</sup> quarter 2023 compare to the same quarter last year mainly from the Company 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 TUM 3.2 project has increased in revenue by Baht 94 million and, JLK TOWER Sukhumvit project has increased in revenue by Baht 71 million.

**Revenues from sales of goods**

For the 1<sup>st</sup> quarter 2023, revenues from sales of goods amounting to Baht 72.76 million increased from the previous year by Baht 8.52 million or 13.27% mainly from the Company speed up deliver supply and equipment and speed up for the progress of construction. It affects demand for purchasing orders of supply and equipment has increased accordingly. In addition, the Company got a purchase order from new projects in the 1<sup>st</sup> quarter 2023.

**Other income**

For the 1<sup>st</sup> quarter 2023, other income amounting to Baht 0.23 million or 0.08% of total revenue, decreased from the previous year by Baht 0.82 million or 78.10% because in the 1<sup>st</sup> quarter 2022 the company had gain from disposal of assets. Other income consists of interest income and other income. The ratio of other income to total revenue of the 1<sup>st</sup> quarter 2023 and 2022 has no significant change.

**Cost of constructions**

For the 1<sup>st</sup> quarter 2023, cost of constructions amounting to Baht 200.74 million or 88.72% 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 88.11%, 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 1<sup>st</sup> quarter 2023, cost of sales of goods amounting to Baht 72.34 million or 99.41% of revenues from sales of goods increased from 87.57% of the same period last year due to the cost of supply and equipment have increased.

**Selling and Administrative expenses**

For the 1<sup>st</sup> quarter 2023, selling and administrative expenses increased by Baht 1.90 million or 11.24%, which was primarily due to an increase in employee expenses that were variable with an increase in the number of employees of the Company. However, other expenses related to the preparation of initial public offering filing, including financial advisory fees, legal advisory fees decreased due to public offering filing complete in the fourth quarter 2022.

**Profit for the year**

For the 1<sup>st</sup> quarter 2023, the Company has comprehensive income amounting to Baht 5.41 million or 1.81% of total revenue that decreased by Baht 3.07 million compared the same period last year which was 8.48 million Baht or 3.66% of total revenue. Decreasing in comprehensive income came from cost of constructions and cost of sales of goods increased compared to the same period of the previous year.

**Assets**

As at 31 March 2023, the Company had total assets of Baht 961.63 million. The decrease in total assets as at 31 March 2023 when compared to 31 December 2022 amounting to Baht 1,018.86 million mainly from decreased in cash and cash equivalents amounting to Baht 198.01 million by used in operating activities and inventory decreased by Baht 7.35 million. However, trade and other receivables increased by Baht 71.93 million. Contract assets raised by Baht 66.95 million due to increased in percentage of completion in the first quarter 2023.

**Liabilities**

As at 31 March 2023, the Company had total liabilities of Baht 347.15 million or 36.10% of total liabilities and equity. Decreasing in liabilities as at 31 March 2023 when compared to 31 December 2022 amounting Baht 409.79 million or decreased 15.29%, which was mainly from decreasing in trade and other payables due to the Company paid to creditors amount of Baht 67 million for Rattanaaburi Power Station and JLK TOWER Sukhumvit in the first quarter.

**Equity**

As at 31 March 2023, the Company had total equity of Baht 614.48 million. Increase in total equity when compared to 31 December 2022 amounting to Baht 609.07 million, which was mainly from profit for the three-month period ended 31 March 2023 amounting of Baht 5.41 million.

Yours sincerely,

*Santi Maneewong*

(SANTI MANEEWONG)

Chief Financial Officer