

No. 24CS 2566-006

Date 27 February 2024

Subject Management's Analysis and Discussion for the year ended 31 December 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 for the year ended 31 December 2023 as follows:

Revenues from construction and service contracts

For the year 2023, revenues from construction and service contracts amounting to Baht 435.75 million decreased from the previous year by Baht 239.39 million or 35.46 %. Decrease in revenues from construction and service contracts for year 2023 compared to the same period last year 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 work and customers that meet our quality.

Revenues from sales of goods

For the year 2023, revenues from sales of goods amounting to Baht 245.75 million decrease from the previous year by Baht 57.68 million or 19.01% 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 8.78 million or 1.29% of total revenue, increased from the other income of year 2022 by Baht 5.08 million or 137.67% 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 443.44 million or 101.76% 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 87.63%. According to revision of budget in the 3rd quarter and 4th quarter because of actual cost higher than the estimate 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 year 2023, cost of sales of goods amounting to Baht 228.00 million or 92.78% of revenues from sales of goods which increased from the same period last year which was 91.76% due to the cost of supply and equipment have increased.

Selling and administrative expenses

For the year 2023, selling and administrative expenses amount of Baht 71.33 million which decreased by Baht 4.27 million or 5.65% compare the same period last year, due to an decrease in commission expenses and salaries expenses of sale department declined by Baht 6.62 million. Selling and administrative expenses accounted for 10.47% of total revenue.

Loss for the year

For the year 2023, the Group has comprehensive loss amounting to Baht 45.07 million or 6.61% of total revenue that decreased by Baht 69.57 million compared the same period last year which profit was 24.49 million Baht or 2.50% of total revenue. Net profit margin decreased because the cost of materials raised up compared to the same period last year.

Assets

As at 31 December 2023, the Group had total assets of Baht 758.01 million which decreased by Baht 260.86 million when compare to total asset as at 31 December 2022. The decrease in total assets mainly from decreased in cash and cash equivalents amounting to Baht 190.92 million due to the Group paid to account payables, paid for material and labor during the year. Trade and other receivables decreased by Baht 150.92 million because the Group received payment from main account receivables during year 2023. In addition, inventories declined by Baht 47.59 million due to many construction projects nearly complete therefore, almost all construction materials were withdrawn for the construction. However, contract assets raised by Baht 74.15 million due to increasing in percentage of completion in the year 2023.

Liabilities

As at 31 December 2023, the Group had total liabilities of Baht 194.01 million or 34.40% of equity. Total liabilities as at 31 December 2023 decreased by Baht 215.79 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 223.11 million during the year 2023 for TUM 3.2 project, Rattanaaburi Power Station and JLK TOWER Sukhumvit.

Equity

As at 31 December 2023, the Group had total equity of Baht 564.00 million which decreased by Baht 45.07 million when compare to equity as at 31 December 2022 due to loss for the year ended 31 December 2023 amounting of Baht 45.07 million.

Yours sincerely,

-Santi Maneewong-

(SANTI MANEEWONG)

Chief Financial Officer