

No. 24CS 2567-001

Date 10 May 2024

**Subject Management's Analysis and Discussion for the three-month period ended 31 March 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 three-month period ended 31 March 2024 as follows:

**Revenues from construction and service contracts**

For the three-month period ended 31 March 2024, revenues from construction and service contracts amounting to Baht 18.42 million decreased from the same period of year 2023 by Baht 207.86 million or 92% 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. For the new projects that the Group won bidding are still in the beginning of construction.

**Revenues from sales of goods**

For the three-month period ended 31 March 2024, revenues from sales of goods amounting to Baht 23.27 million decrease from the same period of year 2023 by Baht 49.49 million or 68% 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 quarter 1 of 2024, the Group sold most of products to small size projects and quality customers.

**Other income**

For the three-month period ended 31 March 2024, other income amounting to Baht 0.98 million or 2.35% of total revenue, increased from the other income of same period of year 2023 by Baht 0.76 million or 345% due to gain from exchange rates from entering into foreign currency forward contracts.

**Cost of constructions and services**

For the three-month period ended 31 March 2024, cost of constructions and services amounting to Baht 22.43 million or 122% of revenues from construction and service contracts. The ratio of cost of constructions and services to revenues from construction and service contracts of the first quarter was higher than same period of year 2023 which was 89%. According to revision of budget in the first 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 three-month period ended 31 March 2024, cost of sales of goods amounting to Baht 21.71 million or 93% of revenues from sales of goods which decreased from the same period of last year which was 99% due to the Group sells to new sectors of customers with higher gross margins than large projects.

**Selling and administrative expenses**

For the three-month period ended 31 March 2024, selling and administrative expenses amounting to Baht 17.03 million which decreased by Baht 1.75 million or 10% compare the same period of year 2023, due to an decrease in commission expenses and salaries expenses of sale department declined by Baht 4.19 million. However, administrative expenses increased by Baht 2.33 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 41% of total revenue.

**Loss for the period**

For the three-month period ended 31 March 2024, the Group has comprehensive loss amounting to Baht 32.41 million compared to the same period of year 2023 which profit was Baht 5.41 million. Net profit margin decreased because the cost of materials raised up and administrative expenses which are fixed expenses.

**Assets**

As at 31 March 2024, the Group had total assets of Baht 728.05 million which decreased by Baht 29.96 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 17.15 million due to the Group paid to account payables, paid for material and labor during the first quarter of year 2024. In addition, contract assets and inventory decreased by Baht 14.33 million and Baht 9.23 million, respectively due to deliver raw material to construction projects during the period.

**Liabilities**

As at 31 March 2024, the Group had total liabilities of Baht 194.46 million or 37% of equity. Total liabilities as at 31 March 2024 increased by Baht 2.45 million when compare to total liabilities as at 31 December 2023. The decrease in total liabilities mainly from declining in loan from bank amounting to Baht 7.37 million and trade and other payables decreased Baht 4.27 million due to the Group paid to loan bank and creditors during the period. However, advance received increased by Baht 15.90 million from new project which started revenue recognition in the second quarter.

**Equity**

As at 31 March 2024, the Group had total equity of Baht 531.59 million which decreased by Baht 32.41 million when compare to equity as at 31 December 2023 due to loss for the three-month period ended 31 March 2024 amounting of Baht 32.41 million.

Yours sincerely,

*-Santi Maneewong-*

(SANTI MANEEWONG)

Chief Financial Officer