

No. 24CS 2567-003

Date 8 November 2024

Subject Management's Analysis and Discussion for the nine-month period ended 30 September 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 nine-month period ended 30 September 2024 as follows:

Revenues from construction and service contracts

For the nine-month period ended 30 September 2024, revenues from construction and service contracts amounting to Baht 193.87 million decreased from the same period of year 2023 by Baht 242.45 million or 56% mainly from several projects were completed during 2023. Moreover, the Group has delayed accepting new projects because the Group needs to screen works and customers that meet our qualities. For the projects of new customers that the Group won bidding are still in the middle of construction.

Revenues from sales of goods

For the nine-month period ended 30 September 2024, revenues from sales of goods amounting to Baht 152.54 million decrease from the same period of year 2023 by Baht 43.71 million or 22% 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 – 3rd quarters of 2024, the Group sold most of products to small size projects and quality customers.

Other income

For the nine-month period ended 30 September 2024, other income amounting to Baht 0.97 million or 0.28% of total revenue, which decreased from the other income of same period of year 2023 by Baht 8.45 million or 89% from gain on reversal of accounting estimates amounting to Baht 7.70 million and gain on disposal of assets amounting to Baht 0.56 million.

Cost of constructions and services

For the nine-month period ended 30 September 2024, cost of constructions and services amounting to Baht 184.56 million which decreased by Baht 241.23 million or 57% which in the same direction as the decrease in revenues from construction and service contracts. However, gross profit margin from construction and service contracts was 5% which higher than the same period of year 2023 which was 2% due to the Group accept construction work from new customers and has better construction cost management, resulting in higher gross profit margin even though the Group has lower revenue.

Cost of sales of goods

For the nine-month period ended 30 September 2024, cost of sales of goods amounting to Baht 134.04 million which decreased by Baht 46.93 million or 26% which in the same direction as the decrease in revenues from sales of goods. However, gross profit margin from sales of goods was 12% which higher than the same period of year 2023 which was 8% due to the Group expanded the business into clean energy section such as selling steam and solar poles, which have higher gross profit margin than selling products in the construction business.

Selling and administrative expenses

For the nine-month period ended 30 September 2024, selling and administrative expenses amounting to Baht 52.49 million which decreased by Baht 0.86 million or 2% compare the same period of year 2023, due to a decrease in commission expenses and salaries expenses of sale department declined by Baht 5.84 million. However, administrative expenses increased by Baht 4.98 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 15% of total revenue.

Loss for the period

For the nine-month period ended 30 September 2024, the Group has comprehensive loss amounting to Baht 247.81 million compared to the same period of year 2023 which loss was Baht 17.53 million due to decreasing in total revenue during 1st – 3rd quarters of the year 2024. In addition, the Group has an expected credit loss (ECL) of contract assets that have been outstanding in the amount of Baht 282.77 million mainly construction projects from the Government Complex Zone C project amount of Baht 132.36 million, the Ministry Of Interior project amount of Baht 130.85 million and JLK Tower Sukumvit amount of Baht 14.48 million.

Assets

As at 30 September 2024, the Group has total assets of Baht 536.85 million which decreased by Baht 221.16 million or 29% when compared to total assets as at 31 December 2023. The decrease in total assets mainly from decreased in contract assets by Baht 305.99 million mainly due to expected credit losses (ECL) of contract assets during the period. However, deferred tax asset increased Baht 61.45 million from expected credit losses amounting Baht 56.55 million and comprehensive loss amounting Baht 3.73 million. Leasehold improvements and equipment, net increased by Baht 10.09 million from investing in new machine in energy section.

Liabilities

As at 30 September 2024, the Group has total liabilities of Baht 220.66 million or 69% of equity. Total liabilities as at 30 September 2024 increased by Baht 26.65 million or 14% when compare to total liabilities as at 31 December 2023. The increase in total liabilities mainly from inclining in contract liabilities of Baht 29.06 million, which was advances received from customers for new projects in 2024 which are currently under construction. However, current portion of long-term loans from financial institutions decreased by Baht 6.17 million from repayment in 2024.

Equity

As at 30 September 2024, the Group has total equity of Baht 316.19 million which decreased by Baht 247.81 million or 44% when compare to equity as at 31 December 2023 due to loss for the nine-month period ended 30 September 2024 amounting of Baht 247.81 million.

Yours sincerely,

-Santi Maneewong-

(SANTI MANEEWONG)

Chief Financial Officer