

No. 24CS 2568-001

Date 27 February 2025

Subject Management's Analysis and Discussion for the year ended 31 December 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 year ended 31 December 2024 as follows:

Revenues from construction and service contracts

For the year ended 31 December 2024, revenues from construction and service contracts amounting to Baht 286.48 million decreased from year 2023 by Baht 149.27 million or 34% 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 which have a gross profit margin according to the policy set by the Group, and have the ability to make payments on time.

Revenues from sales of goods

For the year ended 31 December 2024, revenues from sales of goods amounting to Baht 166.56 million decrease from year 2023 by Baht 79.19 million or 32% 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 2024, the Group sold most of products to small size projects and quality customers which have a gross profit margin according to the policy set by the Group, and have the ability to make payments on time.

Other income

For the year ended 31 December 2024, other income amounting to Baht 1.96 million or 0.43% of total revenue, which decreased from the other income of year 2023 by Baht 6.82 million or 78% 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 year ended 31 December 2024, cost of constructions and services amounting to Baht 274.30 million which decreased by Baht 169.14 million or 38% 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 4% which higher than year 2023 which was gross loss 2% due to the Group accept construction work from new customers which have a gross profit margin 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 year ended 31 December 2024, cost of sales of goods amounting to Baht 146.00 million which decreased by Baht 82.00 million or 36% 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 7% 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 year ended 31 December 2024, selling and administrative expenses amounting to Baht 66.90 million which decreased by Baht 4.43 million or 6% compared to year 2023, due to a decrease in commission expenses and salaries expenses of sale department decreased by Baht 6.76 million. However, administrative expenses increased by Baht 2.53 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 year ended 31 December 2024, the Group has comprehensive loss amounting to Baht 439.41 million compared to year 2023 which loss was Baht 45.07 million due to decreasing in total revenue 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 393.26 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, JLK Tower Sukhumvit project amount of Baht 95.04 million, and Plexus project amount of Baht 28.28 million. In addition, the Group has an expected credit loss (ECL) of trade receivables amounting to Baht 15.51 million. The Group has set up a provision for expected credit losses (ECL) due to overdue of contract assets and trade receivables and there are indications that the Group may not be able to collect payment from the customers. However, the Group has engaged in discussions with the customers to accept the work that has been completed, as well as to follow up on outstanding debts both verbally and in writing for invoices that have already been issued.

Assets

As at 31 December 2024, the Group has total assets of Baht 323.72 million which decreased by Baht 434.29 million or 57% when compared to total assets as at 31 December 2023. The decrease in total assets mainly from decreased in contract assets by Baht 415.74 million and trade and other receivables by Baht 16.51 million mainly due to expected credit losses (ECL) of contract assets and trade receivables during the year. Leasehold improvements and equipment, net increased by Baht 10.81 million from investing in new machine in energy section.

Liabilities

As at 31 December 2024, the Group has total liabilities of Baht 198.76 million increased by Baht 4.75 million or 2% when compared to total liabilities as at 31 December 2023. The increase in total liabilities mainly from inclining in retention payables of Baht 7.02 million. However, other current liabilities decreased by Baht 3.40 million.

Equity

As at 31 December 2024, the Group has total equity of Baht 124.96 million which decreased by Baht 439.04 million or 78% when compare to equity as at 31 December 2023 due to loss for year ended 31 December 2024 amounting of Baht 439.40 million.

Yours sincerely,

-Santi Maneewong-

(SANTI MANEEWONG)

Chief Financial Officer