

No. 24CS 2022-001

Date 30 September 2022

Management's Discussion and Analysis for the year ended 31 December 2021

Dear Directors and Managers,

Stock Exchange of Thailand

Twenty-Four Con & Supply Public Company Limited (the "Company") Management's analysis and explanation for the year ended December 31, 2021 is as follows:

#### **Revenue from Constructions**

In 2021, the Company Constructions Revenue was 396.26 million baht, an increase of 239.41 million baht from 2020, up by 152.63 percent. Mainly from the Company has won of bidding for several and large-scale projects with a total value of more than 1,045.11 million baht. including the number and value of projects, such as the National Government Complex Extension Zone C, Sukhumvit Soi 7 Office Bangkok (JLK Tower) Project, PLEXUS-NMC EMS Plant Project, Rattanaaburi power station construction project, Central World - Air conditioner project, most of which are new projects that started signing construction contracts in 2021, meanwhile, the company has a backlog with continued revenue from 2020, which is the MRT - Park & Ride Pink Line project.

#### **Revenue from Trading**

In 2021, the company had revenue from the sale of goods amounting to 245.21 million baht. Revenue from sales in 2020 and 2021 was at a similar level as the construction industry was affected by COVID-19 that was spread rapidly and its impact to the year 2021. It was felt by all industrial businesses around the world including Thailand. According to the government announced to decelerate constructions and the Entrepreneurs delaying the launch of new construction projects.

**Other income**

The company's other income consists mainly of interest earned. In 2021, the Company had other revenues of 1.05 million baht. This represented 0.10% of total revenue, slightly from other revenues in 2020 of 0.08 million baht or decrease of 10.75 percent.

**Construction costs**

In 2021, the company had a construction cost of 348.96 million baht. It accounted for 88.06% of construction revenue in the same period. This increase was due to the company's construction services in the latter stages, mainly air conditioning and ventilation systems. The cost structure of such types of work has a higher cost value in goods and materials than conventional work that the company has provided in the past, which is characterized by electrical work. Plumbing and communication are the main ones.

**Cost of sale of goods**

In 2021, the company had a cost of selling products amounting to 214.74 million baht. The company's cost of goods sales was relatively stable compared to the previous year due to the greater focus on construction work during 2021.

**Sales and administrative expenses**

In 2021, the Company had sales and management expenses of 50.27 million baht. This is an increase compared to the previous year. 14.27 million baht or an increase of 39.63 percent

**Net profit**

In 2021, the Company had a net profit of Baht 19.46 million or a net profit margin of 3.03% of total revenue. Increase in net profit in 2021 from 2020 amounting to Baht 12.51 million This was due to the revenue growth of the construction business by more than 152.63% and the subsequent impact of the COVID-19 pandemic in 2020, which led to higher construction costs, which the company began to adapt to the situation slightly better in 2021.

**Assets**

As of December 31, 2021, the Company had total assets of Baht 411.92 million. Increased from December 31, 2020 to 268.46 million Baht From cash received from the increase in registered capital of 50.12 million baht. Construction cost receivables amounted to 57.56 million baht. Assets generated from the contract amounted to 118.31 million baht, in line with the expansion of construction revenues.

**Debt**

As of December 31, 2021, the Company had total liabilities of Baht 274.94 million. The increase compared to December 31, 2020 amounted to 170.46 million baht, or an increase of 163.15 percent, primarily due to an increase in trade creditors and other creditors of 67.28 million baht. Overdrafts and short-term loans from financial institutions 66.34 million Baht Liabilities arising from the contract amounted to 14.78 million baht and long-term loans from financial institutions amounted to 10.55 million baht. mainly

**Equity**

As of December 31, 2021, the Company had equity of Baht 136.98 million. Increase in the amount of 98.00 million baht Compared to shareholders' equity as of December 31, 2020, this is primarily due to:

- I. The Extraordinary General Meeting of Shareholders No. 2/2021, held on August 31, 2021, issued share capital registered paid-up by Baht 125.00 million.
- II. The Extraordinary General Meeting of Shareholders No. 9/2021, held on November 11, 2021, Dividend distributed to the Company's shareholders at the rate of Baht 10.00 per share from 1.50 million ordinary shares, amounting to Baht 15.00 million.
- III. The company's profit attributable for the period of 19.46 million baht.

Yours sincerely,

Santi Maneewong

(SANTI MANEEWONG)

Chief Financial Officer