

No. 24CS 2022-002

30 September 2022

Subject Management's Analysis and Discussion for the first six months of 2022

Dear Directors and Managers,

Stock Exchange of Thailand

Twenty-Four Con & Supply Public Company Limited (the "Company") would like to submit the Management's analysis and explanation for the first six months of 2022 is as follows:

Construction revenue

In the first six months of 2022, the Company's revenue was from construction work of 250.41 million baht, an increase of 76.05 million baht YoY, up by 123.32 percent. Mainly from the Company has won of bidding for several and large-scale projects from 2021, including the number and value of projects under construction and revenues recognitions in the first six months of 2022, higher than the same period of the previous year. National Government Complex Extension Zone C, Sukhumvit Soi 7 Office Bangkok (JLK Tower) Project, PLEXUS-NMC EMS Plant Project and Ministry of Interior Project, which most are new projects that signed construction contracts end of 2021.

Trading revenue

In the first six months of 2022, the Company's revenue was from trading to 155.30 million baht, an increase of 115.86 million baht YoY, up by 293.78 percent, driven by increasing operations in constructions amidst the recovery of Thailand's constructions market due to the lessened impact of the COVID-19 pandemic situation. Therefore, the company's customers have accelerated their construction plans. As a result, orders for construction materials and equipment have been increased. This includes orders from new construction projects that are launched in 2022.

Other income

In the first 6 months of 2022, the Company's other income of 1.07 million baht. This represents 0.26% of the total revenue for the same period, which is an increase from other incomes in the first six months of 2021 of 0.87 million baht, up by 447.43%. The company's other income is mainly composed of interest income and selling of scrap materials. The increase of company's other income in the first six months of 2022 is in line and no significant.

Construction costs

For the first 6 months of 2022, the company's construction cost of 220.53 million baht which was 88.07% of construction revenue same as the corresponding period last year. These close to the ratio of construction costs and construction revenue in the first six months of 2021 at 85.03%. Mainly was from subcontractor costs salaries and expenses related to employees, including overheads for each project, such as office rent, electricity, water, bank fees, etc.

Trading Costs

For the first six months of 2022, the Company's trading cost was 134.88 million baht. Which was represented 86.85% of trading revenue same as the corresponding period last year, representing the decreasing of trading costs to total revenue from sales ratio of 92.84% same as the corresponding period last year due to the efficiency of cost reduction strategy.

Trading and administrative expenses

In the first six months of 2022, the Company's trading and administrative expenses increased which compared to the same period of the previous year. This was primarily due to (1) an increase in employee-related expenses that were variable with an increase in the number of employees of the Company, and (2) an increase in other expenses, primarily expenses related to the preparation of the newly issued IPO application, including financial advisory fees. Legal advisory fees are important.

Net profit

In the first six months of 2022, the Company had a net profit of Baht 11.91 million. This represented a net profit margin of 2.93% of total revenue, an increase compared to the same period last year with a net profit of 2.23 million baht or an increase of 433.94%, in line with the increase in the Company's total revenue due to the easing OF COVID-19, allowing the Company to resume construction as planned, and the Company's customers increased orders for materials and equipment for the same reason.

Assets

As of June 30, 2022, the Company had total assets of Baht 451.53 million. The increase in total assets as of June 30, 2022 compared to December 31, 2021 amounted to Baht 39.61 million. This was primarily due to an increase in assets generated by contracts of 64.87 million baht. This is in line with the expansion of increased construction revenues.

Debt

As at June 30, 2022, the Company had total liabilities of Baht 285.39 million. It represents 63.20% of total debt and equity. The increase in debt as of June 30, 2022 compared to December 31, 2021 amounted to Baht 10.45 million, or an increase of 3.80 percent.

Equity

As of June 30, 2022, the Company had equity of THB 166.14 million. Increase compared to shareholders' equity as of December 31, 2021 of THB29.16 million This is mainly due to:

- I. At annual general shareholder meeting on 2 March 2022, shareholders approved the payment of annual dividend from retained earnings and net profit for year ended 31 December 2021 at Baht 10.6667 per share for the fully paid-up shares and at Baht 9.0667 per share for partially paid-up shares, totaling Baht 14 million.
- II. The Company received payment of 31.25 million baht of the unpaid-up equity shares.
- III. The company's profit attributable for the period of 11.91 million baht.

Yours sincerely,

Yodsawee Wattanateerakitja

(YODSAWEE WATTANATEERAKITJA)

Chief Executive Officer