

No. 24CS 2022-003

10 November 2022

**Subject Management Discussion and Analysis for the nine-month period ended 30 September 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 nine-month period ended 30 September 2022 as follows:

**Revenues from construction contracts**

For the nine-month period ended 30 September 2022, revenues from construction contracts amounting to 370.94 million Baht increased from the same period of the previous year by 212.68 million Baht or 134.39%. Increase in revenues from construction contracts mainly from the Company has won biddings for large-scale projects in 2021, including revenues recognized from projects under construction higher than the same period of the prior year. The major projects are Government Complex Commemorating - Zone C, JLK TOWER Sukhumvit, PLEXUS-NMC EMS Plant Project, and Ministry of Interior Project, which are new projects signed construction contracts at the end of 2021.

**Revenues from sales of goods**

For the nine-month period ended 30 September 2022, revenues from sales of goods amounting to 229.58 million Baht increased from the same period of the previous year by 95.24 million Baht or 70.90%. Increase in revenue from sales of goods mainly from the Construction projects had recovered after the Covid-19 situation in Thailand has been improving. As a result, the company's customers speed up the progress of Construction. It effects to demand for purchasing orders of supply and equipment has increased accordingly. Including orders from the new Construction project launched in 2022.

**Other income**

For the nine-month period ended 30 September 2022, other income amounting to 1.62 million Baht increased from the same period of the previous year by 1.31 million Baht or 417.03%. Other income is from interest income and revenue from the sale of scrap materials. The increase of other income in the first nine months of 2022 is along with total revenue of the Company and no significant change.

**Cost of constructions**

For the nine-month period ended 30 September 2022, cost of constructions amounting to 321.13 million or 86.57% of revenues from construction contracts. This is close to the ratio of cost of constructions to revenues from construction contracts from the same period of the previous year by 89.33%, mainly from the cost of 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 nine-month period ended 30 September 2022, cost of sales of goods amounting to 205.04 million Baht or 89.31% of revenues from sales of goods increased from 78.80% of the prior period. The increase came from the appreciation of US Dollar caused the escalation in cost of import goods comparing to prior period.

**Selling and Administrative expenses**

For the nine-month period ended 30 September 2022, selling and administrative expenses increased by 16.50 million Baht or 47.14%, which was primarily due to (1) an increase in employee expenses that were variable with an increase in the number of employees of the Company, and (2) an increase in other expenses related to the preparation of initial public offering filing, including financial advisory fees, legal advisory fees.

**Comprehensive income for the period**

For the nine-month period ended 30 September 2022, the Company has comprehensive income 3.13% of total revenue amounting to 18.83 million Baht which increased by 190.56% comparing to 6.48 million Baht in prior year which escalated along with total revenue and the recovery from Covid-19 situation, allowing the Company to continue the construction as it planned, and the Company's customers increased orders for materials and equipment for the same reason.

**Assets**

As at 30 September 2022, the Company had total assets of 971.58 million Baht. The increase in total assets as at 30 September 2022 when compared to 31 December 2021 amounting to 559.66 million Baht. Change in cash and cash equivalents mainly from the initial public offering and increase in contract assets amounting to 113.54 million Baht which was aligning with revenues from construction contracts.

**Liabilities**

As at 30 September 2022, the Company had total liabilities of 371.04 million Baht or 38.19% of total liabilities and equity. Increasing in liabilities as at 30 September 2022 when compared to 31 December 2021 amounting to 96.10 million Baht or 34.95%, which was mainly from trade accounts payable and other accounts payable.

**Equity**

As at 30 September 2022, the Company had total equity of 600.54 million Baht. Increase in total equity when compared to 31 December 2021 amounting to 463.56 million Baht, which was mainly from as follows:

- 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 the payment of initial public offered its ordinary shares totaling 442 million Baht, 130 million shares, with the par value of Baht 0.50 per share. The offering price was Baht 3.40 per share. Directly attributable expenses of the initial public offering amounted to Baht 14.53 million were presented deducting from premium on share capital in the statement of change in equity. Directly attributable expenses to the initial public offering are presented net of tax.
- III. The Company received the payment of 31.25 million baht of the unpaid-up equity shares.
- IV. The company's comprehensive income for the period was 18.83 million Baht.

Yours sincerely,

*Santi Maneewong*

(SANTI MANEEWONG)

Chief Financial Officer