

No. 24CS 2566-001

27 February 2023

Subject Management's Analysis and Discussion for the year ended 31 December 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 year ended 31 December 2022 as follows:

Revenues from construction contracts

For the year ended 31 December 2022, revenues from construction contracts amounting to 675.14 million Baht increased from the previous year by 278.88 million Baht or 70.38%. 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 Building System Construction of TUM 3.2 Project, 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 year ended 31 December 2022, revenues from sales of goods amounting to 303.43 million Baht increased from the previous year by 58.21 million Baht or 23.74%. 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 year ended 31 December 2022, other income amounting to 3.70 million Baht or 0.38% of total revenue, increased from the previous year by 3.06 million Baht or 477.05%. Other income is from gain from disposal of assets, gain on exchange rate, and interest income. The increase of other income in 2022 is along with total revenue of the Company and no significant change.

Cost of constructions

For the year ended 31 December 2022, cost of constructions amounting to 591.63 million or 87.63% 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 88.06%, 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 year ended 31 December 2022, cost of sales of goods amounting to 278.43 million Baht or 91.76% of revenues from sales of goods increased from 87.57% 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 year ended 31 December 2022, selling and administrative expenses increased by 25.33 million Baht or 50.39%, 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.

Profit for the year

For the year ended 31 December 2022, the Company has comprehensive income 2.50% of total revenue amounting to 24.46 million Baht which increased by 5.03 million Baht comparing to 19.46 million Baht or 3.03% of total revenue 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 31 December 2022, the Company had total assets of 1,018.86 million Baht. The increase in total assets as at 31 December 2022 when compared to 31 December 2021 amounting to 606.94 million Baht mainly from change in cash and cash equivalents mainly from the initial public offering and increase in contract assets amounting to 225.99 million Baht, also increasing in trade and other receivables, net which was aligning with revenues from construction contracts.

Liabilities

As at 31 December 2022, the Company had total liabilities of 409.79 million Baht or 40.22% of total liabilities and equity. Increasing in liabilities as at 31 December 2022 when compared to 31 December 2021 amounting to 134.85 million Baht or 49.05%, which was mainly from trade and other payables.

Equity

As at 31 December 2022, the Company had total equity of 609.07 million Baht. Increase in total equity when compared to 31 December 2021 amounting to 472.09 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, totalling 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 11.62 million, net of tax, 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 had profit for the year was 24.49 million Baht.

Yours sincerely,

Santi Maneewong

(SANTI MANEEWONG)

Chief Financial Officer