

TRANSLATION

TTCL PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. Operating Performance for the period ended December 31, 2023

For period ending 31 December 2023, the Company reported Gross Profit at THB 1,221 million, increasing 33% year over year, mainly driven by Revenues from construction and service (EPC).

The foreign exchange difference on translation financial statement was THB -128 million. Therefore, the total comprehensive income for the period was THB 247 million.

The net profit for the period was THB 377 million, which attributed to the Company at THB 378 million with earnings profit of THB 0.61 per share.

2. Management Discussion and Analysis Report according to consolidated financial statements

For the Twelve-month period ended

(Unit: Million Baht)

	31-Dec-23		31-Dec-22		Change
Revenues from construction and service	16,904.43	100%	11,215.59	99%	51%
Revenues from operating the power plant	57.91	0%	56.92	1%	2%
Revenue from sale	2.88	0%	-	0%	100%
Total revenues	16,965.23	100%	11,272.50	100%	51%
<u>Less</u> Cost of construction and services (EPC)	(15,708.98)	93%	(10,344.04)	92%	52%
<u>Less</u> Cost of operating the power plant	(11.44)	0%	(11.17)	0%	2%
<u>Less</u> Costs of goods sold	(23.47)	0%	-	0%	100%
Total Costs	(15,743.89)	93%	(10,355.20)	92%	52%
Gross profit	1,221.33	7%	917.30	8%	33%
<u>Add</u> Other income	169.71	1%	177.86	2%	-5%
<u>Less</u> Administrative Expenses	(951.12)	6%	(431.48)	4%	120%
<u>Add/(Less)</u> Gain (Loss) on exchange rate, net	(12.01)	0%	(8.36)	0%	44%
<u>Less</u> Loss on impairment/changing in fair value of financial asset	(83.39)	0%	(38.98)	0%	114%
<u>Add</u> Share of Profit / (Loss) of Joint venture	168.23	1%	203.64	2%	-17%
Profit before Financial Cost and Income Tax	512.75	3%	819.98	7%	-37%

<u>Less</u> Financial Costs	(194.05)	1%	(164.43)	1%	18%
Profit before Income Tax	318.70	2%	655.55	6%	-51%
Income tax benefit (expenses)	58.77	0%	21.33	0%	176%
Net Profit for this period	377.46	2%	676.88	6%	-44%
Other comprehensive income (loss)					
- <u>Less</u> Remeasurements of employee benefits obligation-net of tax	(2.59)	0%	(1.28)	0%	103%
- <u>Add/Less</u> Translation adjustments on foreign currency financial statements	(128.01)	1%	33.90	0%	-478%
Total comprehensive income for the period	246.87	1%	709.50	6%	-65%
Profit attributable to:					
Owners of the parent	377.73		667.45		
Non-controlling interests	(0.26)		9.43		
	377.46		676.88		
Basic earnings per share (THB)	0.61		1.01		

2.1 Analysis of Revenues, Costs and Expenses

2.1.1 Revenues

Total Revenues recorded at THB 16,965 million, increased 51% when compare to the same period last year.

Revenues	31-Dec-23	31-Dec-22	Change
Revenue from Construction and service	16,904.43	11,215.59	51%
Revenue from operation power plant	57.91	56.92	2%
Revenue from sales	2.88	0.00	100%
Total Revenues	16,965.23	11,272.50	51%

- EPC Businesses

Revenue from construction and service (EPC) increased by 51% to THB 16,904 million, which improved from last year due to the company had been awarded many new EPC contracts in 2022 and 2023.

- Power Plant Businesses

Revenue from the operation and maintenance of power plant increased by 2% to THB 58 million.

- Bio Pellets Businesses

Revenue from the sale of product of THB 3 million mainly due to the Company has started selling the sample product from the Black Pellet Demonstration Plant to the potential customers.

2.1.2 Costs & Gross Profit

Gross Profit Comparison

31-Dec-23	Revenue	Cost	Gross profit
EPC construction	16,904.43	(15,708.98)	1,195.45
Operation of Power Plant	57.91	(11.44)	46.47
Sale of goods	2.88	(23.47)	(20.59)
Total	16,965.23	(15,743.89)	1,221.33

Gross Profit consists of THB 1,195 million from construction and service (EPC), THB 46 million from operation and maintenance of power plant, and THB -21 million from Sale of goods (Black Pellet). The negative gross profit of sales of goods was due to the selling of sample pellet from Demonstration Plant for the marketing purpose.

The overall Gross Profit margin for the period was 7%, slightly decreased from the same period last year.

2.1.3 Other Income / Reversal allowance for doubtful accounts / Loss on Exchange Rate

- Other Income decreased by 5% to THB 170 million mainly due to the same period last year the Company had recorded the insurance claim from the Company's subsidiary in Vietnam. However, the Company has recorded the legal fee compensation of 44 MTHB from Rock Salt project in this year.
- Loss on Exchange Rate was THB 12 million mainly due to an unrealized loss on trade accounts payable due to weaker THB against USD.

2.1.4 Administrative Expenses

Administration Expenses of THB 951 million represent the net figure after settlement of reversal allowance for doubtful account of THB 818 million for Rock Salt project as the litigation has ended.

2.1.5 Share of Profit of Joint Venture

Share of Profit of Joint Venture from the investment in TTGP decreased by 17% to THB 168 million as the power plant in Myanmar was partially shut down for a schedule maintenance during Q3, 2023.

2.1.6 Finance Cost and Income Tax

The Finance cost for the period increased by 18% to THB 194 million due to the issuance of debenture of THB 745 million during Q2, 2023, as well as, the Bank of Thailand continued to rise the interest rates.

Income tax benefit for the period was recorded at THB 59 million.

3. Analysis of Financial Status

3.1 Analysis of Assets

Figures in THB Million	31-Dec-23	31-Dec-22	Increase/(Decrease)	% Change
Current assets	13,467.76	13,252.09	215.67	1.63%
Non-current assets	5,432.77	4,650.42	782.35	16.82%
Total assets	18,900.53	17,902.51	998.02	5.57%

As of 31 December 2023, Total Assets were THB 18,901 million, increased by 6% compared with the end of last year.

Total Current Assets slightly increased by THB 216 million or 2%; major movement as the following items:

- Cash and cash equivalents decreased by THB 768 million mainly from the payment for the investment in Black Pellet.
- Other financial assets measured at amortized cost increased by THB 261 million mainly from the Company's subsidiary in Vietnam has Fixed-deposit.
- Trade accounts receivable – general customers increased by THB 348 million mainly from the increasing number of the customers due to the Company had been awarded many new EPC contracts last year.
- Contract assets - general customers increased by THB 181 million driven by progress in large construction projects.
- Withholding income tax increased by THB 211 million.

Total Non-Current Assets increased by THB 782 million or 17%; major movement as the following items:

- Deposit at bank used as collateral and Other financial assets measured at amortized cost of TVC, a subsidiary of the Company decreased by THB 152 million.
- Property, plant and equipment increased by THB 1,005 million from the investment of Black Pellet.

3.2 Analysis of Liabilities and Shareholders' Equity

Figures in THB Million	31-Dec-23	31-Dec-22	Increase/(Decrease)	% Change
Current Liabilities	14,492.24	13,073.19	1,419.05	10.85%
Non-Current Liabilities	1,120.05	1,868.42	(748.37)	(40.05%)
Total Liabilities	15,612.29	14,941.61	670.68	4.49%
Shareholders' equity	3,288.24	2,960.90	327.34	11.06%
Total Liabilities and shareholders' equity	18,900.53	17,902.51	998.02	5.57%

As of 31 December 2023, Total Liabilities were THB 15,612 million, increased by 4% compared with the end of last year.

Total Current Liabilities increased by THB 1,419 million or 11%; major movement as the following items:

- Trade accounts payable – general suppliers increased by THB 1,220 million due to the company has many ongoing projects.
- Accrued construction costs – general suppliers increased by THB 758 million due to the large projects have progress in the construction.
- Contract liabilities decreased by THB 2,316 million due to the progress of work delivered to the customer.
- Current portion of debentures increased by THB 1,490 million due to re-classify the period of debentures from non-current portion to the current portion.
- Short-term loans from financial institution increased by THB 140 million mainly from Trust Receipt for importing equipment.

Total Non-Current Liabilities decreased by THB 748 million or 40% mainly from reclassification of the period of debentures of THB 1,490 million to the current portion and the issuance of debenture of THB 741 million to support working capital in Q2 2023.

Shareholder's equity was THB 3,288 million or increased by 11%. The Shareholders' Equity Opening balance as of the beginning of the year was THB 2,961 million, effect from change in equity of the period consists of 1) Dividend payment of THB -62 million, 2) Change in proportion of investment in subsidiary of THB -56 million, 3) Subsidiary issued preferred shares of THB 198 million, 4) Other comprehensive income for the period of THB 247 million. Therefore, the Closing Balance of Shareholders' Equity as of 31 December 2023 were THB 3,288 million.

4. Major Financial Measures

4.1. Profitability Ratios	31-Dec-23	31-Dec-22	Favorable/Unfavorable
4.1.1. Gross profit margin	7.20%	8.14%	Unfavorable
4.1.2. Net profit margin	2.22%	6.00%	Unfavorable
4.1.3. Times Interest Earned ratio	2.64	4.99	Unfavorable
4.1.4. Earnings per share	0.61	1.01	Unfavorable

4.2. Leverage Ratios	31-Dec-23	31-Dec-22	Favorable/Unfavorable
4.2.1. Current ratio	0.93	1.01	Unfavorable
4.2.2. Debt/Equity ratio	4.75	5.05	Favorable
4.2.3. Interest-Bearing Debt/Equity ratio	1.07	0.88	Unfavorable

4.3. Shareholders Value Ratios	31-Dec-23	31-Dec-22	Favorable/Unfavorable
4.3.1. Net Book Value	5.34	4.81	Favorable
4.3.2. Return on total assets	2.00%	3.78%	Unfavorable
4.3.3. Return on equity	11.48%	22.86%	Unfavorable