



TKC-ELCID/007/2567

13 May 2024

Subject Management Discussion and Analysis for the three-month period ended 31 March 2024.

To The Director and the Manager of the Stock Exchange of Thailand

Turnkey Communication Services Public Company Limited (“the Company”) would like to submit the financial statement for the three-month period ended 31 March 2024, which has been reviewed by the Auditor as well as the explanation and analysis from the Management to provide interesting information to the investors and the public. The operational performance of the Company for the three-month period ended 31 March 2024 is as follows:

Operation Overview

Turnkey Communication Services Public Company Limited provides consulting services, designs, and installs (1) Telecommunication systems (2) Data communication systems (3) Public safety systems (4) Digital Services systems.

Focusing on project turnkey services in the Group of 8 more Smart Solutions business, which are:

- (1) Smart Hospital
- (2) Smart Building
- (3) Smart Farming
- (4) Smart Logistics
- (5) Smart Platform
- (6) Smart Learning
- (7) Cyber Security
- (8) Autonomous Solution



Summary operation overview for the three-month period ended 31 March 2024 are as follows:

Item	31 March 2024		31 March 2023		Increase (Decrease)	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
Total revenue	809.69	100.00	914.64	100.00	(104.95)	(11.47)
Total operation expenses	724.82	89.52	861.57	94.20	(136.75)	(15.87)
Net profit for the period	84.87	10.48	53.07	5.80	31.80	59.92

The overall performance of the Company for the three-month period ended 31 March 2024, that is, total revenue decreased by Baht 104.95 million, equivalent to 11.47% compared to the same period last year, However, the Company recognizes revenue from Project to provide telecommunications services via a high-speed network (Broadband) in the area of the Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary and the expand cloud services in Government Data Center and Cloud Service (GDCC) project.

Total operation expenses for the three-month period ended 31 March 2024. Total operating expenses decrease by Baht 136.75 million, equivalent to 15.87% compared to the same period last year, which had no significant change in expenses and revenues. Caused by the Company's ability to control the expenses incurred.

Net profit for the three-month period ended 31 March 2024, the increase by Baht 31.80 million, equivalent to 59.92% compared to the same period last year.

Analysis of Operating Results

1. Revenues

For the three-month period ended 31 March 2024, the Company has a total revenue amount of Baht 809.69 million which decreased by Baht 104.95 million, equivalent to 11.47% when compared to the same period last year, as presented in the table below.

Total revenues	31 March 2024		31 March 2023		Increase (Decrease)	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
Revenues from sales and services	802.69	99.14	912.22	99.74	(109.53)	(12.01)
Other incomes	7.00	0.86	2.42	0.26	4.58	189.26
Total revenues	809.69	100.00	914.64	100.00	(104.95)	(11.47)



1.1 Revenues from sales and services

Revenue types	31 March 2024		31 March 2023		Increase (Decrease)	
	Million	%	Million	%	Million	%
	Baht		Baht		Baht	
Revenue from turnkey projects	502.58	62.61	490.33	53.75	12.25	2.50
Revenues from services and maintenance	299.68	37.34	202.68	22.22	97.00	47.86
Revenues from sales	0.43	0.05	219.21	24.03	(218.78)	(99.80)
Total revenues from sales and services	802.69	100.00	912.22	100.00	(109.53)	(12.01)

Revenues from sales and services consist of 3 categories as follows.

1.1.1 Revenues from turnkey projects

Revenues from providing design, sourcing, and installation of data communication systems, telecommunication systems, public safety systems and digital solutions business.

For the three-month period ended 31 March 2024, the Company had revenues from the turnkey projects in amount of Baht 502.58 million, increased in amount of Baht 12.25 million, equivalent to 2.50% when compared to the same period last year, since there is a recognized revenue from the large project, which are projects that started operating at the end of 2023 and in 2024. Which is the recognition of revenue from Project to provide telecommunications services via a high-speed network (Broadband) in the area of the Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary, the expand cloud services in Government Data Center and Cloud Service (GDCC) project and Smart City project.

1.1.2 Revenues from engineering services and maintenance

Revenues from providing installation, and testing services for data communication systems, telecommunication systems, maintenance services, providing internet signal link services and providing services to develop information technology knowledge and skills for the digital society.



For the three-month period ended 31 March 2024, the Company had revenues from services and maintenance in amount of Baht 299.68 million, increased in amount of Baht 97.00 million, equivalent to 47.86% when compared to the same period last year, since there is a recognized revenue from the large project, which are projects that started operating at the end of 2023 and in 2024. Which is the recognition of revenue from providing mobile phone signals and high-speed internet services and providing services to develop information technology knowledge and skills for the digital society.

1.1.3 Revenues from sales

Revenues from the distribution of information technology equipment and telecommunication systems.

For the three-month period ended 31 March 2024, the Company had revenues from sales amount of Baht 0.43 million, decreased amount of Baht 218.78 million, equivalent to 99.80% when compared to the same period last year.

1.2 Other incomes

For the three-month period ended 31 March 2024, the Company had other incomes amount of Baht 7.00 million, an increased amount of Baht 4.58 million, equivalent to 189.26% when compared to the same period last year, the Company have deferred interest income and interest form financial lease.

2. Cost of Sales and Services

Cost types	31 March 2024		31 March 2023		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of turnkey project	415.52	62.05	426.29	54.03	(10.77)	(2.53)
Cost of engineering services and maintenance	253.99	37.93	174.77	22.15	79.22	45.33
Cost of sales	0.11	0.02	187.98	23.82	(187.87)	(99.94)
Total cost of sales and services	669.62	100.00	789.04	100.00	(119.42)	(15.13)
Gross profit	133.07		123.18			
Gross profit (%)	16.58%		13.50%			



For the three-month period ended 31 March 2024, the Company had a total cost amount of Baht 669.62 million, an decreased amount of Baht 119.42 million or equivalent to 15.13% compared to the same period last year, The decreased cost direct proportional with revenue.

3. Expenses

Expense types	31 March 2024		31 March 2023		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	8.13	11.58	9.57	16.88	(1.44)	(15.05)
Administrative expenses	52.24	74.45	44.32	78.18	7.92	17.87
Finance cost	9.80	13.97	2.80	4.94	7.00	250.00
Total expenses	70.17	100.00	56.69	100.00	13.48	23.78
% Of revenues from sales and services	8.74		6.21%			

Selling Expenses

For the three-month period ended 31 March 2024, the Company had selling expenses in the amount of Baht 8.13 million, an decrease of Baht 1.44 million or equivalent to 15.05% compared to the same period last year.

Administrative Expenses

For the three-month period ended 31 March 2024, the Company had administrative expenses amount of Baht 52.24 million, an increase to Baht 7.92 million or equivalent to 17.87% compared to the same period last year, the mainly due to loss allowance of account receivables.

Finance Cost

For the three-month period ended 31 March 2024, the Company had a finance cost amount of Baht 9.80 million, an increase to Baht 7.00 million or equivalent to 250.00% compared to the same period last year, the mainly short-term interest payments to financial institutions.



Statement of Financial Position

1. Assets

As at 31 March 2024, the Company had total assets amount of Baht 5,797.06 million, increased in amount of Baht 561.48 million, equivalent to 10.72% when compared to total assets as at 31 December 2023. The significant assets change was such as:

- Cash and cash equivalents increased by the amount of Baht 46.05 million, the Company received payments from many large projects, such as providing services to develop information technology knowledge and skills for the digital society, the expand cloud services in Government Data Center and Cloud Service (GDCC) project and Smart City project.
- Trade and other current receivables increased by the amount of Baht 251.84 million, the Company has billed to customers but has not received.
- Contract assets increased by the amount of Baht 125.85 million, the Company performing according to the project contract but not invoice.
- Investments in associates increased by the amount of Baht 149.45 million, the Company invested Common share of Advanced Information Technology PCL (AIT) and additional investments during the three-month period ending 31 March 2024.

2. Liabilities

As at 31 March 2024, the Company had total liabilities amount of Baht 1,787.03 million, increased the amount of Baht 476.61 million or equivalent to 36.37% compared to total liabilities as at 31 December 2023. The significant liabilities change was such as:

- Bank overdrafts and short-term borrowing from financial institutions increase the amount of 201.68 million, the Company issued promissory notes for operate business and trust receipts for Universal Service Obligation (USO).
- Trade and other current payables are increased the amount of Baht 269.39 million, the Company procuring equipment for provide telecommunications services via a high-speed network (Broadband) in the area of the Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary, the expand cloud services in Government Data Center and Cloud Service (GDCC) project and providing services to develop information technology knowledge and skills for the digital society which has not yet paid the debt However, the payment is in accordance with the conditions.



3. Equity

As at 31 March 2024, the Company had equities amount of Baht 4,010.04 million, an increase of Baht 84.87 million equivalent to 2.16% compared to 31 December 2023. The Company had an operating profit for the three-month period ended 31 March 2024.

4. Capital Structure

As at 31 March 2024, The Company had a debt to equity ratio of 0.45 times, increased from 31 December 2023 had a debt to equity ratio of 0.33 times. The Company's liabilities increasing amount Baht 476.61 million, there is equity increase of Baht 84.87 million.

Please be informed accordingly,

Sincerely yours,

(Mr. Sayam Tiewtranon)
Managing Director

Corporate Secretary

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