

- TRANSLATION -

(Q-CON) 010/2022

November 11, 2022

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the third quarter ended 30 September 2022

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the operating result for the third quarter 2022 changed more than 20 percent compared to 2021.

Q-CON and subsidiary have profit for the third quarter 2022 amount 92.6 Million Baht compared with the performance as the same period of 2021, the profit for the period were 24.2 Million Baht or profit for the period increased 68.4 Million Baht. Due to the increasing of Revenue from sales 81% at the same period, mainly reason from the sales volume were increased and selling price while cost of sales increased 68% from the energy cost and raw material price. As the result, the company’s gross profit margin increased 6% compared to last year.

The third quarter in 2022, the company cost of distribution and administrative expenses were 47.5 Million Baht compared with the last period 46.2 Million Baht, it was increased 3% or 1.3 Million Baht mainly from the marketing and traveling expenses. The company could properly controlled the administrative expenses, so the cost came out as the same as last year.

The finance costs were 0.3 Million Baht from interest expenses on lease liabilities.

The company’s income tax was 23.2 Million Baht, it was increased from last year 22.1 Million Baht, because of the increasing from the profit for the period.

September 30, 2022, the total assets of the company were 2,538.9 Million Baht which increased 255.4 Million Baht compared to December 31, 2021 increased from cash and cash equivalents, investment in short-term debt instruments, trade and other current receivables, inventories, intangible assets, deferred tax assets, decreased from property, plant and equipment, investment property, current tax assets, and other non-current assets.

The total liabilities were 476.9 Million Baht which increased 189.9 Million Baht from trade and other current payables, corporate income tax payable, non-current provisions for employee benefits, decreased from lease liabilities and other non-current liabilities

September 30, 2022, the company had the balance of cash and cash equivalents for 393.2 Million Baht increased 135.9 Million Baht from December 31, 2021. The net cash flows from operating activities 372.1 Million Baht, net cash flows used in investing activities 93.5 Million Baht from acquisition of short-term debt instruments 60.0 Million Baht, acquisition of property, plant and equipment and acquisition of intangible assets 40.3 Million Baht, proceeds from sale of property, plant and equipment 2.5 Million Baht, interest received 4.2 Million Baht, the net cash flows used in financing activities 142.7 Million Baht, from dividends paid, payments of lease liabilities and Interest and other financial costs paid.

Please be informed accordingly

Sincerely yours,

Krongboon Sopawanit

(Miss Krongboon Sopawanit)

Deputy Managing Director