

**Quality Construction Products Public Company Limited and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

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**Quality Construction Products Public Company Limited and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 9 May 2023.

**1 General information**

Quality Construction Products Public Company Limited, (the “Company”), is incorporated in Thailand. The Company’s registered office is at 144 Moo 16, Udomsorasayuth Road, Tambol Bangkrasan, Amphur Bang pa-in, Ayutthaya, 13160, Thailand.

The parent and ultimate parent companies during the financial period were SCG Building Materials Company Limited and The Siam Cement Public Company Limited. Both are incorporated in Thailand.

On 1 November 2022, SCG Decor Company Limited (formerly SCG Building Materials Company Limited) (“SCG Decor”) (The parent of Quality Construction Products Public Company Limited (“Q-CON”)) transferred all of its shareholding by SCG Decor, representing 61.01% of the authorized share capital to SCG Cement-Building Materials Company Limited (“SCG CBM”) which both SCG Decor and SCG CBM are subsidiaries of The Siam Cement Public Company Limited (“SCC”), in which SCC directly and indirectly holds 100% of the share capital. In this regard, this transfer of shares is part of business restructuring within the SCC group, and will not cause any change of control, or have any effect on the business policy or the structure of the Board of Directors and executives of the Company in any respect.

The principal businesses of the Company are to produce and distribute of autoclaved aerated concrete blocks, reinforced wall panels, floor panels, and lintels for construction uses.

Details of the Company’s subsidiary as at 31 March 2023 and 31 December 2022 were as follows:

Name of the entity	Type of business	Country of incorporation /nationality	Ownership interest (%)	
			31 March 2023	31 December 2022
<b><i>Direct subsidiary</i></b>				
Q-Con Eastern Co., Ltd.	Manufacturer and distributor autoclaved aerated concrete, block, reinforced wall panels, floor panels and lintels for construction uses.	Thailand	100	100

**2 Basis of preparation of the interim financial statements**

**(a) Statement of compliance**

The interim financial statements are presented in the same format as the annual financial statements and together with notes to the interim financial statements on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 “*Interim Financial Reporting*”, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual consolidated and separate financial statements. Accordingly, these interim financial statements should be read in conjunction with the consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2022.

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In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those described in the consolidated and separate financial statements for the year ended 31 December 2022 unless otherwise stated.

**(b) Functional and presentation currency**

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the interim financial statements to the nearest thousand Baht unless otherwise stated.

**3 Related parties**

Related parties which have no material changes in relationships with the Group during the three-month period ended 31 March 2023.

Significant transactions with related parties for the three-month periods ended 31 March are summarized as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	three-month periods		three-month periods	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Ultimate parent company</b>				
Sales of goods	-	8	-	8
Distribution costs	1	1	1	1
Service fee and others	5,782	4,316	5,000	4,081
<b>Parent company (*)</b>				
Distribution costs	48	-	46	-
Service fee and others	1,724	-	1,336	-
<b>Shareholder of the company</b>				
Sales of goods	11,024	6,751	11,024	6,751
Other income	21	118	21	118
<b>Subsidiary</b>				
Sales of goods	-	-	-	110
Purchase	-	-	23,803	8,864
Service income	-	-	2,400	2,355
Trademark income	-	-	2,414	1,436
Other income	-	-	15	3
<b>Other related parties</b>				
Sales of goods	395,965	278,813	312,830	229,196
Purchase	127,760	95,003	104,615	81,744
Distribution costs	11	91	11	89
Service fee and others	544	4,158	432	3,544
Other income	2,801	1,488	1,910	817
Interest income	1,399	1,057	652	285

\*) SCG Decor Company Limited (formerly SCG Building Materials Company Limited) ("SCG Decor") is the parent company since 1 January 2022 - 31 October 2022 and SCG Cement-Building Materials Co., Ltd. ("SCG CBM") is the parent company since 1 November 2022.

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Balances as at 31 March 2023 and 31 December 2022 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>			
<i>Investment in short-term debt instruments</i>				
Other related parties	<b>510,000</b>	<b>730,000</b>	<b>80,000</b>	<b>300,000</b>
<i>Trade receivables</i>				
Shareholder of the company	13,065	9,658	13,065	9,658
Other related parties	109,840	83,837	88,315	68,255
<b>Total</b>	<b>122,905</b>	<b>93,495</b>	<b>101,380</b>	<b>77,913</b>
<i>Other current receivables</i>				
Ultimate parent company	569	569	477	477
Subsidiary	-	-	1,835	1,051
<b>Total</b>	<b>569</b>	<b>569</b>	<b>2,312</b>	<b>1,528</b>
<i>Other non-current assets</i>				
Ultimate parent company	<b>2,702</b>	<b>2,845</b>	<b>2,267</b>	<b>2,386</b>
<i>Trade payables</i>				
Subsidiary	-	-	10,338	819
Other related parties	32,099	19,722	26,533	16,985
<b>Total</b>	<b>32,099</b>	<b>19,722</b>	<b>36,871</b>	<b>17,804</b>
<i>Other current payables</i>				
Ultimate parent company	1,211	4,332	1,192	4,197
Parent company (*)	427	694	307	503
Subsidiary	-	-	18	-
Other related parties	3,741	10,654	1,236	4,060
<b>Total</b>	<b>5,379</b>	<b>15,680</b>	<b>2,753</b>	<b>8,760</b>
<i>Accrued dividends</i>				
Parent company (*)	183,045	-	183,045	-
Shareholder of the company	63,471	-	63,471	-
Other related parties	2	-	2	-
<b>Total</b>	<b>246,518</b>	<b>-</b>	<b>246,518</b>	<b>-</b>

\*) SCG Decor Company Limited (formerly SCG Building Materials Company Limited) ("SCG Decor") is the parent company since 1 January 2022 - 31 October 2022 and SCG Cement-Building Materials Co., Ltd. ("SCG CBM") is the parent company since 1 November 2022.

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*The Board of Directors and key management compensation*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>For the three-month period ended 31 March</i>				
Short-term employee benefits	7,163	7,391	7,163	7,391
Post-employment benefits	606	568	606	568
<b>Total</b>	<b>7,769</b>	<b>7,959</b>	<b>7,769</b>	<b>7,959</b>

**4 Trade receivables**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		<i>(in thousand Baht)</i>			
<b>Trade receivables</b>					
<b>Related parties</b>					
Within credit terms		120,348	93,442	98,823	77,860
Overdue:					
Less than 1 month		2,313	53	2,313	53
1- 3 months		244	-	244	-
<b>Total</b>	<b>3</b>	<b>122,905</b>	<b>93,495</b>	<b>101,380</b>	<b>77,913</b>
<b>Other companies</b>					
Within credit terms		186,519	141,542	182,811	138,009
Overdue:					
Less than 1 month		252	1,652	252	1,555
1- 3 months		592	51	592	51
<b>Total</b>		<b>187,363</b>	<b>143,245</b>	<b>183,655</b>	<b>139,615</b>
Less allowance for expected credit loss		-	-	-	-
<b>Net</b>		<b>187,363</b>	<b>143,245</b>	<b>183,655</b>	<b>139,615</b>
<b>Total</b>		<b>310,268</b>	<b>236,740</b>	<b>285,035</b>	<b>217,528</b>

The normal credit terms granted by the Group range from 15 - 60 days.

## Quality Construction Products Public Company Limited and its Subsidiary

### Notes to the interim financial statements

For the three-month period ended 31 March 2023 (Unaudited)

#### 5 Investments in subsidiary

Investments in subsidiary as at 31 March 2023 and 31 December 2022, and dividend from those investment for the three-month period ended 31 March was as follows:

	Separate financial statements							
	Total direct/indirect holding		Paid-up capital		Cost method		Dividend income	
	31 March 2023	31 December 2022 (%)	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 March 2022
Q-Con Eastern Co., Ltd.	100	100	590,000	590,000	590,000	590,000	-	-
<b>Total</b>					<b>590,000</b>	<b>590,000</b>	<b>-</b>	<b>-</b>

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**6 Business segment information**

The Group operates in a single line of business, produce and distribute of autoclaved aerated concrete blocks, reinforced wall panels, floor panels, and lintels for construction uses, and has therefore only one business segment.

**7 Dividends**

The dividends paid by the Company to shareholders were as follows:

	Approval date	Payment schedule	Separate financial statements	
			Dividend rate per share (Baht)	Amount (in thousand Baht)
<i>Year 2023</i>				
Annual dividend 2022	24 March 2023	21 April 2023	<b>0.75</b>	<b>300,000</b>
<i>Year 2022</i>				
Annual dividend 2021	25 March 2022	22 April 2022	<b>0.31</b>	<b>124,000</b>

**8 Commitments**

	Consolidated financial statements		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>			
(a) Bank guarantees issued by banks to state enterprises	9,960	9,960	1,400	1,400
(b) Unused letters of credit	18,674	18,915	14,564	14,986
(c) Commitments				
- Construction, installation of machinery equipment, and others	48,109	52,277	44,217	41,996
- Expenses of dam's construction for the propose of flood protection	6,482	6,807	6,482	6,807
(d) The Company entered into long-term agreements with several local companies to purchase steam for 10 years and 15 years from the date of transaction occurs. In December 2022, one of the agreements is expired. The Company has decided to extend the agreement for 5 years, effective date on 1 January 2023. The prices in agreements are agreed based on market price.				