

- TRANSLATION -

(Q-CON) 008/2023

June 9, 2023

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the second quarter ended 30 June 2023

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the operating result for the second quarter 2023 changed more than 20 percent compared to 2022.

Q-CON and subsidiary have profit for the second quarter 2023 amount 154.8 Million Baht compared with the performance as the same period of 2022, the profit for the period were 51.0 Million Baht or profit for the period increased 103.8 Million Baht. Due to the increasing of Revenue from sales 47% at the same period, mainly reason from the sales volume were increased, proportion of products sold and selling price while cost of sales affected by the energy cost and raw material price. The company and subsidiaries managed, were the cause of the costs an increased by 27%. As the result, the company's gross profit margin increased by 11% compared to last year.

The second quarter in 2023, the company cost of distribution and administrative expenses were 55.6 Million Baht compared with the last period 49.0 Million Baht, it was increased 13% or 6.6 Million Baht mainly from promotion, advertisement 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 39.2 Million Baht, it was increased from last year 26.5 Million Baht, because of the increasing from the profit for the period.

June 30, 2023, the total assets of the company were 2,747.4 Million Baht which increased 129.3 Million Baht compared to December 31, 2022 increased from cash and cash equivalents, trade and other current receivables, inventories, deferred tax assets, other non-current assets, decreased from investment in short-term debt instruments, property, plant and equipment, and intangible assets.

The total liabilities were 554.4 Million Baht which increased 117.8 Million Baht from trade and other current payables, corporate income tax payable, non-current provisions for employee benefits, lease liabilities and decreased from other non-current liabilities.

June 30, 2023, the company had the balance of cash and cash equivalents for 573.2 Million Baht increased 173.1 Million Baht from December 31, 2022. The net cash flows from operating activities 356.3 Million Baht, net cash flows provided by investing activities 128.6 Million Baht from proceeds from short-term debt instruments 140.0 Million Baht, interest received 4.7 Million Baht, acquisition of property, plant and equipment and acquisition of intangible assets 16.1 Million Baht, the net cash flows used in financing activities 311.8 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