

- TRANSLATION -

(Q-CON) 005/2024

February 8, 2024

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for the year ended 31 December 2023

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result of the year of 2023 changed more than 20 percent that of 2022.

Q-CON and subsidiary have profit for the year 2023 amount 765.1 Million Baht compared with the performance as the same period of 2022, there were profit for the period 307.8 Million Baht or profit for the year increased 457.3 Million Baht. Due to the increasing of Revenue from sales 38% 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 18%, As the result, the company's gross profit margin increased by 11% compared to last year.

For the year 2023, the company cost of distribution and administrative expenses were 208.5 Million Baht compared with the last period 185.9 Million Baht, it was increased 12% or 22.6 Million Baht from salaries and wages, personnel expenses, transportation expenses and sales promotion expenses

The finance costs were 1.4 Million Baht from interest expenses on lease liabilities.

The company's income tax was 191.8 Million Baht, it was increased from last year 114.1 Million Baht, because of the increasing from the profit for the year.

AS at December 31, 2023, the total assets of the company were 3,124.3 Million Baht which increased 506.3 Million Baht compare to December 31, 2022 increased from cash and cash equivalents, trade receivables, other current receivables, inventories, deferred tax assets, decreased from investments in short-term debt instruments, property, plant and equipment, investment property, intangible assets and other non-current assets.

The total liabilities were 478.1 Million Baht which increased 41.5 Million Baht from corporate income tax payable, lease liabilities, current and non-current provisions for employee benefits, decreased from trade payables, other current payables and other non-current liabilities.

As at December 31, 2023, the company had the balance of cash and cash equivalents for 903.8 Million Baht increased 503.7 Million Baht from December 31, 2022. The net cash flows from operating activities 868.4 Million Baht, net cash flows used in investing activities 40.9 Million Baht from proceeds of short-term debt instruments 20.0 Million Baht, acquisition of property, plant and equipment and acquisition of intangible assets 71.9 Million Baht, interest received 11.0 Million Baht, the net cash flows used in financing activities 323.8 Million Baht, from dividends paid, payments of lease liabilities and Interest and financial costs paid.

Please be informed accordingly

Sincerely yours,

Krongboon Sopawanit

(Miss Krongboon Sopawanit)

Deputy Managing Director