

Quality Construction Products Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

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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 8 May 2024.

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, Udomsorayuth 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.

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 2024 and 31 December 2023 were as follows:

Name of the entity	Type of business	Country of incorporation /nationality	Ownership interest (%)	
			31 March 2024	31 December 2023
<i>Direct subsidiary</i>				
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 2023.

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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 2023 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 2024.

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

	Consolidated financial statements		Separate financial statements	
	three-month periods		three-month periods	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Ultimate parent company				
Distribution costs	5	1	5	1
Service fee and others	4,554	5,782	4,128	5,000
Parent company				
Distribution costs	-	48	-	46
Service fee and others	1,267	1,724	1,107	1,336
Shareholder of the company				
Sales of goods	12,550	11,024	12,550	11,024
Other income	317	21	317	21
Subsidiary				
Purchase	-	-	12,068	23,803
Service income	-	-	2,376	2,400
Trademark income	-	-	2,414	2,414
Other income	-	-	36	15
Other related parties				
Sales of goods	406,929	395,965	327,638	312,830
Purchase	131,929	127,760	104,850	104,615
Distribution costs	127	11	127	11
Service fee and others	796	544	670	432
Other income	3,185	2,801	3,185	1,910
Interest income	5,889	1,399	3,536	652

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Balances as at 31 March 2024 and 31 December 2023 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>			
<i>Investment in short-term debt instruments</i>				
Other related parties	710,000	710,000	280,000	280,000
<i>Trade receivables</i>				
Shareholder of the company	13,970	6,370	13,970	6,370
Subsidiary	-	-	-	68
Other related parties	96,911	78,536	79,735	61,211
Total	110,881	84,906	93,705	67,649
<i>Other current receivables</i>				
Ultimate parent company	648	609	511	511
Subsidiary	-	-	785	1,125
Other related parties	364	433	364	433
Total	1,012	1,042	1,660	2,069
<i>Other non-current assets</i>				
Ultimate parent company	2,364	2,517	1,983	2,111
<i>Trade payables</i>				
Subsidiary	-	-	1,856	7,455
Other related parties	32,727	21,732	26,358	18,645
Total	32,727	21,732	28,214	26,100
<i>Other current payables</i>				
Ultimate parent company	1,711	2,829	1,664	2,605
Parent company	313	427	256	307
Subsidiary	-	-	4	-
Other related parties	2,615	5,933	1,827	3,278
Total	4,639	9,189	3,751	6,190
<i>Accrued dividends</i>				
Parent company	244,060	-	244,060	-
Shareholder of the company	84,628	-	84,628	-
Other related parties	2	-	2	-
Total	328,690	-	328,690	-

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The Board of Directors and key management compensation

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<i>For the three-month period ended 31 March</i>				
Short-term employee benefits	7,663	7,163	7,663	7,163
Post-employment benefits	656	606	656	606
Total	8,319	7,769	8,319	7,769

4 Trade receivables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 March 2024	31 December 2023	31 March 2024	31 December 2023
		<i>(in thousand Baht)</i>			
Trade receivables					
Related parties					
Within credit terms		110,881	84,855	93,705	67,598
Overdue:					
Less than 1 month		-	51	-	51
1- 3 months		-	-	-	-
Total	3	110,881	84,906	93,705	67,649
Other companies					
Within credit terms		127,660	189,294	125,487	181,476
Overdue:					
Less than 1 month		7,165	2,031	6,976	1,950
1- 3 months		1,786	87	1,786	54
Total		136,611	191,412	134,249	183,480
Less allowance for expected credit loss		-	-	-	-
Net		136,611	191,412	134,249	183,480
Total		247,492	276,318	227,954	251,129

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

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5 Investments in subsidiary

Investments in subsidiary as at 31 March 2024 and 31 December 2023, 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 2024	31 December 2023 (%)	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 March 2023
Q-Con Eastern Co., Ltd.	100	100	590,000	590,000	590,000	590,000	-	-
Total					590,000	590,000	-	-

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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 2024</i>				
Annual dividend 2023	22 March 2024	19 April 2024	1.00	400,000
<i>Year 2023</i>				
Annual dividend 2022	24 March 2023	21 April 2023	0.75	300,000

8 Commitments

	Consolidated financial statements		Separate financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>			
(a) Bank guarantees issued by banks to state enterprises	11,357	11,357	2,250	2,250
(b) Unused letters of credit	3,656	10,398	3,656	10,398
(c) Commitments				
- Construction, installation of machinery equipment, and others	39,025	26,918	37,682	25,189
- Expenses of dam's construction for the propose of flood protection	5,180	5,505	5,180	5,505
(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.				