

- TRANSLATION -

(Q-CON) 012/2024

August 8, 2024

Attention Managing Director
The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for the second quarter ended 30 June 2024

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result of the second quarter 2024 changed more than 20 percent that of 2023.

Q-CON and subsidiary have profit for the second quarter 2024 amount 108.8 Million Baht compared with the performance as the same period of 2023, there were profit for the period 154.8 Million Baht or profit for the year decreased 46.0 Million Baht. Due to the decreasing of Revenue from sales 25% at the same period, mainly reason from the sales volume were decreased. Cost of sales decreased 24% mainly reason from the sales volume. As the result, the company's gross profit margin increased by 1% compared to last year.

For the second quarter 2024, the company cost of distribution and administrative expenses were 53.5 Million Baht compared with the last period 55.6 Million Baht, it was decreased 4% or 2.1 Million Baht from salaries and welfare and sales promotion expenses.

The finance costs were 0.4 Million Baht from interest expenses on lease liabilities.

The company's income tax was 27.1 Million Baht, it was decreased from last year 12.1 Million Baht, because of the decreasing from the profit for the year.

AS at June 30, 2024, the total assets of the company were 3,082.6 Million Baht which decreased 41.7 Million Baht compare to December 31, 2023 decreased from cash and cash equivalents, investments in short-term debt instruments, trade receivables and other current receivables, intangible assets and other non-current assets, increased from inventories, property, plant and equipment and deferred tax assets.

The total liabilities were 528.3 Million Baht which increased 50.2 Million Baht from trade payables and other current payables, non-current provisions for employee benefits, other non-current liabilities, decreased from lease liabilities and corporate income tax payable.

As at June 30, 2024, the company had the balance of cash and cash equivalents for 847.7 Million Baht decreased 56.0 Million Baht from December 31, 2023. The net cash flows from operating activities 359.6 Million Baht, net cash flows used in investing activities 3.3 Million Baht from proceeds from short-term debt instruments, net 180.0 Million Baht, acquisition of property, plant and equipment and acquisition of intangible assets 195.8 Million Baht, interest received 12.5 Million Baht, the net cash flows used in financing activities 412.3 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