

- TRANSLATION -

(Q-Con) 002/2022

February 10, 2022.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for year 2021

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result of the year of 2021 changed more than 20 percent that of 2020.

Q-CON and subsidiary have profit for the year 2021 amount 143.7 Million Baht compared with the performance as the same period of 2020, there were profit for the period 114.0 Million Baht or profit for the year increased 29.7 Million Baht. The decreasing of Revenue from sales 5% at the same period. Mainly reason from sales volume while cost of sales reduced 6%. As the result of the company's gross profit margin increased by 1% compared with the previous year.

In the year of 2021, the company cost of distribution and administrative expenses were 172.5 Million Baht compare with last period 221.7 Million Baht, decreased 22% or 49.2 Million Baht. Due to in the year of 2020, the company recognized loss on sale of property, plant and equipment totaled 47.2 Million Baht. In addition the company could properly controlled cost of distribution was decreased 6% from last year.

The finance costs were 1.1 Million Baht from interest expenses on lease liabilities.

The company has income tax of 30.5 Million Baht increased from last year 5.2 Million Baht, due to the increasing from profit for the year.

At the end of December 31, 2021, the total assets 2,283.5 Million Baht were decreased 20.8 Million Baht compare with at the end of December 31, 2020 decreasing from cash and cash equivalents, current tax assets, property, plant and equipment, increasing from trade receivables, inventories, intangible assets and deferred tax assets.

There were total liabilities of 287.0 Million Baht increased by 22.5 Million Baht from current income tax payable, trade payables, other current payables, other non-current liabilities and non-current provisions for employee benefits.

At the end of December 31, 2021, the company has cash balance and cash equivalents balance amount 257.3 Million Baht decreased 112.4 Million Baht from December 31, 2020. There were net cash flows provided by operating activities 243.9 Million Baht, net cash flows used in investing activities 146.6 Million Baht from payments of investment in short-term debt instruments 90 Million Baht, 55.7 Million Baht for acquisition of property, plant and equipment, net cash flows used in financing activities 209.7 Million Baht, dividend paid 184 Million Baht and payments of lease liabilities and Interest paid 25.7 Million Baht.

Please be informed accordingly

Sincerely yours,

Krongboon Sopawanit

(Miss Krongboon Sopawanit)

Deputy Managing Director