

- TRANSLATION -

(Q-Con) 007/2022

August 8, 2022.

Attention        Managing Director  
                      The Stock Exchange of Thailand

**Subject : Management Discussion and Analysis the second quarter ended 30 June 2022**

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result for the second quarter 2022 changed more than 20 percent that of 2021.

Q-CON and subsidiary have profit for the second quarter 2022 amount 51.0 Million Baht compared with the performance as the same period of 2021, there were profit for the period 32.3 Million Baht or profit for the period increased 18.7 Million Baht. Due to the increasing of Revenue from sales 26% at the same period, mainly reason from the sales volume and selling price while cost of sales increased 25% from the energy cost and raw material price. As the result of the company’s gross profit margin increased 1% compared with the same period.

The second quarter in 2022, the company cost of distribution and administrative expenses were 49.0 Million Baht compare with last period 45.5 Million Baht, increased 8% or 3.5 Million Baht from the salary and employee welfare in the mainly. The company could properly controlled cost of distribution the same as last year.

The finance costs were 0.3 Million Baht from interest expenses on lease liabilities.

The company has income tax of 12.7 Million Baht increased from last year 4.8 Million Baht, due to the increasing from profit for the period.

At the end of June 30, 2022, the total assets 2,396.5 Million Baht were increased 113.0 Million Baht compared with at the end of December 31, 2021 increased from Cash and cash equivalents, Trade and other current receivables, Intangible assets, Deferred tax assets, decreased from Investment in short-term debt instruments, Inventories, Property, plant and equipment, Current tax assets, and Other non-current assets.

There were total liabilities of 472.2 Million Baht increased by 140.2 Million Baht from Trade and other current payables, Corporate income tax payable, Lease liabilities and Non-current provisions for employee benefits.

At the end of June 30, 2022, the company has cash balance and cash equivalents balance amount 374.1 Million Baht increased 116.8 Million Baht from December 31, 2021. There were net cash flows provided by operating activities 247.3 Million Baht, net cash flows provided by investing activities 5.8 Million Baht from proceeds from short-term debt instruments 20.0 Million Baht, proceeds from sale of property, plant and equipment 2.5 Million Baht, acquisition of property, plant and equipment and acquisition of intangible assets 20.8 Million Baht, interest received 4.1 Million Baht, net cash flows used in financing activities 136.4 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