

- TRANSLATION -

(Q-Con) 002/2023

February 13, 2023

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for the year ended 31 December 2022

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

Q-CON and subsidiary have profit for the year 2022 amount 307.8 Million Baht compared with the performance as the same period of 2021, there were profit for the period 143.6 Million Baht or profit for the year increased 164.2 Million Baht. Due to the increasing of Revenue from sales 40% 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 33%, As the result, the company's gross profit margin increased by 4% compared to last year.

For the year 2022, the company cost of distribution and administrative expenses were 186.2 Million Baht compared with the last period 172.5 Million Baht, it was increased 8% or 13.7 Million Baht mainly from promotion, advertisement and traveling expenses. The company administrative expenses were increased 2% from professional fees and information technology expenses.

The finance costs were 1.0 Million Baht from interest expenses on lease liabilities.

The company's income tax was 77.7 Million Baht, it was increased from last year 47.2 Million Baht, because of the increasing from the profit for the year.

AS at December 31, 2022, the total assets of the company were 2,618.0 Million Baht which increased 334.6 Million Baht compare to December 31, 2021 increased from cash and cash equivalents, investments in short-term debt instruments, trade receivables, inventories, intangible assets, decreased from other current receivables, investment property, deferred tax assets, current tax assets and other non-current assets.

The total liabilities were 436.7 Million Baht which increased 149.6 Million Baht from trade payables, other current payables, current income tax payable, lease liabilities, liabilities and non-current provisions for employee benefits.

As at December 31, 2022, the company had the balance of cash and cash equivalents for 400.1 Million Baht increased 142.8 Million Baht from December 31, 2021. The net cash flows from operating activities 506.8 Million Baht, net cash flows used in investing activities 215.1 Million Baht from acquisition of short-term debt instruments 170.0 Million Baht, acquisition of property, plant and equipment and acquisition of intangible assets 52.2 Million Baht, proceeds from sales of property, plant and equipment 2.5 Million Baht, interest received 4.6 Million Baht, the net cash flows used in financing activities 148.9 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