

- TRANSLATION -

(Q-CON) 006/2023

May 9, 2023

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the first quarter ended 31 March 2023

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the operating result for the first quarter 2023 changed more than 20 percent compared to 2022.

Q-CON and subsidiary have profit for the first quarter 2023 amount 156.8 Million Baht compared with the performance as the same period of 2022, the profit for the period were 45.9 Million Baht or profit for the period increased 110.9 Million Baht. Due to the increasing of Revenue from sales 55% 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 32%. As the result, the company's gross profit margin increased by 12% compared to last year.

The first quarter in 2023, the company cost of distribution and administrative expenses were 49.0 Million Baht compared with the last period 47.1 Million Baht, it was increased 4% or 1.9 Million Baht mainly from the marketing and traveling expenses. The company could properly controlled the administrative expenses, so the cost came out as the same as last year.

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

The company's income tax was 39.3 Million Baht, it was increased from last year 27.7 Million Baht, because of the increasing from the profit for the period.

March 31, 2023, the total assets of the company were 2,856.6 Million Baht which increased 238.5 Million Baht compared to December 31, 2022 increased from cash and cash equivalents, trade and other current receivables, inventories, decreased from investment in short-term debt instruments, property, plant and equipment, other non-current assets and intangible assets.

The total liabilities were 818.4 Million Baht which increased 381.7 Million Baht from trade and other current payables, dividend payables, corporate income tax payable, non-current provisions for employee benefits, lease liabilities and other non-current liabilities.

March 31, 2023, the company had the balance of cash and cash equivalents for 771.4 Million Baht increased 371.3 Million Baht from December 31, 2022. The net cash flows from operating activities 166.9 Million Baht, net cash flows provided by investing activities 210.1 Million Baht from proceeds from short-term debt instruments 220.0 Million Baht, interest received 1.5 Million Baht, acquisition of property, plant and equipment and acquisition of intangible assets 11.4 Million Baht, the net cash flows used in financing activities 5.7 Million Baht, from 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