

FAC/23-047

August 15, 2023

Subject: Management Discussion and Analysis for the 2nd Quarter, ending June 30, 2023

To: The Director and Manager
The Stock Exchange of Thailand

Qualitech Public Company Limited and Subsidiaries hereafter refer as (the “Company”) would like to clarify the Company’s operating results of the quarter 2/2023 ended June 30, 2023. The Company had the net loss of 125.00 million Baht, when compared to the last year same period had the net profit of 18.13 million Baht, found it was decreased by 143.13 million Baht or 789.57% from the same period last year as following details.

- Due to the quarter 2/2023 the company had the revenue from sales and services was 89.09 million Baht decreased from the same period last year by 10.29 million Baht or 10.36%. The revenues were from plant inspection & industrial services and non-destructive testing services.
- Cost of sales & services was 68.53 million Baht increased from the same period last year by 0.21 million Baht or 0.31%
- Distribution costs was 2.63 million Baht increased from the same period last year by 0.48 million Baht or 22.14% because the company and subsidiaries have incremental personnels of sales and marketing staff to support expanding the customer base and increasing more revenue.
- Administrative expenses was 151.49 million Baht which increased from the same period last year by 141.23 million Baht or 1,376.51% because the company has determined to set up impairment loss on investment in an associate (Property Aim Solutions Company Limited) in amount of 121.49 million Baht and the associate lacks financial liquidity and there was a serious internal problem to inability to continue their business, along with the Company have incremental personnels of support staff and the management from the management restructuring to find opportunities to expand the business. In addition, consultants were hired to find new businesses and set aside more allowance for expected credit losses of trade accounts receivable.

Please be informed accordingly.

Yours sincerely,

(Mr.Thitiwat Teerakulthanyaroj)

The Company’s Secretary