



No. QTCG 2024-002

9 May 2024

Subject Management's Discussion and Analysis for the three-month period ended 31 March 2024

Dear Directors and Managers,  
Stock Exchange of Thailand

QTCG Public Company Limited ("the Company", "QTCG") and subsidiaries ("Subsidiary", "SAMC.") ("the Group") Management's analysis and explanation for the three-month period ended 31 March 2024 is as follows:

#### **Revenue from Construction**

For the three-month period ended 31 March 2024, the Group had revenue from construction amounting to Baht 151.39 million, a decrease of Baht 72.82 million from the same quarter last year, or a decrease rate of 32.48 percent. Due to the fact that many projects have already completed construction in 2023, and 2 large new projects for which the Company won the bidding at the end of 2023; CIB International School and Shush Ratchathewi projects are still in the early stages of construction.

#### **Other Income**

For the three-month period ended 31 March 2024, the Group had other income amounting to Baht 0.59 million, accounting for 0.39 percent of total revenue in the same period. This decreased from other income the 1<sup>st</sup> quarter of 2023 amounting to Baht 0.84 million, or equivalent to a decrease rate of 58.82 percent. The main reason that the Group had other income decreased from the same quarter last year. The Group had other income that is different from 2024 as follows: reversal of accrued expenses of projects that have been handed over but have no invoice to collect amounting to Baht 1.02 million. In this regard, most of the Group's other income normally consists of QTCG's other income, which is interest income and income from selling scrap materials.

#### **Cost of Construction**

For the three-month period ended 31 March 2024, the Group had construction costs of Baht 127.10 million, accounting for 83.96 percent of revenue from construction. The ratio decreased from the same quarter of last year which had a construction cost ratio of 91.56 percent. The main reason that the Group has a lower construction cost ratio because the majority of construction service costs in the 1<sup>st</sup> quarter of 2024 come from new projects that began construction at the end of 2023. Such projects have higher gross profit margin than projects under construction in the 1<sup>st</sup> quarter of 2023. In addition, there are additional work that continues from the original contract, thus allowing the Group to effectively manage costs by using existing resources such as human resources management, construction labor management, and warehouse management that can operate continuously immediately, which is more economical than starting a new project that takes a long time to



prepare that will spend more operating costs. Construction costs mainly consist of material costs, subcontractor costs, salaries and employee expenses and overhead costs.

### **Selling Expenses and Administrative Expenses**

For the three-month period ended 31 March 2024, the Group had selling and administrative expenses increased from the same period of the previous year by Baht 2.14 million or 13.46 percent mainly due to an increase in expenses associated with listing on the stock exchange, such as various fees and advertising fees etc. There is also an increase from salaries and employee expenses because the number of employees increased from the previous year. and various depreciation expenses.

### **Net Profit**

For the three-month period ended 31 March 2024, the Group had a net profit of Baht 1.95 million, representing a net profit margin of 1.28 percent of total revenue in the same period which has decreased by 24.01 percent compared to the same period of the previous year with a net profit of 2.57 million Baht.

Statements of comprehensive income (Unit : Million Baht)	For the period ended 31 March			
	2023		2024	
	Amount	Percentage	Amount	Percentage
Revenue from construction	224.21	99.37	151.39	99.61
Other income	1.43	0.63	0.59	0.39
Total revenue	225.63	100.00	151.97	100.00
Cost of construction	(205.28)	(90.98)	(127.10)	(83.64)
Gross profit	18.93	8.39	24.28	15.98
Net profit for the period	2.57	1.14	1.95	1.28

### **Assets**

As at 31 March 2024, the Group had total assets of Baht 838.47 million. The increase in total assets as at 31 March 2024 compared to total assets as at 31 December 2023 amounting to Baht 13.05 million which was caused by the increase in contract assets amounting to Baht 76.35 million which was mainly due to the expansion of construction work and a decrease in trade and other receivables amounting to Baht 57.15 million due to receipt of payment within the period.

### **Liabilities**

As at 31 March 2024, the Group had total liabilities of Baht 538.63 million, or 64.24 percent of the total liabilities and shareholders' equity. The increase in liabilities as at 31 March 2024 compared to total



liabilities as at 31 December 2023 amounting to Baht 11.05 million, or 2.09 percent which was mainly by an increase in trade and other payables amounting to Baht 63.44 million and a decrease in bank overdrafts and short-term borrowings amounting to Baht 42.66 million.

**Shareholders' Equity**

As at 31 March 2024, the Group had shareholders' equity of Baht 299.84 million, which has increased from shareholders' equity as at 31 December 2023 of Baht 2.00 million, which was mainly from total comprehensive income for the three-month period ended 31 March 2024 amounting of Baht 2.00 million.

Yours sincerely,

*-Pongkan Ngamsaengrat-*

(Miss Pongkan Ngamsaengrat)

Chief Financial Officer