



No. QTCG 2024-004

8 August 2024

Subject Management's Discussion and Analysis as at 30 June 2024 and for the six-month period ended 30 June 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 as at 30 June 2024 and for the six-month period ended 30 June 2024 is as follows:

### **Revenue from Construction**

For the six-month period ended 30 June 2024, the Group had revenue from construction amounting to Baht 268.30 million, a decrease of Baht 164.21 million from the same quarter last year, or a decrease rate of 37.97 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 and the cost of construction has increased, including construction materials such as electrical wires.

### **Other Income**

For the six-month period ended 30 June 2024, the Group had other income amounting to Baht 1.40 million, accounting for 0.52 percent of total revenue in the same period. This decreased from other income in the same quarter last year amounting to Baht 0.58 million, or equivalent to a decrease rate of 29.10 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 six-month period ended 30 June 2024, the Group had construction costs of Baht 255.66 million, accounting for 95.29 percent of revenue from construction. The ratio increased from the same quarter last year which had a construction cost ratio of 88.91 percent. The main reason why the Group has a higher construction cost ratio is because the price of construction materials has increased, construction materials such as electrical wires, which resulted in a lower gross profit margin than the same quarter last year.



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

For the six-month period ended 30 June 2024, the Group had selling and administrative expenses increased from the same quarter last year by Baht 5.70 million or 17.26 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 in salaries and employee expenses because the number of employees increased from the previous year, the special reward to employees, and various depreciation expenses.

### **Net Profit**

For the six-month period ended 30 June 2024, the Group had a net loss of Baht 32.12 million, representing a net loss margin of -11.91 percent of total revenue in the same period which has decreased by Baht 42.52 million from the same quarter last year, or a decrease rate of 409.07 percent due to the increased cost of construction when compared with the same quarter last year.

Statements of comprehensive income (Unit : Million Baht)	For the period ended 30 June			
	2023		2024	
	Amount	Percentage	Amount	Percentage
Revenue from construction	432.51	99.55	268.30	99.48
Other income	1.98	0.45	1.40	0.52
Total revenue	434.49	100.00	269.70	100.00
Cost of construction	(384.53)	(88.50)	(255.66)	(94.79)
Gross profit	47.98	11.04	12.64	4.69
Net profit for the period	10.39	2.39	(32.12)	(11.91)

### **Assets**

As at 30 June 2024, the Group had total assets of Baht 875.12 million. The increase in total assets as at 30 June 2024 compared to total assets as at 31 December 2023 amounting to Baht 49.70 million which was caused by the increase in contract assets amounting to Baht 43.09 million which was mainly due to the expansion of construction work, the increase in cash and cash equivalents amounting to Baht 17.98 million which was mainly due to financing activities, and a decrease in financial assets measured at fair value through other comprehensive income amounting to Baht 14.10 million due to the disposal of the financial assets in the 2<sup>nd</sup> quarter of 2024.

### **Liabilities**

As at 30 June 2024, the Group had total liabilities of Baht 401.34 million, or 45.86 percent of the total liabilities and shareholders' equity. The increase in liabilities as at 30 June 2024 compared to total liabilities as at 31 December 2023 amounting to Baht 126.25 million, or 23.93 percent which was mainly by a decrease in



Bank overdrafts and short-term borrowings from financial institutions amounting to Baht 77.65 million, a decrease in trade and other payables amounting to Baht 23.18 million, a decrease in contract liabilities amounting to Baht 19.53 million, and a decrease in long-term borrowings from a financial institution amounting to Baht 6.90 million.

### **Shareholders' Equity**

As at 30 June 2024, the Group had shareholders' equity of Baht 473.79 million, which has increased from shareholders' equity as at 31 December 2023 of Baht 175.94 million, which was mainly from paid-up ordinary shares from the initial public offering offsetting with directly related initial public offering expense amounting to Baht 207.99 million and total comprehensive income for the six-month period ended 30 June 2024 amounting of Baht 32.12 million.

Yours sincerely,

*-Pongkan Ngamsaengrat-*  
(Miss Pongkan Ngamsaengrat)  
Chief Financial Officer