

- TRANSLATION -

VS/PC (Q-CON) 026/2018

August 06th , 2018.

Attention Director and Managing Director
The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the second quarter ended 30 June 2018

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result for the second quarter of 2018 changed more than 20 percent that of 2017.

Q-CON and subsidiary have profit for the period of 2.67 Million Baht compared with the second quarter of 2017 loss for the period of 9.72 Million Baht. Profit for the period increased 12.39 Million Baht. Mainly by the increasing of Revenue from sales 10% with the increasing from sale volume and selling price. In the second quarter of year 2018 gross profit rate 12 %, increased 1% compared with the last year.

The second quarter in 2018, the company cost of distribution and administrative expenses were 52.23 Million Baht compare with last period 54.59 Million, decreased 4%. Due to cost of distribution were decreased from promotion expenses, while administrative expenses were similar to last year.

In the second quarter of 2018, the company did not have financial costs, as the principle payable under the Loan Agreement, the company paid completely.

At the Annual General Meeting of the Shareholders of the Company held on 26 March 2018, the shareholders resolved to declare total dividends for the year 2017 at Baht 0.03 per share, totaling Baht 12 Million and was paid on 25 April 2018.

At the end of June 30, 2018, the total assets 2,072.05 Million Baht were increased 50.43 Million Baht compare with at the end of December 31, 2017. Increasing from cash, trade receivables, assets decreasing from inventories, property, plant and equipment, which decreased from depreciation.

Total liabilities 273.05 Million Baht were increased 44.78 Million Baht by trade payables, others current payables and provisions for employee benefits.

At the end of June 30, 2018, the company has cash balance amount 207.08 Million Baht increasing 84.08 Million Baht compare with at the end of last year by net cash flows provided by operating activities were 109.83 Million Baht, net cash flows used in investing activities were 13.75 Million Baht and net cash flows used in financing activities (Dividends Paid) were 12 Million Baht.

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director