

- TRANSLATION -

KT/KP (Q-CON) 007/2018

November 1st , 2018.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the third quarter ended 30 September 2018

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

Q-CON and subsidiary have lose for the period of 9.70 Million Baht, which was included the asset impairments of 21 Million Baht. In addition, at the same period of last year Revenue from Sale was decreased as a result of profit for the period was decreased 40.12 Million Baht. (The third quarter of 2017, there were profit for the period 30.42 Million Baht.)

Revenue from sales were 481.82 Million Baht decreasing 4% at the same period mainly from sales volume. The third quarter of 2018 Gross profit rate 14% decreased 3% compared with last year.

The third quarter in 2018, the company cost of distribution and administrative expense were 72.85 Million Baht compare with last period 48.50 Million Baht, increased 24.35 Million Baht or 50%. Due to the asset impairments of 21 Million Baht from under construction of Lumphun Plant were included in administrative expense, while cost of distribution decreased from sales volume.

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

At the end of September 30, 2018, the total assets 2,087.89 Million Baht were increased 66.27 Million Baht compare with at the end of December 31, 2017. Increasing from cash, trade receivables, assets decreasing from inventories, Land, plant and equipment, which decreased from depreciation.

Total liabilities 298.59 Million Baht were increased 70.32 Million Baht by trade payable, others current payable and provisions for employee benefits.

At the end of September 30, 2018, the company has cash balance amount 289.69 Million Baht increasing 166.69 Million Baht compare with at the end of last year by net cash flow provided by operation activities were 198.22 Million Baht, cash flow from investment activities were 19.53 Million Baht and net cash flows used in financing activities (Dividends Paid) were 12 Million Baht on April 25, 2018.

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director