

- TRANSLATION -

KT/PB (Q-Con) 004/2019

February 4, 2019.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for year 2018

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

Q-CON and subsidiary have profit for the year 2018 of 57 Million Baht increase 52 Million Baht compared with last year (the year 2017, there were profit for the year 5 Million Baht.) Mainly by the increase of Revenue from sales 13% with the increasing from domestic selling price and expansion oversea market. There are gross margin rate or the year 2018 is 15% and 10% in the year 2017. As the result of the company's gross margin increased 5% compared with the last year.

In 2018, the company cost of distribution and administrative expense 209 Million Baht and 174 Million Baht in 2017, compared with last year were increased 35 Million Baht or 20%. In the year 2018 Administrative expenses, including the asset impairments of under construction in Lamphun Plant in the amount of 21 Million baht, while the cost of distribution decreases from transportation costs, advertising and sales promotion expenses.

Financial costs have been decreased. In 2018, the company had no financial cost, while there were 0.2 Million Baht in the year 2017. Because the company has already completed the repayment to financial institutions in 2017

In 2018, the company had tax expense 16 Million Baht from the profit increasing.

Total assets year 2018 and year 2017, amount 2,087 Million Baht and 2,022 Million Baht respectively. Increasing of the total assets from cash and trade receivables. Assets decreasing from inventories and property, plant and equipment which decreased from depreciation of assets .

There were total liability of 236 Million Baht increased by 7 Million Baht from trade payables but decreased from provisions for employee benefits.

At the end of December 31,2018, the company has cash balance amount 346 Million Baht increased 223 Million Baht There are net cash flows provided by operating activities amount 268 Million Baht net cash flows used in investing activities amount 33 Million Baht and net cash flows used in financing activities of 12 Million Baht from dividend payment

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director