

- TRANSLATION -

KT/PB (Q-Con) 025/2019

November 1, 2019.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the third quarter ended 30 September 2019

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result for the third quarter 2019 changed more than 20 percent that of 2018.

Q-CON and subsidiary have profit for the period amount 44.7 Million Baht increased 54.4 Million Baht compared with the performance as the same period of 2018, there were loss for the period 9.7 Million Baht. Mainly by the increasing of Revenue from sales 10% with the increasing from sales price and sales volume. There are gross profit rate for the third quarter is 21%, and 14 % in the third quarter of 2018. As the result of the company’s gross profit increased 7% compared with the last period.

The third quarter in 2019, the company cost of distribution and administrative expense were 56.6 Million Baht compare with last period 72.9 Million Baht, decreased 22% or 16.3 Million Baht decreased from the recognized an impairment loss of assets and cost of distribution.

The company has income tax expenses of 9.7 Million Baht due to increased profits.

At the end of September 30, 2019, the total assets 2,262.6 Million Baht were increased 175.7 Million Baht compare with at the end of December 31, 2018 increasing from current investment, trade receivables and inventories. Assets decreased from Land, plant and equipment, which decreased from depreciation.

There were total liabilities of 303.6 Million Baht increased by 68.1 Million Baht from trade payable, others current payable, current income tax payable and provisions for employee benefits.

At the end of September 30, 2019, the company has cash balance amount 273.9 Million Baht decreasing 72.6 Million Baht from December 31, 2018. Due to the company net cash flow used in investing activities 313.7 million baht for invested in the current investment 300 Million Baht and dividends paid to owners of the company 24 million baht. Therefore, the company has net cash flow provided by operation activities 265.1 Million Baht.

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director