

- TRANSLATION -

(Q-Con) 0012/2020

August 10, 2020.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the second quarter ended 30 June 2020

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result for the second quarter 2020 changed more than 20 percent that of 2019.

Q-CON and subsidiary have profit for the second quarter 2020 of 35.2 Million Baht increased 8.5 Million Baht compared with last year (the second quarter 2019, there were profit for the year 26.7 Million Baht.) The revenue from sales decreased 12% compared with the same period mainly from lower sales volume, while cost of sales were decreased 13% as a resulting of the second quarter of 2020 the gross margin was 18 the same as last year.

The second quarter in 2020, the company distribution costs and administrative expense 41.5 Million Baht and 56.7 Million Baht in 2019, compared with last year were decreased 15.2 Million Baht or 27%, the company controlled the expenses be in the suitable and the second quarter in 2019 was amended severance pay of the Labor Law amount of 11.3 Million Baht.

In 2020, the Finance Costs were 0.3 Million Baht from Interest expense on lease liabilities.

The company has income tax expense of 10.0 Million Baht due to increased profits.

At the end of June 30, 2020 the total assets 2,359.5 Million Baht were increased 99.4 Million Baht compared with at the end of December 31, 2019 respectively. Increasing from Investments in short – term debt securities and inventory but decreased from trade receivables.

There were total liabilities of 331.4 Million Baht increased by 74.1 Million Baht from lease liabilities and trade payables.

At the end of June 30, 2020, the company had cash and cash equivalents balance amount 238.2 Million Baht decreased 10.5 Million Baht from December 31, 2019. There were net cash flows provided by operating activities 198.9 Million baht, net cash flows used in investing activities 130.9 Million baht from acquisition of investment in short – term debt securities 100 Million baht. And net cash flows used in financing activities 78.4 Million Baht from dividend paid

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director