

- TRANSLATION -

(Q-CON) 009/2021

November 4, 2021.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the third quarter ended 30 September 2021.

Quality Construction Products Public Company Limited (“Q-CON”) would like to clarify the main reason that caused operating result for the third quarter 2021 changed more than 20 percent that of 2020.

Q-CON and subsidiary have profit for the period amount 24.2 Million Baht compared with the performance as the same period of last year, there were loss for the period 10.5 Million Baht or profit for the period increased 34.7 Million Baht. The decreasing of Revenue from sales 11% at the same period. Mainly reason from sales volume while cost of sales decreased 11% be the cause of gross margin rate for 2021 and 2020 were 19%.

The third quarter in 2021, the company cost of distribution and administrative expenses were 46.2 Million Baht compare with last period 48.9 Million Baht, decreased 6% or 2.7 Million Baht, due to sale promotion expense and donation were reduced. In the third quarter 2020, the company recognized loss on sale of property, plant and equipment 47.8 Million Baht.

The finance costs were 0.3 Million Baht form interest expenses on lease liabilities.

The third quarter in 2021, the company has tax expense 1.1 Million Baht from profit for a period was increased. The third quarter in 2020, the company had income tax amount 5.5 Million Baht from loss for the period.

At the end of September 30, 2021, the total assets 2,304.2 Million Baht were decreased 0.1 Million Baht compare with at the end of December 31, 2020, by cash and cash equivalents, property, plant and equipment and increasing from investment in short-term debt instruments, trade receivables, inventories, intangible assets and deferred tax assets.

There were total liabilities of 332.9 Million Baht increased by 68.3 Million Baht from trade payables, other current payables, corporate income tax payable, lease liabilities and non-current provisions for employee benefits.

At the end of September 30, 2021, the company has cash balance and cash equivalents balance amount 269.9 Million Baht decreased 99.9 Million Baht form December 31, 2020. There were net cash flows provided by operating activities 222.7 Million Baht, net cash flows used in investing activities 120.2 Million Baht from payments of investment in short – term debt instruments 70 Million Baht, acquisition of property, plant and equipment and intangible assets 58.7 Million Bath Net cash flows provided by operating activities 202.3 Million Baht from Dividends paid, Lease liabilities, interest expenses on lease liabilities.

Please be informed accordingly

Sincerely yours,

Krongboon Sopawanit

(Ms.Krongboon Sopawanit)

Administrative Director