

- TRANSLATION -

KT/PB (Q-Con) 020/2019

August 7, 2019.

Attention Managing Director

The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the second quarter ended 30 June 2019

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

Q-CON and subsidiary have profit for the period amount 26.7 Million Baht increased 24.0 Million Baht compared with the performance as the same period of 2018, there were profit for the period 2.7 Million Baht. Mainly by the increasing of Revenue from sales 7% with the increasing from sales price and sales volume. There are gross profit rate for the second quarter is 18%, and 10 % in the second quarter of 2018. As the result of the company’s gross profit increased 8% compared with the last period.

The second quarter in 2019, the company cost of distribution and administrative expense were 56.7 Million Baht compare with last period 47.0 Million Baht, increased 21% or 9.7 Million Baht increased from the amended severance pay of the Labor Law amount of 11.3 Million Baht.

The company has income tax expenses of 6.3 Million Baht due to increased profits.

At the end of June 30, 2019, the total asset 2,216.9 Million Baht were increased 129.9 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 302.6 Million Baht increased by 67.0 Million Baht from trade payable, others current payable, current income tax payable and provisions for employee benefits.

At the end of June 30, 2019, the company has cash balance amount 249.8 Million Baht decreasing 96.7 Million Baht from December 31, 2018. Due to the company net cash flow used in investing activities 258.2 million baht for invested in the current investment 250 Million Baht and dividends paid to owners of the company 24 million baht. Therefore, the company has net cash flow provided by operation activities 185.5 Million Baht.

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director