

Quality Construction Products Public Company Limited and its Subsidiary

Statements of financial position

As at 30 September 2019

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 September 2019 (Unaudited)	31 December 2018	30 September 2019 (Unaudited)	31 December 2018
<i>(in thousand Baht)</i>					
Assets					
<i>Current assets</i>					
Cash and cash equivalents		273,881	346,449	168,526	125,347
Current investment	4	300,000	-	-	-
Trade receivables	3, 5	203,976	175,744	184,096	159,352
Other current receivables	3	7,960	9,195	8,062	9,769
Inventories		201,789	173,285	157,097	135,219
Current tax assets		196	129	-	-
Total current assets		987,802	704,802	517,781	429,687
<i>Non-current assets</i>					
Investments in subsidiary	6	-	-	590,000	590,000
Property, plant and equipment	7	1,242,962	1,359,253	1,061,811	1,145,294
Intangible assets		5,686	6,351	4,450	4,936
Deferred tax assets	8	25,201	14,736	24,112	13,917
Other non-current assets		982	1,810	843	1,543
Total non-current assets		1,274,831	1,382,150	1,681,216	1,755,690
Total assets		2,262,633	2,086,952	2,198,997	2,185,377

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statements of financial position

As at 30 September 2019

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Liabilities and shareholders' equity	Note	2019	2018	2019	2018
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Trade payables	3, 9	114,294	105,290	96,828	83,923
Other current payables	3	117,924	86,480	101,842	76,053
Short-term borrowing	3	-	-	60,000	200,000
Current provisions for employee benefits		1,870	1,870	1,710	1,710
Current income tax payable		14,218	2,108	14,218	2,108
Total current liabilities		248,306	195,748	274,598	363,794
<i>Non-current liabilities</i>					
Non-current provisions for employee benefits	10	54,490	39,284	50,179	36,181
Other non-current liabilities		826	516	677	358
Total non-current liabilities		55,316	39,800	50,856	36,539
Total liabilities		303,622	235,548	325,454	400,333

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Quality Construction Products Public Company Limited and its Subsidiary

Statements of financial position

As at 30 September 2019

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Liabilities and shareholders' equity				
<i>Shareholders' equity</i>				
Share capital				
<i>Authorized share capital</i>				
- Ordinary share	400,000	400,000	400,000	400,000
<i>Issued and paid share capital</i>				
- Ordinary share	400,000	400,000	400,000	400,000
Premium on ordinary shares	653,769	653,769	653,769	653,769
Retained earnings				
<i>Appropriated</i>				
Legal reserve	56,088	56,088	40,000	40,000
<i>Unappropriated</i>				
	849,154	741,547	779,774	691,275
Total shareholders' equity	1,959,011	1,851,404	1,873,543	1,785,044
Total liabilities and shareholders' equity	2,262,633	2,086,952	2,198,997	2,185,377

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of income

For the three-month period ended 30 September 2019 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Revenue from sales	3	531,247	481,819	438,660	399,902
Cost of sales		<u>(422,207)</u>	<u>(415,005)</u>	<u>(341,796)</u>	<u>(339,263)</u>
Gross Profit		<u>109,040</u>	<u>66,814</u>	<u>96,864</u>	<u>60,639</u>
Net gain on exchange rate		946	-	723	-
Other income		<u>947</u>	<u>675</u>	<u>6,102</u>	<u>5,942</u>
Profit before expenses		<u>110,933</u>	<u>67,489</u>	<u>103,689</u>	<u>66,581</u>
Distribution costs		(15,816)	(18,314)	(15,942)	(18,156)
Administrative expenses		(40,738)	(54,543)	(37,689)	(52,665)
Net loss on exchange rate		<u>-</u>	<u>(272)</u>	<u>-</u>	<u>(272)</u>
Total expenses		<u>(56,554)</u>	<u>(73,129)</u>	<u>(53,631)</u>	<u>(71,093)</u>
Profit (loss) from operations		<u>54,379</u>	<u>(5,640)</u>	<u>50,058</u>	<u>(4,512)</u>
Finance costs		<u>-</u>	<u>-</u>	<u>(475)</u>	<u>(2,459)</u>
Profit (loss) before income tax		<u>54,379</u>	<u>(5,640)</u>	<u>49,583</u>	<u>(6,971)</u>
Tax benefit (expense)		<u>(9,699)</u>	<u>(4,060)</u>	<u>(9,761)</u>	<u>1,482</u>
Profit (loss) for the period		<u>44,680</u>	<u>(9,700)</u>	<u>39,822</u>	<u>(5,489)</u>
Basic earnings (loss) per share (in Baht)	12	<u>0.11</u>	<u>(0.02)</u>	<u>0.10</u>	<u>(0.01)</u>

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of comprehensive income

For the three-month period ended 30 September 2019 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit (loss) for the period	44,680	(9,700)	39,822	(5,489)
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	44,680	(9,700)	39,822	(5,489)

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of income

For the nine-month period ended 30 September 2019 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Revenue from sales	3	1,564,144	1,401,792	1,307,198	1,175,846
Cost of sales		<u>(1,250,927)</u>	<u>(1,220,660)</u>	<u>(1,032,686)</u>	<u>(1,000,481)</u>
Gross Profit		<u>313,217</u>	<u>181,132</u>	<u>274,512</u>	<u>175,365</u>
Net gain on exchange rate		2,979	-	2,701	-
Other income		<u>3,435</u>	<u>1,774</u>	<u>18,771</u>	<u>17,317</u>
Profit before expenses		<u>319,631</u>	<u>182,906</u>	<u>295,984</u>	<u>192,682</u>
Distribution costs		(56,879)	(61,897)	(56,431)	(61,698)
Administrative expenses		<u>(103,254)</u>	<u>(106,776)</u>	<u>(95,891)</u>	<u>(101,634)</u>
Net loss on exchange rate		-	<u>(599)</u>	-	<u>(599)</u>
Total expenses		<u>(160,133)</u>	<u>(169,272)</u>	<u>(152,322)</u>	<u>(163,931)</u>
Profit from operations		<u>159,498</u>	<u>13,634</u>	<u>143,662</u>	<u>28,751</u>
Finance costs		-	-	<u>(3,002)</u>	<u>(7,684)</u>
Profit before income tax		<u>159,498</u>	<u>13,634</u>	<u>140,660</u>	<u>21,067</u>
Tax expense		<u>(27,891)</u>	<u>(5,687)</u>	<u>(28,161)</u>	<u>(178)</u>
Profit for the period		<u>131,607</u>	<u>7,947</u>	<u>112,499</u>	<u>20,889</u>
Basic earnings per share (in Baht)	12	<u>0.33</u>	<u>0.02</u>	<u>0.28</u>	<u>0.05</u>

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of comprehensive income

For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit for the period	131,607	7,947	112,499	20,889
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	131,607	7,947	112,499	20,889

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated financial statements					
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>						
Balance at 1 January 2018		400,000	653,769	56,088	683,488	1,793,345
Transactions with owners, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent</i>						
Dividends	13	-	-	-	-12,000	-12,000
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-12,000	-12,000
Total transactions with owners, recorded directly in shareholders' equity		400,000	653,769	56,088	671,488	1,781,345
Comprehensive income for the period						
Profit or loss		-	-	-	7,947	7,947
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	7,947	7,947
Balance at 30 September 2018		400,000	653,769	56,088	679,435	1,789,292

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated financial statements					
	<i>Note</i>	Issued and paid-up share capital	Premium on ordinary shares	<u>Retained earnings</u>		Total shareholders' equity
				Appropriated Legal reserve <i>(in thousand Baht)</i>	Unappropriated	
Balance at 1 January 2019		400,000	653,769	56,088	741,547	1,851,404
Transactions with owners, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent</i>						
Dividends	<i>13</i>	-	-	-	-24,000	-24,000
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	-24,000	-24,000
Total transactions with owners, recorded directly in shareholders' equity		400,000	653,769	56,088	717,547	1,827,404
Comprehensive income for the period						
Profit or loss		-	-	-	131,607	131,607
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	131,607	131,607
Balance at 30 September 2019		400,000	653,769	56,088	849,154	1,959,011

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2019 (Unaudited)

	Note	Separate financial statements			Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
				Appropriated Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>						
Balance at 1 January 2018		400,000	653,769	40,000	631,368	1,725,137
Transactions with owners, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent</i>						
Dividends	13	-	-	-	(12,000)	(12,000)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	(12,000)	(12,000)
Total transactions with owners, recorded directly in shareholders' equity		400,000	653,769	40,000	619,368	1,713,137
Comprehensive income for the period						
Profit or loss		-	-	-	20,889	20,889
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	20,889	20,889
Balance at 30 September 2018		400,000	653,769	40,000	640,257	1,734,026

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2019 (Unaudited)

	Note	Separate financial statements			Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
				Appropriated Legal reserve	Unappropriated	
				<i>(in thousand Baht)</i>		
Balance at 1 January 2019		400,000	653,769	40,000	691,275	1,785,044
Transactions with owners, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent</i>						
Dividends	13	-	-	-	(24,000)	(24,000)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	(24,000)	(24,000)
Total transactions with owners, recorded directly in shareholders' equity		400,000	653,769	40,000	667,275	1,761,044
Comprehensive income for the period						
Profit or loss		-	-	-	112,499	112,499
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	112,499	112,499
Balance at 30 September 2019		400,000	653,769	40,000	779,774	1,873,543

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of cash flows

For the nine-month period ended 30 September 2019 (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the period		131,607	7,947	112,499	20,889
<i>Adjustments for</i>					
Depreciation		124,957	135,247	91,772	102,623
Amortization of intangible assets		998	1,011	786	800
Interest income		(276)	(173)	(331)	(128)
Unrealized loss (gain) on foreign currency exchange		(764)	1,040	(702)	1,040
Reversal of doubtful and bad debts expenses		-	(1)	-	(1)
Loss on inventories devaluation (reversal)		(751)	4,035	(721)	4,147
Loss on written off of property, plant and equipment		418	900	418	900
Impairment losses on property, plant and equipment	7	6,404	20,967	6,404	20,967
Finance costs		-	-	3,002	7,684
Employee benefit expense	10	15,206	4,866	13,998	4,374
Tax expense		27,891	5,687	28,161	178
Cash flows generated from operations before					
changes in operating assets and liabilities		305,690	181,526	255,286	163,473
<i>Decrease (increase) in operating assets</i>					
Trade receivables		(27,791)	(51,324)	(24,303)	(45,046)
Other current receivables		(966)	(2,979)	(445)	(2,933)
Inventories		(27,753)	8,156	(21,157)	(5,138)
Other non-current assets		828	(1,583)	700	(1,309)
Net increase in operating assets		(55,682)	(47,730)	(45,205)	(54,426)

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Quality Construction Products Public Company Limited and its Subsidiary

Statement of cash flows

For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
Note	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Increase in operating liabilities</i>				
Trade payables	9,310	34,106	13,149	23,099
Other current payables	31,780	31,239	26,039	23,176
Other non-current liabilities	310	288	319	135
Increase in operating liabilities	41,400	65,633	39,507	46,410
Net cash flows generated from operations	291,408	199,429	249,588	155,457
Income tax paid	(26,313)	(704)	(26,246)	(601)
Net cash flows provided by operating activities	265,095	198,725	223,342	154,856
<i>Cash flows from investing activities</i>				
Current investment	(300,000)	-	-	-
Acquisition of property, plant and equipment	(13,606)	(18,847)	(13,192)	(14,763)
Acquisition of intangible assets	(333)	(860)	(300)	(695)
Proceeds from sale of property, plant and equipment	-	5	-	5
Interest received	276	173	331	128
Net cash flows used in investing activities	(313,663)	(19,529)	(13,161)	(15,325)
<i>Cash flows from financing activities</i>				
<i>Payment of borrowing</i>				
Payments of borrowings from related party	-	-	(140,000)	(50,000)
Net Decrease in borrowing	-	-	(140,000)	(50,000)
Dividends paid to owners of the Company	13 (24,000)	(12,000)	(24,000)	(12,000)
Interest paid	-	-	(3,002)	(7,684)
Net cash flows used in financing activities	(24,000)	(12,000)	(167,002)	(69,684)

The accompanying notes are an integral part of these interim financial statements.

Quality Construction Products Public Company Limited and its Subsidiary

Statement of cash flows

For the nine-month period ended 30 September 2019 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents	(72,568)	167,196	43,179	69,847
Effect of exchange rate changes on cash and cash equivalents	-	(511)	-	(511)
Cash and cash equivalents at beginning of the period	346,449	123,004	125,347	57,767
Cash and cash equivalents at ending of the period	<u>273,881</u>	<u>289,689</u>	<u>168,526</u>	<u>127,103</u>

Supplementary information for cash flows

Non-cash transaction

Account payables from purchase of assets	1,836	7,468	1,791	7,166
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