



- TRANSLATION -

KT/PB (Q-Con) 001/2020

February 13, 2020.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for year 2019

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

Q-CON and subsidiary have profit for the year 2019 of 180 Million Baht increase 123 Million Baht compared with last year (the year 2018, there were profit for the year 57 Million Baht.) Mainly by the increase of Revenue from sales 7% with the increasing from domestic selling price and expansion oversea market. There are gross margin rate or the year 2019 is 19% and 15% in the year 2018. As the result of the company's gross margin increased 4% compared with the last year.

In 2019, the company cost of distribution and administrative expense 190 Million Baht and 209 Million Baht in 2018, compared with last year were decreased 19 Million Baht or 9% mainly from the impairment of property, plant and equipment under construction in Lamphun province was reduced and the cost of distribution decreases from transportation costs, advertising and sales promotion expenses.

The company had no financial cost.

In 2019, the company had tax expense 37 Million Baht from the profit increasing.



At the end of December 31, 2019, the total assets 2,260 Million Baht were increased 173 Million Baht compare with at the end of December 31, 2018 respectively. Increasing of the total assets from current investment and trade receivables. Assets decreasing from inventories and property, plant and equipment which decreased from depreciation of assets.

There were total liabilities of 257 Million Baht increased by 22 Million Baht from other current payables, current income tax payable and non-current provisions for employee benefits.

At the end of December 31, 2019, the company has cash balance amount 249 Million Baht decreasing 98 Million Baht from December 31, 2018. Due to the company net cash flow used in investing activities 417 Million Baht for invested in the current investment 400 Million Baht and net cash flow used in financing activities 24 Million Baht from dividends paid to owners of the company. Therefore, the company has net cash flow provided by operating activities 343 Million Baht.

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director