

- TRANSLATION -

KT/PB (Q-Con) 007/2020

May 15, 2020.

Attention Managing Director
The Stock Exchange of Thailand

Subject : Management Discussion and Analysis the first quarter ended 31 March 2020

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

Q-CON and subsidiary have profit for the first quarter 2020 of 62.1 Million Baht increased 1.8 Million Baht compared with last year (the first quarter 2019, there were profit for the year 60.3 Million Baht.) The revenue from sales decreased 9% compared with the same period mainly from lower sales volume, while cost of sales were decreased 10% resulting in the gross margin increased 1%. By the first quarter of 2020 the gross margin was 22% and 21% in the first quarter of 2019.

The first quarter in 2020, the company distribution costs and administrative expense 45.1 Million Baht and 46.9 Million Baht in 2019, compared with last year were decreased 1.8 Million Baht or 4% mainly due to transportation costs.

In 2020, the company had tax expense 13.7 Million Baht from higher profit.

At the end of March 31, 2020, the total assets 2,413.3 Million Baht were increased 153.3 Million Baht compared with at the end of December 31, 2019 respectively. Increasing of the total assets from cash and cash equivalents, trade receivables, inventories and property, plant and equipment. Assets were decreased from investment in short-term debt securities.

There were total liabilities of 420.5 Million Baht increased by 163.1 Million Baht from trade payables, accrued dividends, lease liabilities and current income tax payable

At the end of March 31, 2020, the company had cash and cash equivalents balance amount 601.0 Million Baht increased 352.3 Million Baht from December 31, 2019. There were net cash flows provided by operating activities 123.6 million baht, net cash flows provided by investing activities 233.2 million baht mainly due to the proceeds from investment in short-term debt securities 250 million baht and net cash flows used in financing activities 4.5 Million Baht.

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director