

- TRANSLATION -

(Q-Con) 002/2021

February 9, 2021.

Attention Managing Director
 The Stock Exchange of Thailand

Subject : Management Discussion and Analysis for year 2020

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

Q-CON and subsidiary have profit for the year 2020 amount 114.0 Million Baht compared with the performance as the same period of 2019, there were profit for the period 179.7 Million Baht or profit for the year decreased 65.7 Million Baht. The decreasing of Revenue from sales 17% at the same period. Mainly reason from sales volume while cost of sales reduced 17% be the cause of gross margin reduced 61.5 Million Baht, therefore gross margin rate 19%the same as last year.

In the year of 2020, the company cost of distribution and administrative expenses were 221.7 Million Baht compare with last period 189.8 Million Baht, increased 17% or 31.9 Million Baht. Due to in the year of 2020, the new plant in Lamphun province was cancelled, therefore the company recognized an impairment losses on property, plant and equipment under construction totalled 4.7 Million Baht and reversed the impairment loss of machinery, totalled 13.0 Million Baht in profit or loss. In addition the company could properly controlled cost of distribution and administrative expenses. In the year the company recognized loss on sale of property, plant and equipment 47.2 Million Baht

The finance costs were 1.1 Million Baht from interest expenses on lease liabilities.

The company has income tax of 25.3 Million Baht reduced from last year 12.2 Million Baht, due to the decreasing from profit for the year.

At the end of December 31, 2020, the total assets 2,304.3 Million Baht were increased 44.3 Million Baht compare with at the end of December 31, 2019 respectively, increasing from cash and cash equivalents, investments in short-term debt instruments, inventories and other current receivables, decreasing from property, plant and equipment and trade receivables.

There were total liabilities of 264.5 Million Baht increased by 7.2 Million Baht from lease liabilities and provisions for employee benefits was higher, reduced from trade payables and current income tax payable.

At the end of December 31, 2020, the company has cash balance and cash equivalents balance amount 369.7 Million Baht increased 121.1 Million Baht form December 21, 2019. There were net cash flows provided by operating activities 324.8 Million Baht, net cash flows used in investing activities 105.0 Million Baht from payments of investment in short-term debt instruments 70 Million Baht, 41.7 Million Baht for acquisition of property, plant and equipment and net cash flows used in financing activities 98.8 Million Baht from dividend paid 72 Million Baht.

Please be informed accordingly

Sincerely yours,

Saowaluck Suwanprateep

(Mrs.Saowaluck Suwanprateep)

Deputy Managing Director