

Quality Construction Products Public Company Limited and its Subsidiary

Statements of financial position

As at 30 June 2020

Assets	Note	Consolidated		Separate	
		30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		238,212	248,677	159,171	165,277
Investments in short-term debt securities	5	500,000	400,000	80,000	-
Trade receivables	4, 6	160,065	195,520	145,051	179,027
Other current receivables	4	8,298	6,892	6,875	5,398
Inventories		208,490	163,559	159,105	126,132
Current tax assets		251	216	-	-
Total current assets		1,115,316	1,014,864	550,202	475,834
Non-current assets					
Investments in subsidiary	7	-	-	590,000	590,000
Property, plant and equipment	8	1,210,208	1,215,178	1,048,112	1,041,317
Intangible assets		4,832	4,954	3,958	3,937
Deferred tax assets	9	23,966	20,027	22,740	18,829
Other non-current assets	4	5,164	5,053	4,389	4,320
Total non-current assets		1,244,170	1,245,212	1,669,199	1,658,403
Total assets		2,359,486	2,260,076	2,219,401	2,134,237

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 June 2020

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2020 (Unaudited)	31 December 2019	30 June 2020 (Unaudited)	31 December 2019
<i>(in thousand Baht)</i>					
Current liabilities					
Trade payables	4, 10	97,744	82,091	80,438	70,770
Other current payables	4	99,266	92,651	86,993	77,693
Current portion of lease liabilities		20,189	-	16,251	-
Current income tax payable		26,851	17,360	26,851	17,360
Current provisions for employee benefits		1,952	1,952	1,803	1,803
Total current liabilities		246,002	194,054	212,336	167,626
Non-current liabilities					
Lease liabilities		20,140	-	16,837	-
Non-current provisions for employee benefits	11	63,606	61,970	58,365	56,998
Other non-current liabilities		1,680	1,354	1,532	1,205
Total non-current liabilities		85,426	63,324	76,734	58,203
Total liabilities		331,428	257,378	289,070	225,829

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 June 2020

	Consolidated		Separate	
	financial statements		financial statements	
Liabilities and shareholders' equity	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Shareholders' equity				
Share capital				
<i>Authorized share capital</i>				
<i>(400 million ordinary shares,</i>				
<i>par value at Baht 1 per share)</i>				
	400,000	400,000	400,000	400,000
<i>Issued and paid-up share capital</i>				
<i>(400 million ordinary shares,</i>				
<i>par value at Baht 1 per share)</i>				
	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>				
	918,201	892,841	836,562	814,639
Total shareholders' equity	2,028,058	2,002,698	1,930,331	1,908,408
Total liabilities and shareholders' equity	2,359,486	2,260,076	2,219,401	2,134,237

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of income

For the three-month period ended 30 June 2020 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenue from sales	4	417,157	476,618	354,075	399,507
Cost of sales		<u>(340,084)</u>	<u>(388,733)</u>	<u>(278,141)</u>	<u>(321,146)</u>
Gross Profit		<u>77,073</u>	<u>87,885</u>	<u>75,934</u>	<u>78,361</u>
Net gain on exchange rate		474	457	296	403
Other income		<u>9,410</u>	<u>1,283</u>	<u>11,670</u>	<u>6,348</u>
Profit before expenses		<u>86,957</u>	<u>89,625</u>	<u>87,900</u>	<u>85,112</u>
Distribution costs		(15,515)	(20,987)	(14,796)	(20,561)
Administrative expenses	11	<u>(25,990)</u>	<u>(35,711)</u>	<u>(23,920)</u>	<u>(33,194)</u>
Total expenses		<u>(41,505)</u>	<u>(56,698)</u>	<u>(38,716)</u>	<u>(53,755)</u>
Profit from operations		45,452	32,927	49,184	31,357
Finance costs		<u>(274)</u>	-	<u>(226)</u>	<u>(890)</u>
Profit before income tax		45,178	32,927	48,958	30,467
Tax expense		<u>(9,959)</u>	<u>(6,274)</u>	<u>(9,975)</u>	<u>(6,449)</u>
Profit for the period		<u>35,219</u>	<u>26,653</u>	<u>38,983</u>	<u>24,018</u>
Basic earnings per share (in Baht)		<u>0.09</u>	<u>0.07</u>	<u>0.10</u>	<u>0.06</u>

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of comprehensive income

For the three-month period ended 30 June 2020 (Unaudited)

	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the period	35,219	26,653	38,983	24,018
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>35,219</u>	<u>26,653</u>	<u>38,983</u>	<u>24,018</u>

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of income

For the six-month period ended 30 June 2020 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenue from sales	4	925,584	1,032,897	790,412	868,537
Cost of sales		<u>(735,897)</u>	<u>(828,720)</u>	<u>(613,022)</u>	<u>(690,890)</u>
Gross Profit		<u>189,687</u>	<u>204,177</u>	<u>177,390</u>	<u>177,647</u>
Net gain on exchange rate		-	2,033	-	1,979
Other income		<u>18,917</u>	<u>2,488</u>	<u>22,154</u>	<u>12,670</u>
Profit before expenses		<u>208,604</u>	<u>208,698</u>	<u>199,544</u>	<u>192,296</u>
Distribution costs		(32,030)	(41,063)	(30,577)	(40,489)
Administrative expenses	11	(54,535)	(62,517)	(50,400)	(58,202)
Net loss on exchange rate		<u>(457)</u>	<u>-</u>	<u>(488)</u>	<u>-</u>
Total expenses		<u>(87,022)</u>	<u>(103,580)</u>	<u>(81,465)</u>	<u>(98,691)</u>
Profit from operations		121,582	105,118	118,079	93,605
Finance costs		<u>(519)</u>	<u>-</u>	<u>(424)</u>	<u>(2,528)</u>
Profit before income tax		121,063	105,118	117,655	91,077
Tax expense		<u>(23,703)</u>	<u>(18,191)</u>	<u>(23,732)</u>	<u>(18,400)</u>
Profit for the period		<u>97,360</u>	<u>86,927</u>	<u>93,923</u>	<u>72,677</u>
Basic earnings per share (in Baht)		<u>0.24</u>	<u>0.22</u>	<u>0.23</u>	<u>0.18</u>

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of comprehensive income

For the six-month period ended 30 June 2020 (Unaudited)

	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the period	97,360	86,927	93,923	72,677
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>97,360</u>	<u>86,927</u>	<u>93,923</u>	<u>72,677</u>

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of changes in shareholders' equity

For the six-month period ended 30 June 2020 (Unaudited)

	Consolidated financial statements					
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		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	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	56,088	717,547	1,827,404
Comprehensive income for the period						
Profit or loss		-	-	-	86,927	86,927
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	86,927	86,927
Balance at 30 June 2019		400,000	653,769	56,088	804,474	1,914,331

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of changes in shareholders' equity

For the six-month period ended 30 June 2020 (Unaudited)

	Consolidated financial statements					
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
				Appropriated Legal reserve <i>(in thousand Baht)</i>	Unappropriated	
Balance at 1 January 2020		400,000	653,769	56,088	892,841	2,002,698
Transactions with owners, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent</i>						
Dividends	13	-	-	-	(72,000)	(72,000)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	(72,000)	(72,000)
Total transactions with owners, recorded directly in shareholders' equity		400,000	653,769	56,088	820,841	1,930,698
Comprehensive income for the period						
Profit or loss		-	-	-	97,360	97,360
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	97,360	97,360
Balance at 30 June 2020		400,000	653,769	56,088	918,201	2,028,058

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of changes in shareholders' equity

For the six-month period ended 30 June 2020 (Unaudited)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Separate financial statements		Total shareholders' equity
				<i>Retained earnings</i>		
				Appropriated Legal reserve <i>(in thousand Baht)</i>	Unappropriated	
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		-	-	-	72,677	72,677
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	72,677	72,677
Balance at 30 June 2019		400,000	653,769	40,000	739,952	1,833,721

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of changes in shareholders' equity

For the six-month period ended 30 June 2020 (Unaudited)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Separate financial statements		Total shareholders' equity
				<i>Retained earnings</i>		
				Appropriated Legal reserve <i>(in thousand Baht)</i>	Unappropriated	
Balance at 1 January 2020		400,000	653,769	40,000	814,639	1,908,408
Transactions with owners, recorded directly in shareholders' equity						
<i>Contributions by and distributions to owners of the parent</i>						
Dividends	13	-	-	-	(72,000)	(72,000)
<i>Total contributions by and distributions to owners of the parent</i>		-	-	-	(72,000)	(72,000)
Total transactions with owners, recorded directly in shareholders' equity		400,000	653,769	40,000	742,639	1,836,408
Comprehensive income for the period						
Profit or loss		-	-	-	93,923	93,923
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	93,923	93,923
Balance at 30 June 2020		400,000	653,769	40,000	836,562	1,930,331

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of cash flows

For the six-month period ended 30 June 2020 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	97,360	86,927	93,923	72,677
<i>Adjustments for</i>				
Tax expense	23,703	18,191	23,732	18,400
Finance costs	519	-	424	2,528
Employee benefit expense	2,698	13,898	2,429	12,817
Depreciation	77,185	85,706	53,217	63,711
Amortization of intangible assets	669	652	526	511
Loss on inventories devaluation (reversal)	(1,721)	662	(1,662)	766
Unrealized gain on foreign currency exchange	(178)	(626)	(120)	(572)
Loss on written off of property, plant and equipment	-	181	-	181
Interest income	(4,897)	(227)	(587)	(312)
Cash flows generated from operations before changes in operating assets and liabilities	195,338	205,364	171,882	170,707
<i>Decrease (increase) in operating assets</i>				
Trade receivables	35,455	(8,506)	33,976	(5,435)
Other current receivables	(581)	(996)	(1,370)	(3,419)
Inventories	(43,210)	(38,311)	(31,311)	(24,611)
Other non-current assets	(111)	112	(69)	94
Net decrease (increase) in operating assets	(8,447)	(47,701)	1,226	(33,371)

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of cash flows

For the six-month period ended 30 June 2020 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Increase (decrease) in operating liabilities</i>				
Trade payables	15,831	11,011	9,788	11,880
Other current payables	15,091	19,657	13,000	16,414
Provisions for employee benefits	(1,062)	-	(1,062)	-
Other non-current liabilities	326	371	327	381
Net increase in operating liabilities	30,186	31,039	22,053	28,675
Net cash flows generated from operations	217,077	188,702	195,161	166,011
Income tax paid	(18,186)	(3,222)	(18,152)	(3,160)
Net cash flows provided by operating activities	198,891	185,480	177,009	162,851
<i>Cash flows from investing activities</i>				
Acquisition of investments in short-term debt securities	(100,000)	(250,000)	(80,000)	-
Acquisition of property, plant and equipment	(34,438)	(8,201)	(26,836)	(7,918)
Acquisition of intangible assets	(547)	(196)	(547)	(163)
Interest received	4,072	227	480	312
Net cash flows used in investing activities	(130,913)	(258,170)	(106,903)	(7,769)
<i>Cash flows from financing activities</i>				
<i>Payments of borrowings</i>				
Payments of borrowing from related party	4	-	-	(100,000)
Payments of lease liabilities		(5,977)	-	(3,831)
Net decrease in borrowings		(5,977)	(3,831)	(100,000)
Dividends paid to owners of the Company	13	(72,000)	(24,000)	(72,000)
Interest paid		(466)	-	(381)
Net cash flows used in financing activities		(78,443)	(76,212)	(126,528)

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

Quality Construction Products Public Company Limited and its Subsidiary

Statements of cash flows

For the six-month period ended 30 June 2020 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents	(10,465)	(96,690)	(6,106)	28,554
Cash and cash equivalents at beginning of the period	248,677	346,449	165,277	125,347
Cash and cash equivalents at ending of the period	238,212	249,759	159,171	153,901

Supplementary information for cash flows

Non-cash transaction

Account payables from purchase of assets	3,694	1,836	3,413	1,791
--	-------	-------	-------	-------

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