



ก้าวสู่ปีที่ 33

ทุกวันนี้ต้องก้าวหน้ากว่าเมื่อวาน “ด้วยความเชื่อถือ”

Better than yesterday, Everyday “Trust”



Azabudai Hills Mori JP Tower ,
The Highest Building in Tokyo

FORM 56-1

ONE REPORT 2024

บริษัท เอ็ม.ซี.เอส.สตีล จำกัด (มหาชน)

แบบแสดงรายการข้อมูลประจำปี/ รายงานประจำปี 2567



Toranomon Hills station Tower

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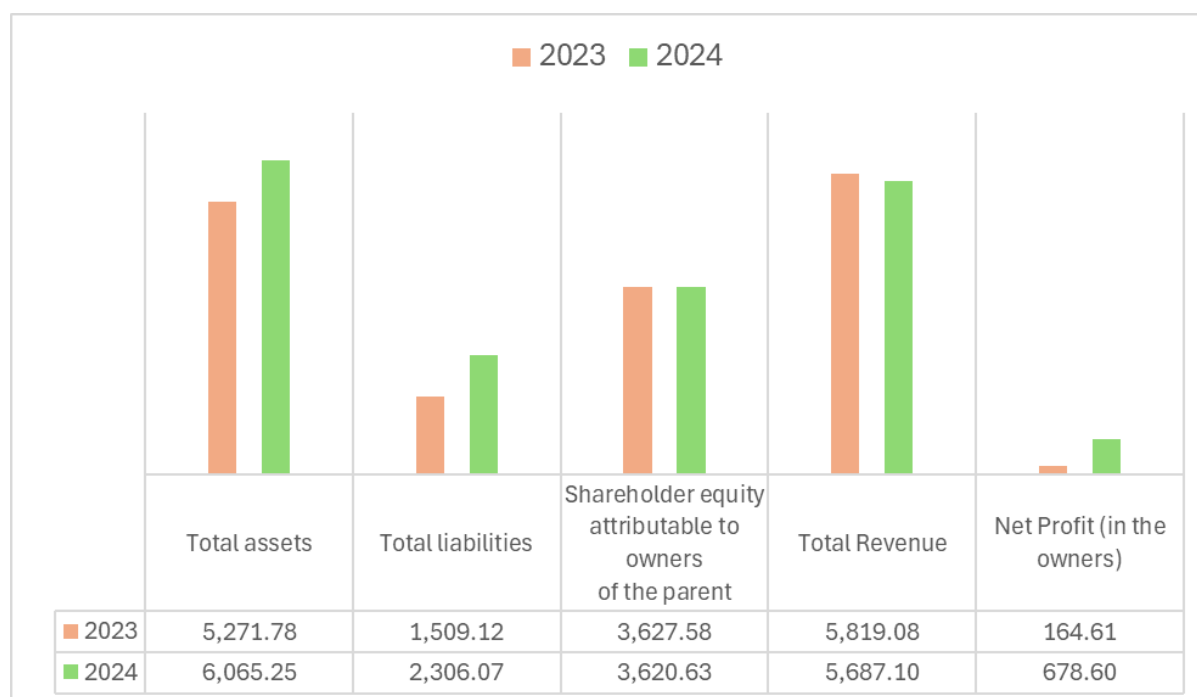
Financial Statements

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Important Financial Information

(Consolidated)



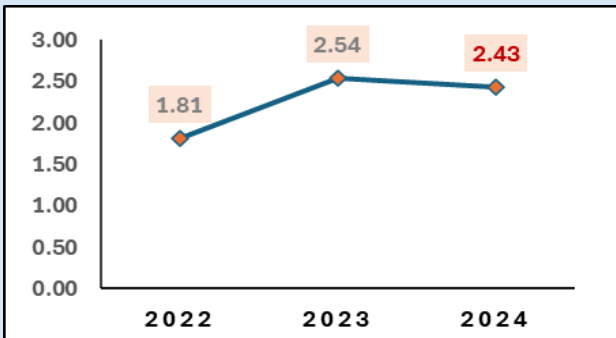
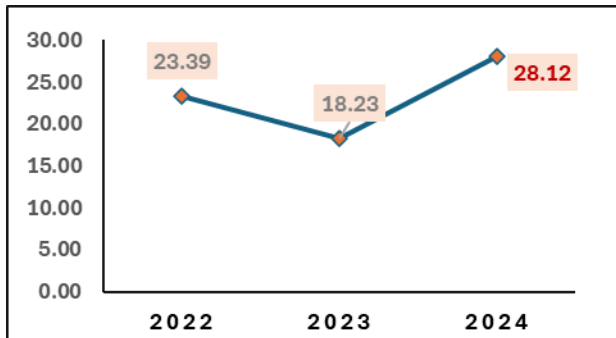
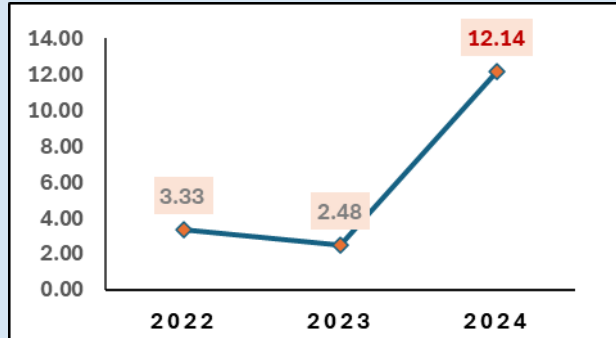
Unit: Million Baht

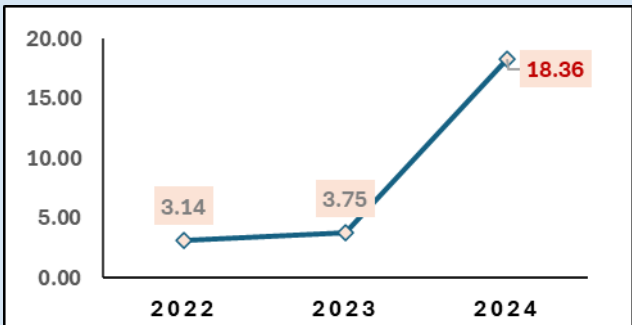
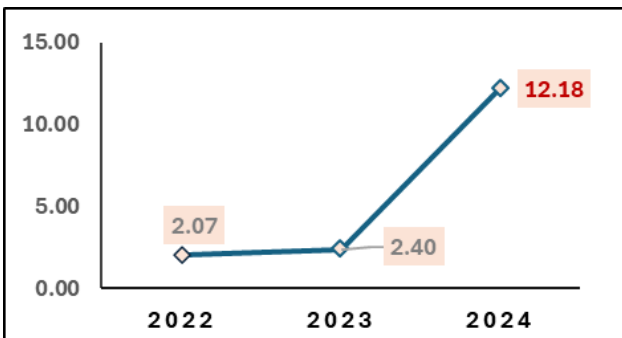
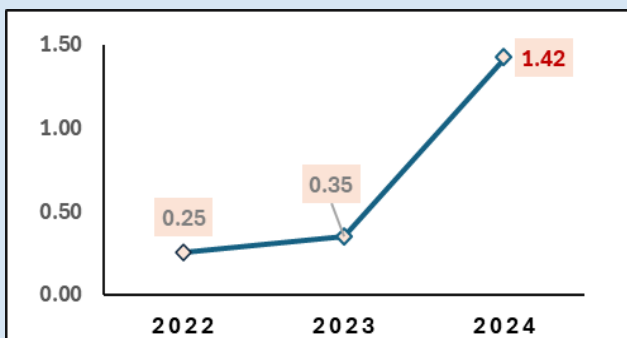
Statement of Financial Position (THB Million)	2022	2023	2024
Total assets	6,797.49	5,271.78	6,065.25
Total liabilities	2,853.99	1,509.12	2,306.07
Non-controlling interest (NCI)	166.06	135.08	138.53
Shareholder equity attributable to owners of the parent	3,777.44	3,627.58	3,620.63

Income Statement (THB Million)	2022	2023	2024
Revenue from sales of goods and rendering of services and Contract revenue	3,988.03	5,777.16	5,607.17
Total Revenue	4,042.38	5,819.08	5,687.10
Total expenses	3,840.15	5,628.98	4,961.10
Profit from operating activities	202.23	190.10	726.00
Financial Cost and Income Tax	67.66	45.50	35.52
Net Profit (in the owners)	119.87	164.61	678.60

Common Stocks Information	2022	2023	2024
Issued and fully paid-up share capital (Million shares)	477.00	477.00	477.00
Earnings Per Share (EPS) Baht	0.25	0.35	1.42
Book Value (BV) Baht	8.27	7.89	7.88
Dividend per share	0.20	0.32	0.70*

Important Financial Ratios

	2022	2023	2024								
Current Ratio (Time)	 <table><thead><tr><th>Year</th><th>Current Ratio (Time)</th></tr></thead><tbody><tr><td>2022</td><td>1.81</td></tr><tr><td>2023</td><td>2.54</td></tr><tr><td>2024</td><td>2.43</td></tr></tbody></table>			Year	Current Ratio (Time)	2022	1.81	2023	2.54	2024	2.43
Year	Current Ratio (Time)										
2022	1.81										
2023	2.54										
2024	2.43										
Gross Margin (%)	 <table><thead><tr><th>Year</th><th>Gross Margin (%)</th></tr></thead><tbody><tr><td>2022</td><td>23.39</td></tr><tr><td>2023</td><td>18.23</td></tr><tr><td>2024</td><td>28.12</td></tr></tbody></table>			Year	Gross Margin (%)	2022	23.39	2023	18.23	2024	28.12
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2022	23.39										
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2024	28.12										
Net Profit Margin (%)	 <table><thead><tr><th>Year</th><th>Net Profit Margin (%)</th></tr></thead><tbody><tr><td>2022</td><td>3.33</td></tr><tr><td>2023</td><td>2.48</td></tr><tr><td>2024</td><td>12.14</td></tr></tbody></table>			Year	Net Profit Margin (%)	2022	3.33	2023	2.48	2024	12.14
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2024	12.14										

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Return on Equity (%)	 <table><tr><th>Year</th><th>Return on Equity (%)</th></tr><tr><td>2022</td><td>3.14</td></tr><tr><td>2023</td><td>3.75</td></tr><tr><td>2024</td><td>18.36</td></tr></table>			Year	Return on Equity (%)	2022	3.14	2023	3.75	2024	18.36
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2023	3.75										
2024	18.36										
Return on Net Assets (%)	 <table><tr><th>Year</th><th>Return on Net Assets (%)</th></tr><tr><td>2022</td><td>2.07</td></tr><tr><td>2023</td><td>2.40</td></tr><tr><td>2024</td><td>12.18</td></tr></table>			Year	Return on Net Assets (%)	2022	2.07	2023	2.40	2024	12.18
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2024	12.18										
Earnings (loss) per share (Baht)	 <table><tr><th>Year</th><th>Earnings (loss) per share (Baht)</th></tr><tr><td>2022</td><td>0.25</td></tr><tr><td>2023</td><td>0.35</td></tr><tr><td>2024</td><td>1.42</td></tr></table>			Year	Earnings (loss) per share (Baht)	2022	0.25	2023	0.35	2024	1.42
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2024	1.42										
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2022	0.20										
2023	0.32										
2024	0.70										

**Message from Chairman of Board Director
And Chief Executive Officer**

This year will be the 20th year for MCS to be listed since 2005 , and we have just reached total accumulated profit of 10 billion baht .

For 2024 alone , we have reached net profit of 678.60 million baht (separated profit will be 631.76 million).

In spite of dramatic decline of Japanese yen exchange rate , which was 100 yen equal to 38 baht at 2005 and currently around 22 baht , a decline of around 40% , (we could be over 1.1 Billion baht by 2005 rate) ,we are standing strong , quantity and profit wise , we are among top 5 steel fabricators in Japan today from an unknown company in Japan when we started to enter Japanese market.

We have completed AZABUDAI project last year , the current tallest building in Japan , and we are engaging with TORCH project which once completed in next few years will be the new tallest building , for both projects we have participation with the largest portion of steel fabrication work.

It has been a combine effort of all our employee who made this once unknown fabricator 4,000 miles away from Tokyo , still the only foreign S grade fabricator in Japan.

As to catch up future trend of coming years , we had launched a 4 years around 500 million baht expansion plan , which will include a 18 robots welding machine factory , the first 2 robots have been introduced for various initial trail and the rest will be completely delivered by end of 2025, Once completed the total welding capacity of these latest optical recognize type robot will equal to 40 of our current welder , as to further increase our capacity or in case of possible shortage of skilled welders.

We also reorganize our drawing facilities as to cope with Building information modeling (BIM) system which has been quietly expanded its application in Japan.

It will be an even tougher competitive market everywhere in the world , and we are also quietly expand our capability to face it.

We have projects line up to 2030, although the dramatic Japanese currency rate fluctuation did force many project been postponed , it is the latest tricky risk for all construction industry including steel fabricators in Japan , and we are making all our effort to face potential challenge in the near and middle range future. As to 2025 , we are fully booked , and we like to expect a better profit potential from it.

It has been a joint effort of all company employees , we like extend our thanks to their endless commitment , and also the understanding from our shareholders, even though we still can't understand why we have been recategorized into " steel " sector few years ago , which is totally misleading arrangement amount so many similar markets , including Japan , China , South Korea where our competitors existing , it has been hard for us to answer such question from our foreign investors , but I guess it is the same situation as Japanese yen exchange rate , we just can't do anything about it.



Azabudai Hills Mori JP Tower

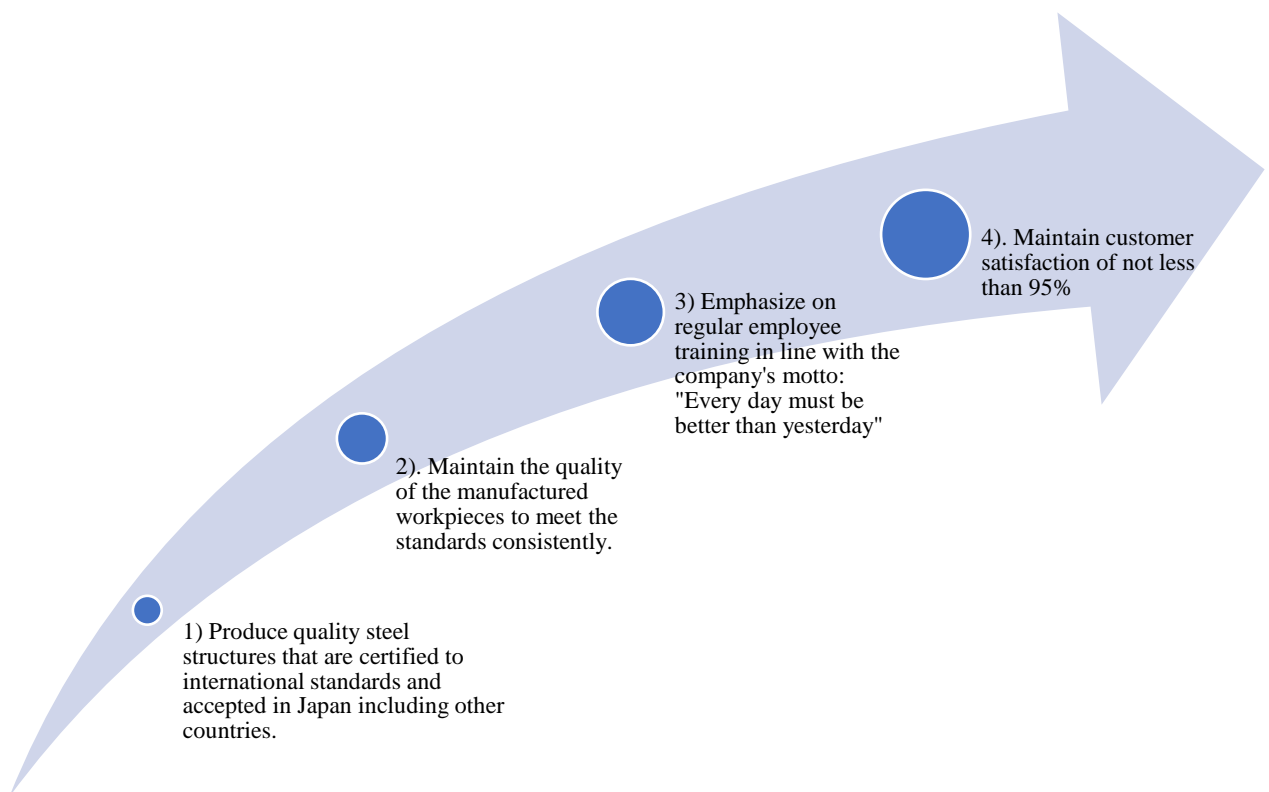


Dr. Naiyuan Chi
Chairman of Board Director
27 February 2025

VISION

We are a large-scale steel structure manufacturer, especially steel beams and columns for the construction of large complex high-rise buildings, and has been certified to international standards both domestically and internationally.

MISSION



Section **1**

Business Operations and Operational Performance

Part 1 Business Operation and Operating results

1. Company Structure and Operations

1.1 Policy and Business Overview

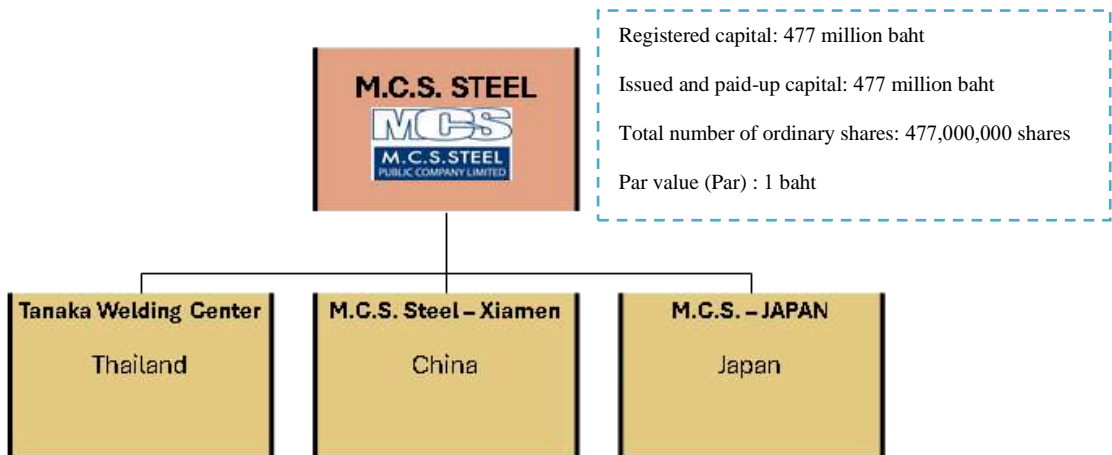
Established in 1992, M.C.S. Steel Public Company Limited is a large steel structure manufacturer, especially steel beams and columns for the construction of large high-rise buildings such as office buildings, hotels, shopping malls, etc. The company's products are characterized by quality that meets international standards and can be manufactured above the JASS 6 (Japanese Architectural Standard Specification), which is a standard for the construction of steel structures in particular, and is certified by Japanese Architectural Standard Specification in Japan and meets the conditions set by Japanese law. In addition, the construction using steel structures can save construction time. The large steel structures produced by the company are heavily used in countries with frequent earthquakes such as Japan. The characteristics of the work that our company produces are cutting and assembling steel plates according to the customer's requirements. The company provides a comprehensive production.

There are two types of steel structures produced by the company: the steel structure used as a column box and the steel structure used as beams, which are important components of the building. The factory is located in Chang Yai Subdistrict, Bang Sai District, Ayutthaya Province. At the end of 2016, the company began buying robot machines to produce column and pipe, which would have increased the company's capacity by 12,000-15,000 tons per year for column and pipe work.

The steel structure manufacturing process starts by using high-quality hot-rolled steel sheets to cut to the desired size. Then the steel sheets are assembled together by welding into various shapes such as columns or beams, using welding wires as a connection material. Then bring the relevant components such as wire rods, steel pipes, and steel sheets according to the drawings to complete the connection. Finally, the work can be customized according to the desired quality. In addition, the company produces general steel structures such as roof structures. The columns or beams used in domestic construction have the same production process as the production of large steel structures.

In 2024, the company approved a budget of 500 million baht for the years 2024-2026 to expand the factory and improve production efficiency. The plan is to purchase 17 automatic welding machines to increase production capacity, replacing welders who may face limitations due to labor shortages. These machines will be able to replace about 40 welders, and the installation is expected to be completed by 2025.

The shareholding structure of the Company and its subsidiaries as of December 31, 2024



Sample images of products produced in the year 2024

M.C.S. Steel Public Company Limited



Business Type	Manufacturing and distributing large steel structures
Registered capital	477,000,000 baht
Par value per share	1 baht (477,000,000 shares) fully paid
Location	No. 70 Moo 2, Chang Yai Subdistrict, Bang Sai District, Phra Nakhon Si Ayutthaya Province 13290
Telephone number	035-372961-6, 089-9001217-8

Tanaka Welding Center Company Limited



Business Type	Training and real estate
Shareholding	99.92 %
Relationship	Shareholding and having common directors
Registered capital	14,850,000 baht
Par value per share	15 baht (990,000 shares)
Location	No. 70 Moo 2, Chang Yai Subdistrict, Bang Sai District, Phra Nakhon Si Ayutthaya Province 13290
Telephone number	035-372961

M.C.S.-JAPAN Co., Ltd.

Business Type	Contractual manufacturing
Shareholding	98.00 %
Relationship	Shareholding and having common directors
Registered capital	50,000,000 yen
Par value per share	1,000,000 yen (50 shares)
Location	711-2 Owadashinden Yashiyo-shi Chiba 276-0046 Japan
Telephone number	81-47-4306265

M.C.S. Steel-Xiamen Co., Ltd.

Business Type	Contractual manufacturing
Shareholding	74.00 %
Relationship	Shareholding and having common directors
Registered capital	7,800,000 US Dollars
Location	68 Shanbian Road, Dongfu Town, Haicang District, Xiamen 361027 China
Contact	86-592-6511-143

1.1.1 Long-Term Goals





The total production capacity is more than 100,000 tons per year, including the overseas subsidiaries.

Strategy

- 1) Maintaining the quality of products and services to build customer satisfaction
- 2) Emphasizing on products of equal or greater quality than the competitors and being a cost leader
- 3) Delivering the work on time
- 4) Providing comprehensive services and being able to accept large projects for the whole project

1.1.2 Major changes and developments in the past 7 years can be summarized as follows:

Year	Event
2017	<ul style="list-style-type: none"> ▪ Increase of the shareholding in M.C.S. Steel-Xiamen Co., Ltd. from 39% to 74% of the registered capital by purchasing shares from the existing shareholders. ▪ Repurchase of 23 million shares for financial management, representing 4.60% of the total issued shares, totaling 354.878 million baht. ▪ Construction of a new office in the same factory area with a budget of 50.34 million baht
2018	<ul style="list-style-type: none"> ▪ Purchase of land and buildings at NASU plant in Japan for less than 1 billion yen or about 300 million baht to serve as a pile of pieces and support the company's business in Japan. ▪ Purchased 32% shares of M.C.S. - Nasu Co., Ltd., Japan for 33 million yen or approximately 9.66 million baht, making the company hold 98% of the said company and changed its name to M.C.S. - Japan Co., Ltd. ▪ Disposal of 27 treasury shares, representing 5.40 percent of the total issued shares with a total value of 193.648 million baht
2020	<ul style="list-style-type: none"> ▪ Registered capital reduction by cutting off 23 million shares of repurchased and unsold shares, resulting in the company's current registered capital of 477 million baht.

Year		Event
2021		<ul style="list-style-type: none"> Permission to establish an organizational quarantine (Type B) to be used as a quarantine facility for foreign customers Appointed Ms.Wanna Pholkaew to be the Managing Director Appointed Ms.Mattawan Srisakda to be the Deputy Managing Director of Accounting and Finance
2022		<ul style="list-style-type: none"> Appointment of Dr. Naiyuan Chi as senior advisor. Construction of a raw material stockyard. Using a budget of approximately 27.27 million baht Re certificated of S-Grade
2023		<ul style="list-style-type: none"> Purchase machinery to increase production efficiency, approximately 23 million baht. Order 1 automatic robot welding machine, approximately 30 million baht, expected to be installed around March 2024.
2024		<ul style="list-style-type: none"> Approved a budget of 500 million baht for the years 2024-2027 to expand the factory and improve production efficiency. Constructing an extension of Factory 1 with a budget of 26.21 million baht, expected to be completed in March 2025. Constructing a raw material storage area (New AG WH/FAC 11) with a budget of approximately 8.25 million baht.

1.1.3 Does the use of the proceeds raised from crowdfunding serve the purpose?

The company does not issue equity or bonds.

1.1.4 Obligations that the company pledged in the registration statement for the offering of securities, and/or the office's license conditions (if any), and/or conditions for listing securities of the Stock Exchange of Thailand (if any)

-None-

1.1.5 Name, location of the head office, type of business, company registration number, telephone, fax, company website, number and type of the company's total issued shares.

- The details are shown in Section 5 General information and other important information -

1.2 Type of Business

M.C.S. Steel Public Company Limited was established in 1992 and was listed on the Stock Exchange of Thailand in 2005. At present, the company has a registered capital of 477 million baht. It is a large steel-structure manufacturing business (Fabricated Steel) for construction projects both domestically and internationally. The head office and factory are located at 70 Moo 2, Chang Yai Subdistrict, Bang Sai District, Phra Nakhon Si Ayutthaya Province, Thailand, with a total of 13 factories on an area of 255 rai and a total production capacity of 70,000 tons per year.

1.2.1 Company Revenue Structure

Products	2022		2023		2024	
	THB	%	THB	%	THB	%
1. Revenue from sales of steel structures						
1.1 Domestic	-	-	259,176,287	4.45	124,859,577	2.20
1.2 International	3,988,030,942	98.66	5,517,987,172	94.83	5,482,311,809	96.40
2. Revenue from sales of scrap iron	4,647,349	0.11	20,525,888	0.35	22,667,879	0.40
3. Other income	22,240,679	0.55	21,393,713	0.37	57,263,970	1.01
4. Profit from exchange rate	27,459,817	0.68	-	-	-	-
Total Revenue	4,042,378,787	100.00	5,819,083,060	100.00	5,687,103,215	100.00

1.2.2 Product Information

There are 2 types of steel structures manufactured by the company:

- 1) Fabrication of steel structures used as columns (Column-Box)
- 2) Production of steel structures that are used as beams (Beam)

These are important components of a building and provide distinctive features, that is to say, saving construction time, reducing pollution in the construction area, and being able to absorb vibration well.

The characteristic of Beam production is cut to a given size, which is a tailored production according to the customer's preferred size. As opposed to Beam Roll-H, which are pre-cast beams that have a limited size.



Example image of Beam work

As for the nature of column work, Column-Box is structured either with a diaphragm assembled outside or inside the column, where the diaphragm is connected and forced by the beam to take the weight down to the column. By welding the internal diaphragm to the column; it requires modern tools and the expertise of welders, which the welding work is strong but we can't see the welding lines.



Example image of Column-Box



Example image of a large workpiece made of special grade steel with a thickness of 60 millimeters.

Structures designed to utilize steel materials are particularly important due to their superior ability to withstand seismic vibrations compared to reinforced concrete. Additionally, steel structures tend to be smaller and lighter than concrete ones. Currently, large fabricated steel structures are becoming increasingly popular as a replacement for reinforced concrete in construction.

The primary raw material used is high-quality special hot-rolled sheet steel, which the company imports from Japan and South Korea. Large steel structures are widely used in countries that experience frequent earthquakes, such as Japan and Taiwan. This shift towards steel emphasizes the importance of safety and efficiency in construction practices in earthquake-prone regions.

1.2.3 Research and Development

The company's products are distinguished by their quality, exceeding the JASS 6 (Japanese Architectural Standard Specification) standards and complying with the legal requirements set by Japan. Additionally, they save construction time. The steel materials used in production possess excellent durability, allowing them to better withstand seismic vibrations compared to reinforced concrete.

The primary raw material used is high-quality special hot-rolled sheet steel, which the company predominantly imports from Japan, along with some from China and South Korea. Thailand does not produce hot-rolled steel sheets with these specific properties due to very low demand for this type of steel. Currently, most of the produced items are for construction projects in Japan.

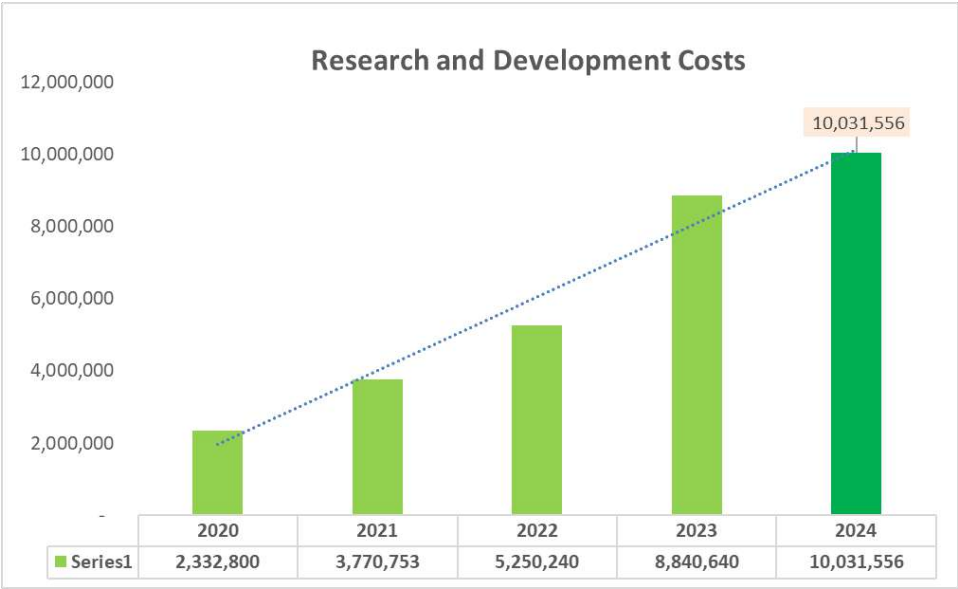
In production, the company has invested in modern machinery and has received technology transfer from Japan. Additionally, the company has established a laboratory (Test Room) to test and control the quality of the products. The testing tools have been imported from abroad, and the company collaborates with faculty members from King Mongkut's University of Technology North Bangkok to develop testing systems and train the relevant staff.

The testing room meets the ISO/IEC 17025: 2005 standard from the Industrial Product Standards Office, ensuring compliance with general requirements for the competence of testing and calibration laboratories.



Picture of Test Room

Every year, the company conducts research and development to test and control the quality of its products, with the following expenses for research and development (R&D).



Undelivered Projects at the end of 2024

No.	Project	Type	Location	Value	Expected year of completion	% of work not delivered	Value of undelivered work	Contract Status
1	Shinagawa 3	High-rise	Japan	5,468.38	2025	0.05%	2.63	Contractual
2	Tokiwabashi Torch Tower	High-rise	Japan	12,475.07	2026	92.62%	11,554.50	Contractual
3	Hamamatsu Cho	High-rise	Japan	6,446.06	2025	66.45%	4,283.53	Contractual
4	Yaesu	High-rise	Japan	17,343.88	2027	82.15%	14,248.86	Contractual
5	Shin Akasaka	High-rise	Japan	2,445.53	2026	100.00%	2,445.53	Waiting
6	Tenjin	High-rise	Japan	1,312.00	2025	66.99%	878.95	Contractual
7	Tokiwabashi Daigrid	High-rise	Japan	3,062.86	2025	3.55%	108.71	Contractual
8	JKB	High-rise	Japan	1,254.24	2025	4.85%	60.81	Contractual
9	Chiba Byoin	High-rise	Japan	892.74	2025	55.63%	496.62	Contractual
10	Kita Osaka	High-rise	Japan	2,738.09	2025	69.76%	1,910.05	Contractual
11	Shin Yokohama	High-rise	Japan	49.40	2025	46.89%	23.17	Contractual
12	Osaka Kashima	High-rise	Japan	4,050.00	2026	100.00%	4,050.00	Waiting
Value of work (Million yen)							40,063.36	
Value of work (Million baht) Exchange rate date 30/12/2024 100 Yen = 0.212137							8,498.92	



Pre-Assembly Project : Tokiwabashi Diagrid

Privileges from BOI Promotion Certificates

The privileges of the Investment Promotion Certificate used in 2024 can be summarized as follows:

No.	Certificate No.	Amount of Corporate Income Tax exemption on the net profits	Benefits valid until 31 December 2024
1	60-0816-1-00-1-0	212.46 million baht	212.46 million baht
2	66-1523-1-00-1-0	314.72 million baht	55.34 million baht

The 4th BOI Promotion Certificate (Began using tax rights in 2021)

Certificate Number		60-0816-1-00-1-0
Details		
1. Date of approval		23/8/2016
2. To promote investment in the business		Manufacture of metal structures used in construction or industrial work or platform repairs.
3. Key benefits received		Received
(1) Exemption of import duty on machinery used in new projects requested for promotion		3 years starting from the date of earning from that business
(2) Exemption of corporate income tax for the net profits derived from promoted businesses of which the total value does not exceed 212.46 million baht , and exemption not to take dividends from promoted businesses which are exempt from corporate income tax to be calculated for tax purposes.		1 year starting from the first day of import
(3) Exemption of import duties for raw materials and essential materials that must be imported from abroad for export production		28,980 ton/year
(4) Size of business		
4. Start date for benefits under the promotion card		Year 2021
5. Tax rights exercised until December 31, 2024		212.46 million baht

The 5th BOI Promotion Certificate (Began using tax rights in 2024)

Certificate Number		66-1523-1-00-1-0
Details		
1. Date of approval		13 December 2022
2. Date of additional approval - Amendment of additional investment		18 November 2024
3. To promote investment in the business		Manufacture of metal structures used in construction or industrial work or platform repairs.
4. Key benefits received		
(1) Exemption of import duty on machinery used in new projects requested for promotion		Received
(2) Exemption of corporate income tax for the net profits derived from promoted businesses of which the total value does not exceed 314.72 million baht , and exemption not to take dividends from promoted businesses which are exempt from corporate income tax to be calculated for tax purposes.		5 years starting from the date of earning from that business
(3) Exemption of import duties for raw materials and essential materials that must be imported from abroad for export production.		1 year starting from the first day of import
(4) Size of business		From the original 70,000 tons/year to 86,248 tons/year.
5. Start date for benefits under the promotion card		November of Year 2024
6. Tax rights exercised until December 31, 2024		55.34 million baht

Research and Development Policies & Innovations in processes and services

Regarding innovation development in the production process

(1) Test SAW 1 Pass Project: Yaesu2 Choume

In 2024, the company will implement the SAW welding process using a one-pass technique, which involves completing the joint in a single welding pass. This project will test welding on box column workpieces with the goal of enhancing the efficiency of SAW welding. Currently, the maximum thickness that can be welded is 55 millimeters.



Image of Test One Pass

(2) Automatic Welding Machine (Robot Machine)

In 2024, an automatic welding machine (robot machine) will be installed to weld beam workpieces with Gusset Plates (GPL) and Rib Plates (RPL) that have a maximum thickness of 16 millimeters. This upgrade will significantly increase the welding capacity, as the current designs of the workpieces have a greater volume of weld meter per ton. The machine can operate 24 hours a day, allowing the company to schedule welding jobs in two shifts, both day and night. Additionally, the quality of the shape and surface condition of the weld joints will be improved, as the automatic welding machine provides more consistent control compared to manual welding. In 2025, there are plans to purchase 17 additional automatic welding machines to replace conventional welders, and once the installation is completed, it will be able to substitute approximately 40 welders.



Image of Automatic Welding Machine (Robot Machine)

Innovation development in drawing

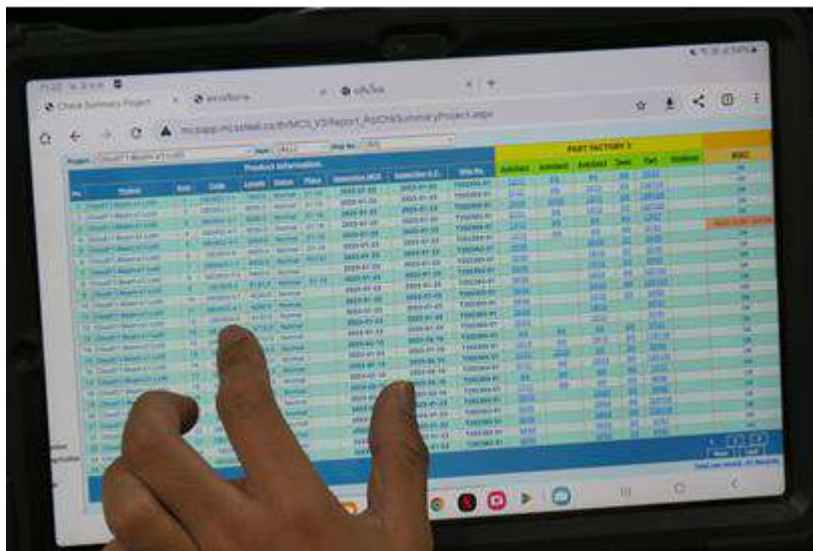
Currently, the company and its subsidiaries are utilizing Tekla software for drafting, which improves convenience in work and provides a better overall visualization of the components. Additionally, preparations are underway to implement Building Information Modeling (BIM) systems into the company's drafting processes.



Innovation development in the workplace

1. Paperless System

Since 2022, the company has implemented a Paperless system by providing tablets to all production employees. These devices are used to view designs and submit work through the company's system. This initiative not only reduces paper consumption but also enhances the speed and accuracy of data utilization in the work processes.



2. Installation of an Additional Conference Room

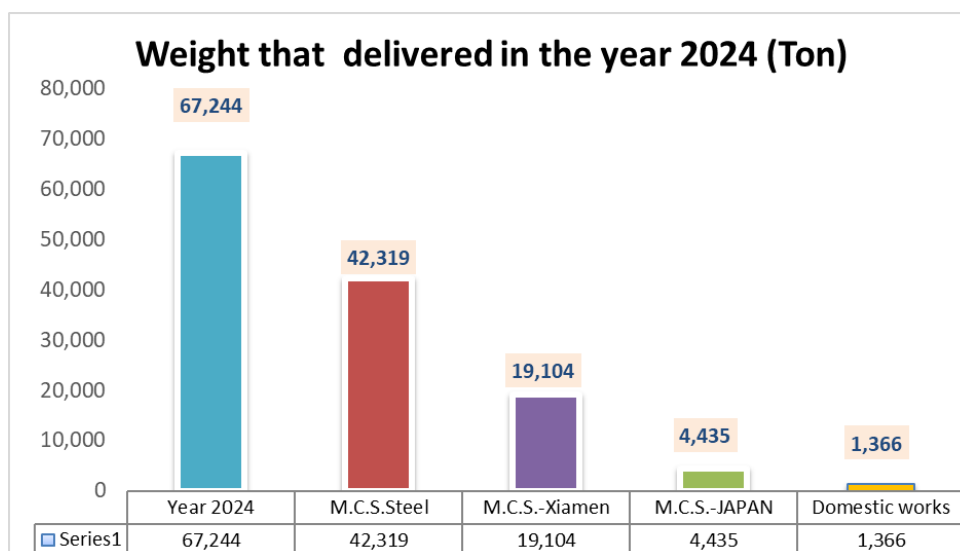
An additional conference room has been installed to facilitate communication and coordination with subsidiary companies located abroad.



(2) Marketing and Competition

Marketing policy in the past year.

In the past year, the company was able to deliver a total of 67,224 tons of work as follows.



The company's marketing policy emphasizes collaborative work within the group by assigning responsibilities to each factory based on their respective strengths. Specifically, the factory in Thailand focuses on complex and challenging projects, such as large columns and beams. The factory in China specializes in producing beams and sub-beams. Meanwhile, MCS-Japan serves as the central hub to assist group companies with customer service and address issues related to work pieces or other requests from clients.

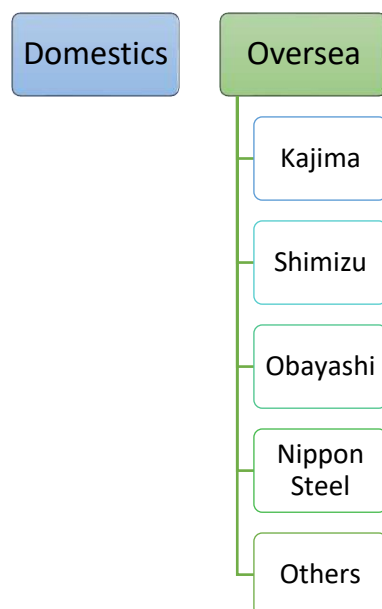
Currently, a robotic welding machine has been installed, enabling the production of work pieces such as Column BCP and Futai as well. This strategic approach enhances efficiency and fosters strong cooperation across the company's operations.



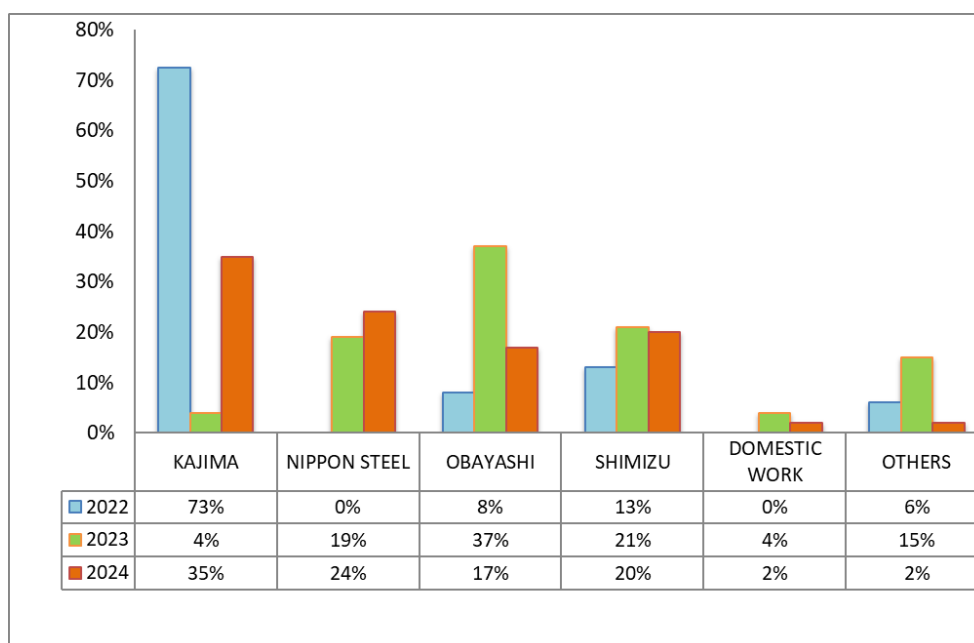
Images of Project N1N

Customer Characteristics and Target Customers

The characteristics of the company's customers can be classified as follows:



- 1. Foreign Customer** This target market includes large general construction companies in Japan, which is the main market and has a large number of construction projects and demand for steel structures. In 2024, the Company accounted for the majority of sales to foreign customers from the 5 major customers as follows :



2. **Domestic Customer** The majority of our customer base consists of clients primarily associated with Japanese companies. The company undertakes steel structure construction projects tailored to the requirements of these clients. Since local customers do not necessarily require special-grade steel used in earthquake-prone regions, the raw materials used are generally standard-grade steel. The target customers are factories and construction buildings. In the year 2024, the company delivered 1,366 tons of work domestically, accounting for 2.00 percent.



Images of Project Cloud 11 (Domestic work)

Industry trends and future competitive conditions

Since the company manufactures large steel structures mainly for high-rise buildings, in 2024, the company exported to Japan about 97.96% of the total output, the remaining portion consists of work done domestically within the country around 2.03%. By considering the competitive conditions of the industry in the future, the company therefore focuses mainly on sales in Japan taking into account the following factors:

1) **Demand**

The demand for steel structures is directly related to the construction activities in Japan. According to reports from the Ministry of Land, Infrastructure, and Transport of Japan, the demand for steel structures in Japan from 2020 to 2024 is approximately 4 to 8 million tons per year. The level of demand for steel structures remains high compared to the export amount from companies sending to Japan.

In 2024, the company exported approximately 67,244 tons of steel structures to Japan, which includes 4,435 tons shipped from the factory in Japan and 19,104 tons shipped from the factory in China. This accounts for no more than 2% of the total demand for steel structures.

Construction situation in Japan

Construction work in Japan in 2024 was mainly private investment, accounting for 95.44 percent, and the other 4.56 percent was government investment. When considering the construction situation in Japan, it can be classified according to the type of use: Residential and Non-residential construction (Dwelling and Non-dwelling). It was found that in 2024 residential and non-residential constructions accounted for 61.84% and 38.16 percent, respectively.

Large steel structures are often used in the construction of large high-rise buildings, so they are not used in the construction of general residences. Most of the characteristics of the work used include office buildings, hotels, shopping malls, etc. Most of the demand is for construction in the capital and large cities such as Tokyo, Nagoya, and Osaka.

When considering the construction characteristics in 2024, the usage of materials can be categorized as follows: wood accounts for 42.69%, while reinforced concrete structures, reinforced steel, and steel structures account for 1.44%, 19.17%, and 35.82%, respectively. Other materials make up approximately 0.89%. In 2024, the use of steel structures saw a slight increase of about 1.55% compared to 2023.

However, the market share for steel structure construction materials over the past five years has remained at approximately 30-40%, which is the highest compared to other types of materials, excluding wooden structures.

Table: Construction areas completed by the public and private sectors in Japan during 2020-2024

Unit: 1000 Sq m

	2020		2021		2022		2023		2024	
		%		%		%		%		%
1. Classified by investor type										
Government sector	5,381	4.73	5,372	4.40	4,204	3.52	4,634	4.17	4,684	4.56
Private sector	108,363	95.27	116,866	95.60	115,263	96.48	106,580	95.83	98,055	95.44
Total	113,744	100.0	122,239	100.0	119,466	100.0	111,214	100.0	102,739	100.0
2. Classified by type of use										
Residence	69,508	61.11	73,779	60.36	72,263	60.49	67,766	60.93	63,539	61.84
Non-residence (Office/Factory/Warehouse/School/ Hospital)	44,236	38.89	48,460	39.64	47,203	39.51	43,448	39.07	39,200	38.16
Total	113,744	100.0	122,239	100.0	119,466	100.0	111,214	100.0	102,739	100.0
3. Classified by construction materials										
Wood	49,756	43.74	53,100	43.44	49,537	41.47	45,620	41.02	43,856	42.69
Steel structure and reinforced concrete	1,954	1.72	1,842	1.51	2,168	1.81	2,201	1.82	1,479	1.44
Reinforced concrete	21,757	19.13	21,111	17.27	23,590	19.75	24,451	21.99	19,697	19.17
Steel structure	39,534	34.76	45,309	37.07	43,185	36.15	38,111	34.27	36,797	35.82
Other materials	742	0.65	875.31	0.72	987	0.83	1,011	0.91	911	0.89
Total	113,744	100.0	122,239	100.0	119,466	100.0	111,214	100.0	102,739	100.0

Source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

In assessing the construction demand in Japan, variables such as construction order receipts or construction contracts received by contractors each year are used as indicators of the demand for construction materials. According to a survey of construction order receipts from 2018 to 2024, the total value of construction orders in 2024 amounted to 121,537,136 million yen, an increase of 10,959,517 million yen from 2023.

The distribution of construction orders was as follows: government contracts accounted for 18.73%, private sector contracts for 45.74%, and subcontractors for 35.53%. Among these, private contractors had the highest proportion of construction orders, making up 45.74% of all construction contracts, which included public works, construction, and machinery installation, accounting for 5.53%, 34.91%, and 5.30%, respectively, of the total construction work.

Order received for construction) between 2018-2024

Year	Prime Contracts						Subcontracts			Total (Million Yen)
	Government sector			Private sector						
	Public utilities	Construction	Machinery Installation	Public utilities	Construction	Machinery Installation	Public utilities	Construction	Machinery Installation	
2018	9,796,492	4,131,458	1,315,303	5,690,073	31,602,034	4,906,050	7,143,780	16,337,553	2,887,127	83,809,870
2019	10,564,035	4,712,520	1,246,060	5,653,182	31,074,237	4,360,804	8,053,985	17,270,765	2,739,007	85,674,595
2020	14,632,803	5,799,283	1,822,276	6,661,058	34,423,361	5,075,361	10,211,606	22,047,322	3,847,134	104,520,205
2021	14,505,939	5,390,908	1,808,007	6,313,805	37,339,590	4,832,027	10,176,910	22,864,029	3,361,947	106,593,160
2022	14,198,370	5,530,976	1,615,346	6,301,927	41,571,254	6,008,801	10,052,726	25,290,085	3,553,119	114,122,604
2023	13,882,829	6,493,746	1,620,334	6,213,156	38,111,913	6,407,299	9,537,632	25,043,307	3,267,404	110,577,619
2024	14,485,650	6,377,069	1,897,856	6,722,162	42,429,680	6,444,281	11,917,710	27,471,364	3,781,364	121,537,136

Source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Estimated Number of Competitors

The company is a large steel structure manufacturer and most of our products are delivered to contractors in Japan, about 95%. Therefore, competitors in the industry include:

A) Domestic

At present, the manufacturers of large steel structures for the construction in the country are as follows:

- (1) STP & I Public Company Limited
- (2) Sino-Thai Engineering and Construction Public Company Limited
- (3) Italian-Thai Development Public Company Limited
- (4) Nawarat Patanakarn Public Company Limited
- (5) Christiani and Nielsen (Thai) Public Company Limited
- (6) Sriracha Construction Public Company Limited
- (7) CH. Karnchang Public Company Limited
- (8) TTCL Public Company Limited
- (9) and other manufacturers, namely BJC Heavy Industries Public Company Limited/Triton Holding Public Company Limited

Source: The Stock Exchange of Thailand

B) Japan

The top 10 steel structure manufacturers in Japan that operate similar businesses are:

No.	Company Name	Total Capacity (Ton)	Actual Capacity on 2024
1	YAMANE TEKKO KENSETSU	96,000	36,000
2	KAKUTOU	96,000	66,000
3	KAWAGISHI KOGYO	72,000	48,000
4	MCS	70,000	47,066
5	KAGAYA *	60,000	38,000
6	KAWADA KOGYO	60,000	36,000
7	J-FAB	54,000	42,000
8	KOMAI	36,000	35,000
9	FUJIKI	33,600	28,000
10	WATAHAN TECNOS *	24,000	24,000

Remark : * some part use sub- contractor

Source: Sumisho Tekko Hanbai Co., Ltd., Japan

The above steel structure manufacturers produce and distribute in the same way as the company, but their main purpose of production is not for continuous use in construction work. Since there is a limited number of manufacturers who can fabricate steel structures following the quality standards required, the competition in Japan is therefore among the manufacturers that can meet the standards requirements and the established conditions following the laws of Japan. In addition, most of the Japanese steel structure manufacturers have restrictions on labor wages. Steel structure work is a kind of work that focuses on skilled labor in assembly, welding, and decoration, which requires skilled and experienced labor and this type of labor in Japan has a very high wage. In addition, to have the manufacturing facilities fully integrated as well as the manufacturing site; it requires a large area along the land price in Japan is very high, for this reason, the production costs in Japan are consequently high.

At present, 3 competitors in Japan have full-scale production like our company, but their manufacturing sites are located in a province far from Tokyo. Therefore, such manufacturers have to transfer the fabricated parts to Tokyo while the shipping costs in Japan are quite expensive. In addition, transportation in Japan for large workpieces is limited to some roads and bridges that cannot be accommodated. Therefore, considering the above factors, this will affect the increased production costs of competitors based in Japan. In summary, it can be seen that the company which is a steel structure manufacturer in Thailand has the potential to compete with the steel structure manufacturers in Japan since we are certified with the factory standards including our employees have also received a license from the Japanese Institute to fabricate and install steel structures in Japan. This is proven by

the company's continuous delivery of large steel-structure parts to Japan for more than 30 years and there are more than 100 projects that our company transfers steel structures for installation in Japan.

The company aims to reach a production capacity of 100,000 tons per year, including among the companies in foreign countries that we have invested in. With such potential, the company can compete effectively supporting some of our loyal customers in Japan, who are major contractors and trust in our quality providing continuous demand.

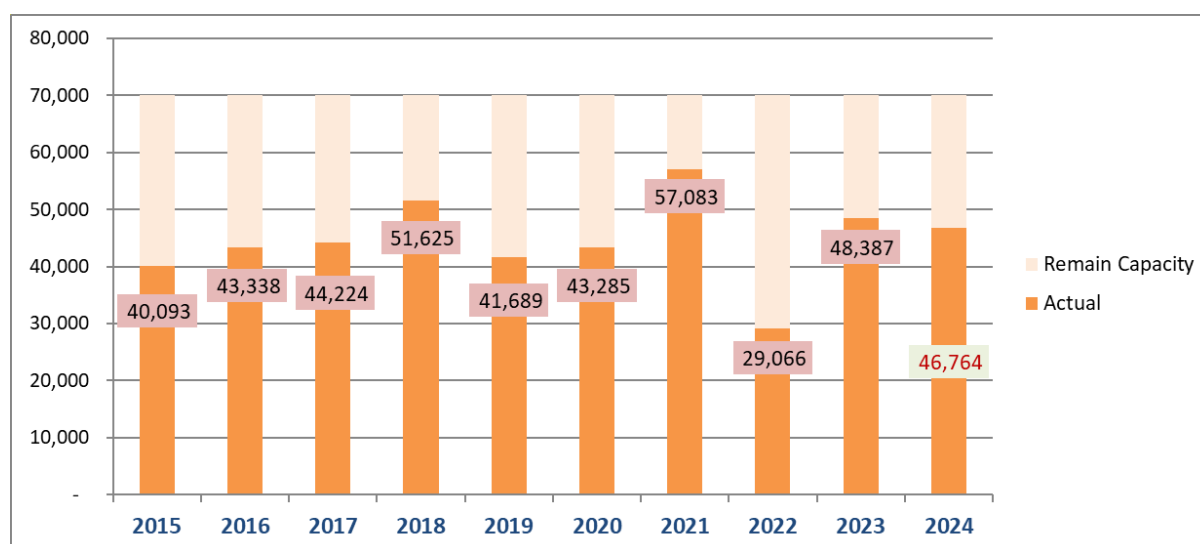
(3) Procurement of products or services

Since the company's business is mainly a large steel structure exported to Japan. Therefore, the company's products must be of high quality and acceptable in Japan. Therefore, we have continuously maintained the quality of our workpieces in accordance with the quality standards, as well as for the long-term pre-contracts we regularly received from Japan as follows:

(1) Product

The company focuses on the quality control of products to meet standards and requirements, using the systems to control the operations. The employees shall know about the jobs they do as much as possible, in order to ensure quality control. The company would provide documentation identifying the procedures and recording the inspection of product control according to the standards. Currently, most of the workpieces are manufactured for construction projects in Japan. The company has been certified as an "S" class fabricator by Japan Steel Structure Appraisal Center, Ltd. in Japan, which is issued to factories that produce steel structures and meet the same standards as steel structures in Japan.

Production capacity and capacity utilization in 2015-2024



Note: At present, the factory has a total production capacity of 70,000 tons per year, excluding the overseas subsidiaries.

(2) Pricing

The company will determine the price by giving the customer, who is a large construction contractor, a chance to propose the price they want to buy first, for the company to consider. Then, the company will consider the proposal taking into account the cost of raw materials and other accompanying expenses, together with the management's considerations.

Production process

The production process starts by using high-quality hot rolled steel sheet (Special Hot Rolled Steel) to cut to the desired size. The Model and Information Department will use the designs received from the customers to write for production. Then, the steel plates are formed together by welding into shapes such as column boxes or beams using welding wire as connection materials. Then bring the relevant components such as wire rods, steel pipes, and steel sheets according to the drawings to complete the connection. Finally, adjust the work to the desired quality.

Chart showing Beam Production

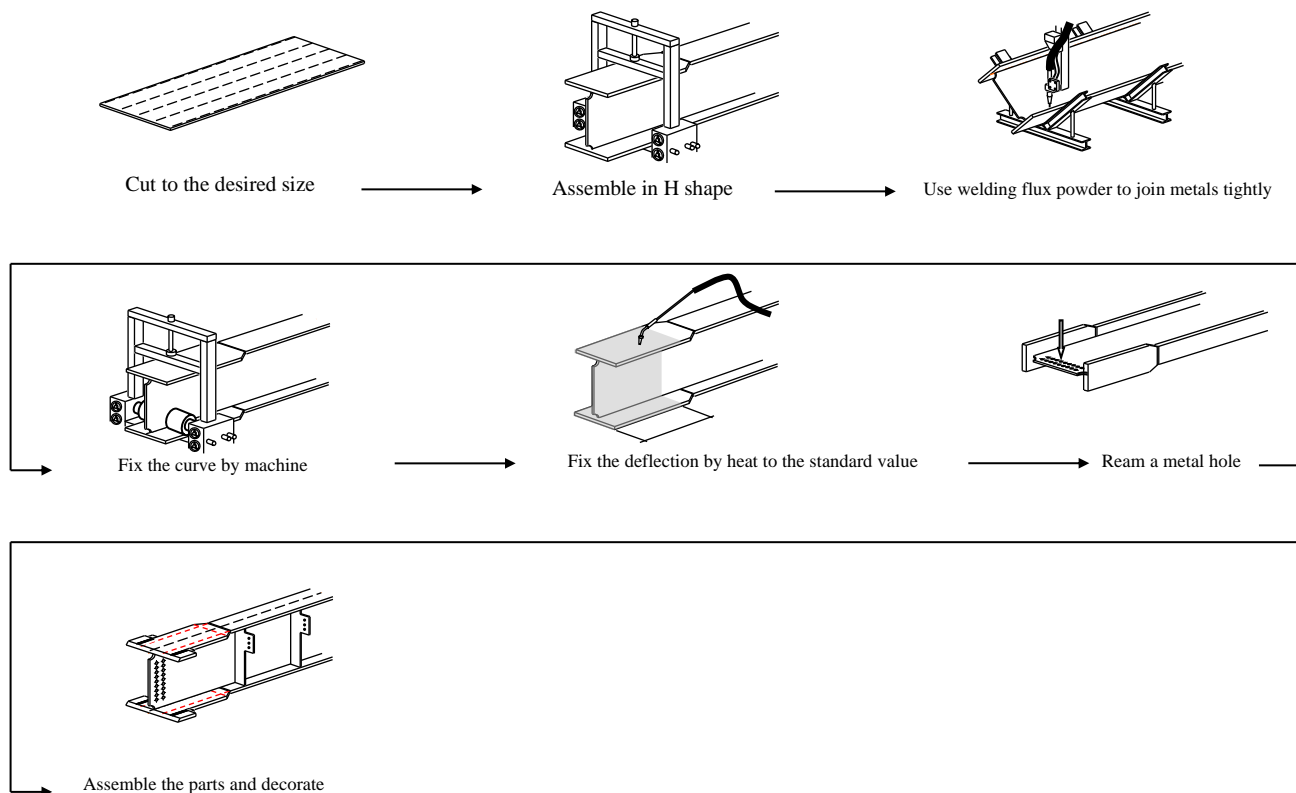
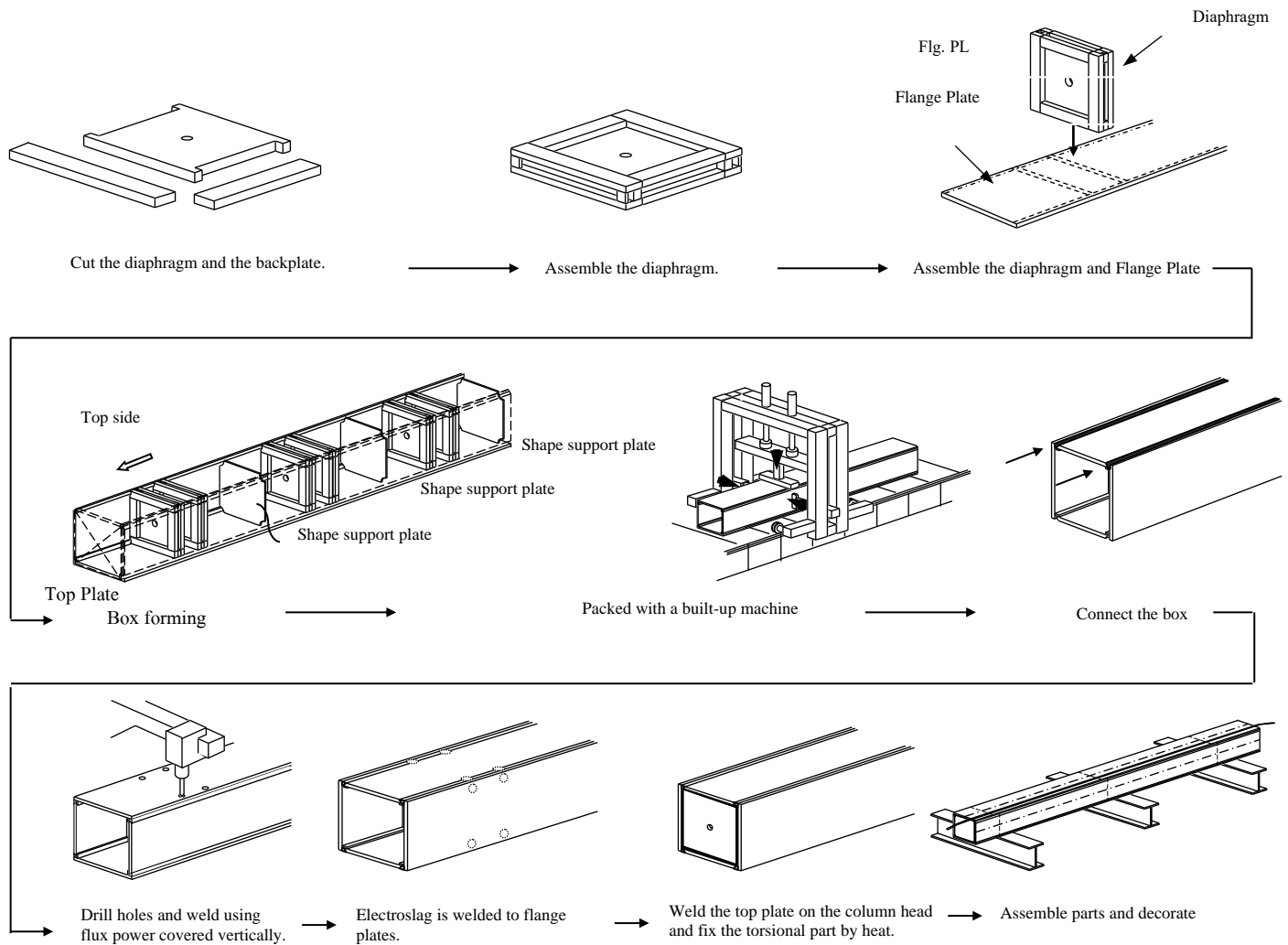


Chart showing the manufacturing process of the Pillar (Box)



Procurement and source of raw materials

Raw materials

The main raw materials for production are Special Hot Rolled Sheet, accounting for approximately 98% of the total raw materials used in production. Other than that, they include other components such as L-angle steel or channels, rebars, steel pipes, etc., to be used as sub-assemblies according to the nature of steel structures ordered by the Company from within the country. In addition, there are consumables used in the production process such as welding wire and flux, etc., which have the characteristics of use such as corner welding, butt welding, and part assembly welding, which are imported from Japan and China, and Korea, including some orders from within the country (In the case of a domestic job that does not require high-quality steel)

Since the company's products are quality-oriented, the domestic manufacturers are still unable to produce high-quality Special Hot Rolled Sheet for our production. Therefore, at present, all Special Hot Rolled Sheets must be imported from abroad.

In 2024, the company ordered steel from 2 companies, namely Marubeni – Itochu Steel Inc. 53.64% and MITSUI & Co., Ltd. 46.33%, which are major manufacturers in Japan, most of which have agreed to purchase for a period of approximately 6 months in advance.

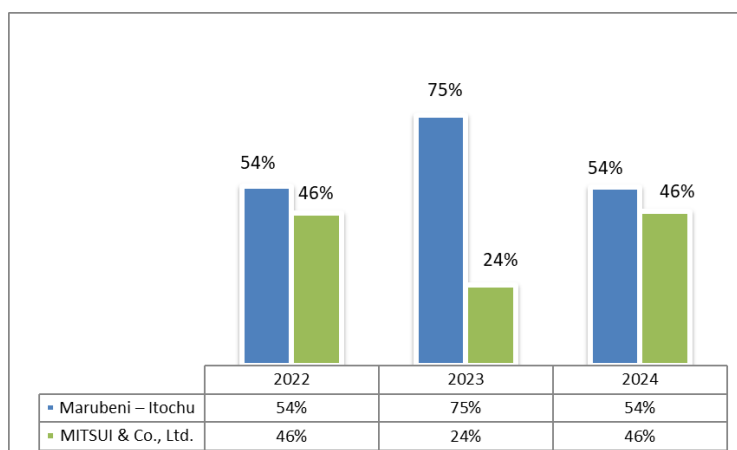


Table showing the proportion of steel imports from manufacturers

High-quality hot-rolled steel sheets used by the company for production: Customs tariff classification (Harmonized code) at the 7-digit level = 7208.510 / 7208.520. Definition: Products of steel sheets rolled from non-alloy steel or other types, not in coils, with a width of 600 millimeters or more, produced from hot rolling, uncoated, unplated, or non-coated, and with thickness ranging from 4.75 to 10 millimeters or more.

Assets used in business

The manufacturing site is located at 70 Moo 2, Chang Yai Subdistrict, Bang Sai District, Phra Nakhon Si Ayutthaya Province on an area of approximately 255 rai, consisting of 13 steel mills, dormitories, canteens, raw material (steel sheet) stockyard, workpiece yard, and others.

(Unit: Thousand baht)

Property Type	Proprietary Characteristics	Cost Price	Net Worth	Collateral value incurring the guarantee	Encumbrances
(1) Land and improvements	Owner	273,207	270,810	298,368	Yes
(2) Buildings and structures	Owner	929,017	352,385	22,289	Yes
(3) Machinery and equipment	Owner	1,142,200	390,900	-	Yes
(4) Office supplies, furnishings and vehicles	Owner	190,650	42,572	-	No
(5) Assets under construction	Owner	148,265	148,265	-	No
Including land, buildings, and equipment		2,683,339	1,204,932	320,658	

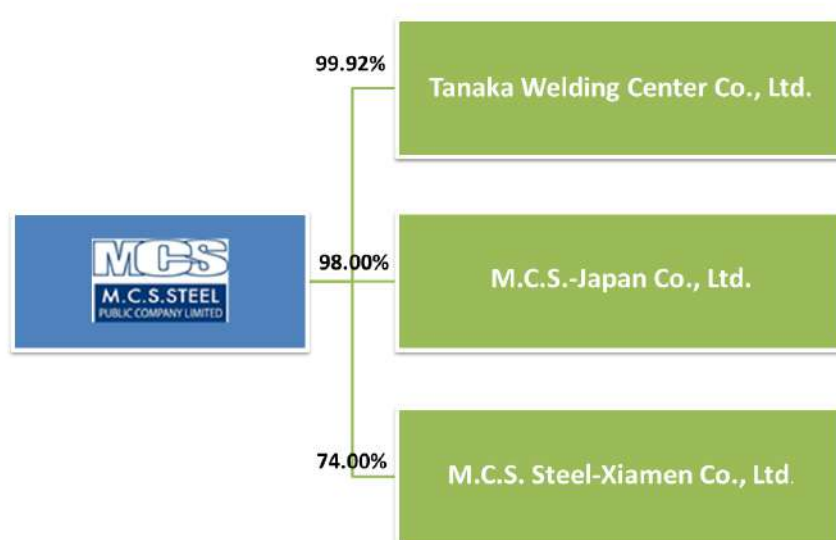
Remark: * Land, buildings, and some machinery, the company took a mortgage/ pledge to a commercial bank in a country. As the following list:

- 1) Guarantees for bank overdrafts in the amount of 30 million baht with no outstanding balance as of December 31, 2024.
- 2) Guarantees for trust receipts and letters of credit, amounting to Baht 2,900 million as of December 31, 2024, used for Baht 1,398 million.

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group

The Company and its Subsidiaries Structure as at December 31, 2024



Securities Distribution Report on February 27, 2025 (only M.C.S. Steel)

Type	Securities Distribution Report								
	Natural Persons			Juristic Persons			Total		
	Number of Holders	Total securities held	%	Number of Holders	Total securities held	%	Number of Holders	Total securities held	%
Thai securities holders	12,477	367,922,043	77.13	19	47,354,457	9.93	12,496	415,276,500	87.06
Alien securities holders	16	1,446,600	0.30	26	60,276,900	12.64	42	61,723,500	12.94
Total	12,493	369,368,643	77.44	45	107,631,357	22.56	12,538	477,000,000	100.00

1.3.2 Persons with Possible Conflict of Interests Holding Combined Shareholding in Subsidiary Companies over the Level of 10% of the Number of Shares with Voting Rights of Such Companies

- None -

1.3.3 Relationship Between the Business Groups of the Major Shareholders

- None -

1.3.4 Shareholders

(1) Shareholders

A. List of Major Shareholders at February 27, 2025

No.	Name	Share(s)	Holding
			(%)
1	Thai NDVR Co., Ltd.	42,149,255	8.84
2	NOMURA SECURITIES CO LTD-CLIENT A/C	33,390,000	7.00
3	Mr. Surakrit Rathithong	18,300,000	3.84
	Mr. Surakrit 's group	9,786,700	2.05
	Total of Mr. Surakrit 's group	28,086,700	5.89
4	UBS AG LONDON BRANCH	12,738,000	2.67
5	Mrs. Sumporn Kaireak	4,195,500	0.88
	Mrs. Sumporn 's group	4,048,000	0.85
	Total of Mrs. Sumporn 's group	8,243,500	1.73
6	Mr. Somkiet Terdthunthaweedej	6,580,400	1.38
	Mr.Somkiet 's group	400,000	0.08
	Total of Mr.Somkiet 's group	6,980,400	1.46
7	Dr. Naiyuan Chi	6,500,000	1.36
8	Mr. Kantanat Karawawattana	5,000,000	1.05
	Mr. Kantanat 's group	130,000	0.03
	Total of Mr. Kantanat 's group	5,130,000	1.08
9	Mr. Wiboon Watcharasurung	5,110,400	1.07
10	Mr. Jirachai Kanchitavorakul	4,941,600	1.04
11	Mr. Tommy Techaubol	4,154,400	0.87
12	Others	323,730,145	67.87
Total		477,000,000	100.00

B. Groups of Major Shareholders Who Have Significant Influence over the Formulation of Management Policies or Operation of the Company

- None -

(2) The Company is not a Holding Company

- None –

(3) Shareholders' Agreement There is no shareholders' agreement

- None –

1.4 Registered and Paid-up Capital

1.4.1 Registered Capital/ Paid-up Capital/ Number of Shares (at December 31,2024)

Registered capital	:	477,000,000 Baht (Fully paid up)
Common shares	:	477,000,000 Shares
Par value per share	:	1.00 Baht

1.4.2 Other Types of the Shares with Rights or Conditions Different from Ordinary Shares

- None -

1.4.3 In the Case of Having Shares or Convertible Securities of the Company

- None -

1.5 Issuance of Other Securities and Convertible Securities

1.5.1 Convertible Securities

- None -

1.5.2 Debt Instrument

- None -

1.6 Dividend Payment Policy

(1) Dividend Payment Policy of Company

A Policy dividend rate at least 50 percent of net profit (Separate Financial Statement) after tax and legal reserves , however , Company may make a dividend less defined above depending on financial performance, liquidity needs to be used as working capital for operations expansion and other factors involved in the management of the company. In the subsidiaries and dividend policy of subsidiary company and associated company will pay dividends to the company based on performance in each year.

The Company has paid dividends for the past 6 years as described below.

Year	Profit Separate (Million Baht)	Profit per share (Baht)	Interim Dividend (Baht per Share)	Annual dividend (Baht per Share)	Total dividend paid per share (Baht)	The amount of dividend to be paid (Million Baht)	Dividend per share : Profit per share %
2019	600.49	1.26	0.25	0.40	0.65	310.05	51.63
2020	847.72	1.75	0.40	0.60	1.00	486.20	56.27
2021	1,202.52	2.52	0.77	0.50	1.27	605.79	50.38
2022	8.84	0.02	-	0.20	0.20	95.40	1,079.43
2023	232.65	0.49	-	0.32	0.32	152.64	65.61
2024 **	631.76	1.42	0.20	0.50	0.70	333.90	52.85

** include the dividend that prefer to shareholder meeting of 2025 to approve 0.50 Baht per share and will pay on 7 May 2025

(2) Dividend Payment Policy of subsidiaries Company

Subsidiaries Company had dividend payment Policy due to operation each year which consider by the board of director

2. Risk Management

2.1 Risk Management Policies and Plans

Currently, the company has appointed a Risk Management Committee consisting of four members, which includes two independent directors, the Managing Director, and the Deputy Managing Director, along with a working group that comprises the Company Secretary and the Head of Internal Audit.

The committee is assigned a scope of work to oversee, monitor, and review significant risk management plans and reports, as well as to provide recommendations. Additionally, they are responsible for evaluating and reporting the assessment results to the Board of Directors at the end of each year.

2.2 Risk factors for the Company's business operations

For the risks in the year 2024, the Risk Committee held a joint meeting on February 20, 2025, to consider the risks that mainly affect the company's operations as follows:

2.2.1 Risks to the Company's Business

Risks related to economic trends and the construction industry in Japan

The company's business is the production of large steel structures for high-rise buildings, with over 95% of its output being exported to major contractors in Japan. The demand for steel structures in Japan remains at no less than 5 million tons per year. When comparing the volume of exports sent to Japan by the company, it accounts for only 1% of the total demand.

Additionally, the company's factory has received the S Grade standard certification from Japan, with fewer than 10 factories worldwide holding this standard, which significantly reduces competition in the industry.

As of fiscal year 2024, the company has secured project contracts extending through to 2027. These projects have all been awarded by business partners with whom the company has collaborated for over 10 years, indicating a very low probability of variability in order fulfillment.

Risks with Receivables from Customers

Since the company produces structures primarily for export to Japan, which accounts for approximately 95% of its total revenue, the majority of income in fiscal year 2024 came from major clients, including the largest construction companies in Japan: Kajima Corporation (35%), Nippon Steel Engineering (24%), and Shimizu Corporation (20%), with the remainder coming from other customers.

The company has established sales contracts secured by Letters of Credit (L/C) to ensure that payments from payers reach the recipients on schedule and in the correct amounts, thereby reducing the payment risk. Payments are received within 14 days after the submission of documents for collection through the bank. In fiscal year 2024, 93.76% of revenues were collected via L/C, while only 6.24% of the work produced at MCS-JAPAN did not involve an L/C, but rather payment was made via billing collection from the same primary customers. Therefore, this arrangement does not impact the company's financial performance.

Risk Related to Skilled Labor Shortages

Due to the current limitation of skilled labor, the company has adopted a policy to implement automatic welding machines (Robot Machines) to help address this issue. The plan is to install 17 such machines by the year 2025, utilizing BOI investment incentives. Each automatic welding machine is expected to replace approximately 2 human workers and can operate 24 hours a day, which will help alleviate some problems related to the shortage of welding labor.

However, there are still aspects of welding work that require human labor. According to operational standards, employees who perform welding tasks must pass the Welding Certification from the Japanese Welding Society (AWS). The company contracts a Japanese organization to conduct these examinations annually.

In the past year (2024), a total of 52 employees took the certification exam, with 18 staff members taking the exam for the first time and 34 renewing their certification. Currently, the company has 86 welders who hold the AW (Architectural Welding Certificate) and 128 welders who have obtained the JIS (Japanese Industrial Standard) certification. This positions the company among the leading firms with a workforce meeting these recognized standards.

To prevent and mitigate risks The company has applied for investment promotion from the BOI to invest in the purchase of 17 automatic welding machines (Robot Machines), with a total investment budget set at approximately 314.72 million baht. This amount includes the costs of constructing the factory and other machinery.

As part of the personnel development initiative, the company has established a welding training center to allow new graduates or individuals without prior knowledge of welding to participate in training. In the past year (2024), a total of 52 employees underwent training and subsequently became employees of the company.

Additionally, the company continues to provide training for individuals seeking employment in Japan, offering training in welding and assembly for Thai nationals, which lasts about 6 months to 1 year. This training prepares them for positions at the company's subsidiary in Japan. Currently, approximately 25 employees have been sent to work at MCS-Japan in Japan, which helps address the labor shortage both within the Thai company and at the subsidiary in Japan.

Risk from foreign exchange rate

Because 90% of the company's revenue is denominated in Japanese Yen (JPY), the costs associated with purchasing raw materials 40-50% of which are imported from Japan are also paid in the same currency as the revenue. This arrangement helps mitigate exchange rate risk to some extent.

However, in fiscal year 2024, the exchange rate of the Japanese Yen against the Thai Baht depreciated compared to the same period in 2023. By the end of 2024, the exchange rate was 21.21 baht per 100 yen, whereas at the end of 2023, the rate was 23.88 baht per 100 yen, representing a change of 11.18%.

The depreciation of the yen ultimately has an unavoidable impact on the company's revenue, as it may reduce the equivalent value of income when converted to Thai Baht.

To prevent and mitigate risks Due to fluctuations in exchange rates being an external factor that the company cannot control, the company is striving to find other sources of revenue to compensate for this aspect. For example, by developing the company's capabilities to produce a diverse range of products, including more complex items, to increase the selling prices of these products. Additionally, efforts are being made to control production quality to minimize errors, thereby avoiding repair costs or damages in this area. Moreover, the company aims to control production costs in other areas to ensure maximum efficiency.

Risks Related to Not Receiving S Grade Certification

Since the company's business requires the S Grade (S Class Fabricator) certification, which is issued by the Japan Steel Fabrication Association, there are currently fewer than 10 companies holding this certification, all of which are located in Japan. M.C.S. STEEL is the only factory situated outside of Japan with this license.

The S Grade certification allows the company to manufacture all types of steel structures for Japan. Currently, this certification is set to expire in January 2026, and the company must apply for renewal. Each certification is valid for a period of 5 years.

To prevent and mitigate risks The renewal of the S Grade certification represents the company's fourth application for this license, which it has held since 2011. Currently, management is making preparations for the application process to ensure that all necessary requirements are met. The company is confident that it will successfully pass the certification renewal, just as it has in previous instances.

Risks from management that rely on executives

Dr. Naiyuan Chi, the founder of the company and a key person, has resigned from his position as Chief Executive Officer effective September 1, 2022. However, he continues to serve as the Chairman of the Board and as a senior advisor to the new management team. He has an employment contract that extends until September 2025.

To prevent and mitigate risks The company has restructured its management by decentralizing various responsibilities and emphasizing teamwork. Decisions are no longer reliant on a single individual. Additionally, the company has proposed to extend the consultancy contract with Dr. Naiyuan Chi for another 3 years, from September 2025 to September 2028.

2.2.2 Securities holder investment risk

M.C.S. Company Steel Public Company Limited is a company established in Thailand and primarily exports steel structures to Japan, 90% of which are exported to foreign countries, and also has subsidiaries abroad, namely China and Japan. Most of the business's income comes from Japan. Its base currency is Yen (JPY), which changes in exchange rates will affect the company's performance. Therefore, securities holders are at risk if there is a change in exchange rates, which will also change the performance.

2.2.3 Risks from investing in foreign securities






At present, the company does not invest in any foreign securities. Therefore, the company does not have this type of risk.

3. Driving business for sustainability

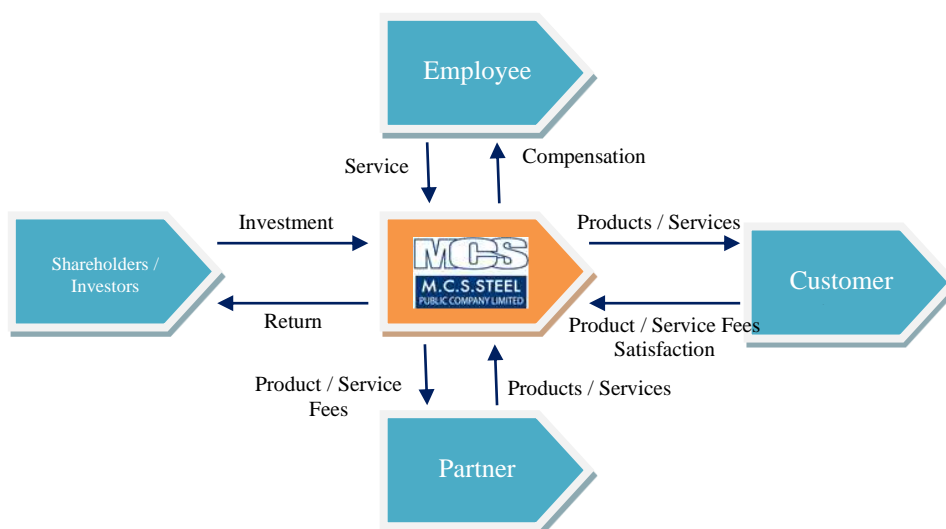


3.1 Sustainability Management Policies and Goals

The Company has made sustainable development a priority establishing policies and goals for implementing various aspects of all stakeholders. It is committed to conducting business by complying with laws and guidelines relating to government agencies and emphasize on good corporate governance practices covering all stakeholders including customers, employees, partners. The company's policies and goals are as follows:

Business		Conduct business with fairness operating in accordance with the law or related regulations, and do not infringe any copyright or intellectual property.
Anti-Corruption		Conduct business honestly with transparency and to promote awareness about working against corruption, including channels for whistleblowing in the event that something is wrong in the organization
Labor Treatment		Respect the employees' human rights and to pay compensation and benefits fairly to employees, as well as promote the learning of employees on a regular basis and provide employees with appropriate workspaces covering safety equipment arrangements so that employees can work safely.
Community		The Company operates its business in parallel with the promotion of environmental conservation in the community.
Innovation		The company regularly researches and develops production processes to reduce the working time and improve the quality of the products to the customer's requirements.

3.2 Managing the impact on stakeholders in the value chain of business (Value Chain)

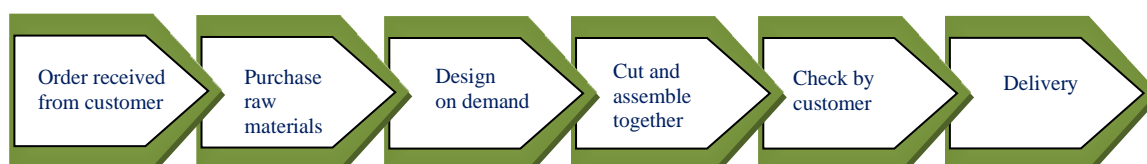


The company has a policy to serve customers with an emphasis on quality and efficiency services by producing products that meet the needs of customers. The Company therefore has established management guidelines as follows:

- All employees are certified to meet the customer requirements, including having regular knowledge training
- Produce quality products that meet the standards required by customers.
- Systematic operation processes enable monitoring of the progress of various workpieces to meet the delivery deadline.
- Before delivering the work to the customer, there is a process of quality inspection of the goods.
- Production and delivery are planned according to the contract requirements.
- Prepare a satisfaction assessment form after every delivery in order to improve the services.
- There is a guarantee of the quality of the parts delivered to the customer after installation for a period of 2 years from the date of installation.

3.2.1 Business Value Chain

When the company receives an order from a customer, the Design Department will make the drawing and then order the required raw materials. After that, it will be produced by cutting according to the drawings and assembled by welding them together. When the production is finished, the customer shall send a representative to inspect the finished goods before receiving them. When the inspection is complete, the company then delivers to the customer.



3.2.2 Stakeholder analysis in the business value chain.

The Company and its subsidiaries value stakeholders both in the organization and outside the organization, taking steps to meet the expectations of stakeholders to support the business operations of the organization.

Actions with stakeholders

Group Stakeholders	Actions	Expectancy of stakeholders	Response
1. Internal Stakeholders			
Shareholder	<ul style="list-style-type: none"> Annual shareholders' meeting Preparation of annual reports Quarterly performance report Disclosure of various information through various channels Disclosure of information through the stock exchange Access to information related to the Company's shareholders 	<ul style="list-style-type: none"> The Company's performance on the rate of return in the form of dividends and share prices. Equitable treatment of shareholders. Internal audit system and good corporate control. Risk management system for the business operations. 	<ul style="list-style-type: none"> Manage the business with transparency, fairness and accountability. Pay dividends to shareholders appropriately in accordance with the company's policy. The Investor Relations Unit is appointed with communication channels to provide

Group Stakeholders	Actions	Expectancy of stakeholders	Response
Shareholder		<ul style="list-style-type: none"> Social and environmental responsibility in business operations <p>Providing equality to shareholders and preserving the interests of shareholders</p>	accurate information and build relationships with shareholders
Employee	<ul style="list-style-type: none"> Training and development of the company's personnel. Fair compensation and benefits Career Progression Having a welfare agent to protect the benefits of employees. 	<ul style="list-style-type: none"> Support the budget for training and continue developing employees' knowledge annually. Set the remuneration rate to suit the work of employees at all levels, including the annual award rate, according to the performance each year. Provide benefits to employees, covering all aspects such as Provident fund, Residential and Medical Expenses, Accident Insurance, COVID-19 Insurance and more. Quality of life of employees in work environment, safety and housing 	<ul style="list-style-type: none"> Annual training plans are set for employees at all levels, as well as allocate training budgets to interested employees. Establish rules for fair compensation in comparison with similar businesses whether in the form of salary or annual reward which is reviewed appropriately every year. Respect human rights principles and equal practices. Listen to the employee grievances and find solutions.

Group Stakeholders	Action	Expectancy Of stakeholders	Reaction
2. External Stakeholders			
Customer	<ul style="list-style-type: none"> Meeting about various plans and inspections. Conducting a service satisfaction survey. each time of the inspection Regular meetings with customers and agencies. Delivery of goods 	<ul style="list-style-type: none"> Get accurate and completed information as required Receive satisfactory service. The quality of the product meets the requirements. Timely delivery Customer information retention 	<ul style="list-style-type: none"> Inspection process before delivery. Products meet the standards as specified by the customers. Code of Conduct for Maintaining Customer Data
Creditor	<ul style="list-style-type: none"> Comply with the terms and conditions set forth in the contract. 	<ul style="list-style-type: none"> Comply with the terms and conditions set forth in the contract. Punctuality of payment 	<ul style="list-style-type: none"> Deliver the goods in a timely fashion
Debtor	<ul style="list-style-type: none"> Comply with the terms and conditions set forth in the contract. 	<ul style="list-style-type: none"> Comply with the terms and conditions set forth in the contract. 	<ul style="list-style-type: none"> Treat debtors fairly according to the specified conditions.
Competitor	<ul style="list-style-type: none"> Comply with the competition rules set by the industry or regulators, which is the norm of competitive practices. 	<ul style="list-style-type: none"> Comply with industry competition frameworks of competitive practices. 	<ul style="list-style-type: none"> Have a clear and fair trade policy. Treat business competitors fairly on the basis of business.
Environment	<ul style="list-style-type: none"> Using energy-saving equipment in business operations Improving workplace environment Energy saving and resource use campaigns Raising environmental awareness with employees 	<ul style="list-style-type: none"> Does not create any impact on society and the surrounding environment. Strictly comply with applicable laws and regulations. 	<ul style="list-style-type: none"> Clear environmental policy There is an environmental quality control system as required by law Comply with ISO 14001 and 45001

Group Stakeholders	Action	Expectancy Of stakeholders	Reaction
Environment	<ul style="list-style-type: none"> Reporting to relevant government agencies on schedule 		<ul style="list-style-type: none"> Promote and raise awareness of the energy savings of employees in the organization
Community	<ul style="list-style-type: none"> Cooperate with community agency activities, including budget support for community improvement as requested by the agency. 	<ul style="list-style-type: none"> Support for community projects / government agencies 	<ul style="list-style-type: none"> Support for community projects / government agencies

3.3 Sustainability management in the environmental dimension

The company has made environmental protection a priority in neighboring communities. The policy is to conduct business in conjunction with environmental protection, with strict compliance with the laws or regulations of government agencies. In the past 30 years, the company has never had a dispute with the community about environmental issues.

3.3.1 Environmental policies and practices

MCS focuses on the environment whether within the company or nearby, and the company has established policies for environmental management and is committed to managing resources and the environment within the organization with guidelines as follows

1. Strictly comply with the environmentally related laws and regulations 100%
2. Control, prevent, and reduce the severity of environmental pollution arising from operations to a totally low level.
3. Reduce resource and energy consumption, as well as encourage more cost-effective and efficient use of resources.
4. Campaign to raise awareness about the importance of environmental management by focusing on the participation of personnel at all levels and stakeholders.
5. Continuously review and improve operations and environment in the organization.
6. Protect the environment that affects inside and outside the company

3.3.2 Environmental Performance

On June 20-21, 2024, the company engaged NPS Management Co., Ltd., an environmental consulting firm, to collect samples and analyze the environmental quality associated with the factory's operations. This initiative aims to monitor the environmental quality within the establishment and to use the findings to establish preventive measures and mitigate impacts on the health of employees and surrounding residents. The results of the monitoring are as detailed below:

Environmental Quality Measurement	Standard used	Number of inspected areas	Audit Results
1. The intensity of chemicals and dust in the working atmosphere.	OSHA	13	Within Standard Limits
2. Heat level	Ministerial Regulations on Heat, Lighting & Sound 2016	5	Within Standard Limits
3. Light intensity level in the workspace	Notification of Department of Labor Protection and Welfare Lighting Intensity Standards on February 21, 2018		
3.1 During the daytime		177	Most of them are within the benchmark.
3.2 Night time		69	Most of them are within the benchmark.
4. Cumulative Noise Levels (Personal Exposure)	Ministerial Regulation on Heat, Lighting, and Noise (2016)	8	Most of them are within the benchmark.
5. Average Sound Level Over 8 Hours	The standard is set according to the Ministry of Industry Announcement 2006.	8	Within Standard Limits
6. Pollutant Emissions from Exhaust Stacks	The standards are set in accordance with the Ministry of Industry Announcement 2017.	3	Within Standard Limits
7. Average sound pressure level 24 Hours	The standards are set in accordance with the Ministry of Industry 2005	4	Within Standard Limits

Environmental Quality Measurement	Standard used	Number of inspected areas	Audit Results
8. Noise Level Area around the Factory	The announcement of the National Environmental Board No. 29, B.E. 2550 (2007) and the announcement of the Ministry of Industry, B.E. 2548 (2005)	4	Within Standard Limits
9. Physical, Chemical and biology quality of wastewater	The standards defined by the Ministry of Industry in 2017	4	Within Standard Limits

A. Waste management and disposal from the production process.

In regard to the waste management and disposal from the production process, the company has adopted the Environmental Management System, or “The Environmental Management” (EMS), which is specified in ISO 14001, to be separated and stored for technically proper disposal and treatment by the specialized disposal recipients, which are supervised by the Department of Industrial Works

B. Energy management

MCS has set up a management system with the Energy Committee, responsible for ordinary energy, and has established energy-saving measures every year by encouraging employees to use energy efficiently. The campaign has been set up to raise awareness of the energy consumption of employees by doing the following:

- Turn off the light during lunch break
- Setting the temperature of the air conditioner, and the time for turning on and off the air conditioner 15 minutes before finishing work.
- Ensure that all employees are aware of the importance of energy conservation. Before ending their shifts, instruct them to inspect and turn off gas valves used in production, as well as all machinery. Adjust the use of energy-efficient lamps in the office.
- Use of transparent roof sheets in the factory to replace the use of electricity
- Establish a plan for regular maintenance of machines. to make the machine efficient
- Install solar panels to bring some energy to use in the office

C. Quality inspection of wastewater from the production process

The company's production process does not produce much wastewater. However, the company has monitored the quality of the wastewater leaving the factory by having annual effluent quality measurements from outsourced agencies to prevent the quality of effluents below the criteria set for waste management, waste, and pollution management.

The company has a total of 4 wastewater discharge points. Monitoring of the physical, chemical, and biological quality of the wastewater from these 4 points has shown that they meet the control standards set forth in the Ministry of Industry's announcement regarding the standards for wastewater discharge from factories, B.E. 2560 (2017). It was found that all indices are within the specified standard limits.



D. Management to reduce greenhouse gas problems

The company recognized the need to solve the problem of reducing greenhouse gas emissions in the organization by establishing plans and measures to conserve energy to help reduce the company's greenhouse gas problems in the future by doing the following things :

- 1) In production and energy usage, we aim to reduce reliance on natural gas by promoting the use of electricity from renewable sources such as solar energy.
- 2) In transportation, both within and outside the factory, we promote the use of biofuels such as biodiesel and compressed natural gas (CNG) to reduce petroleum consumption and carbon dioxide emissions.

- 3) We employ modern technologies to reduce energy consumption by :
 - Conducting surveys and questionnaires through Google Forms instead of paper.
 - Utilizing electronic presentation boards for document presentations instead of distributing physical copies.
- 4) Various energy-saving measures are implemented, such as replacing conventional lighting with energy-efficient bulbs.

3.4 Sustainability management in the social dimension

3.4.1 Policies and guidelines in accordance with the law, rules and regulations relating to the company's business, including respect for human rights

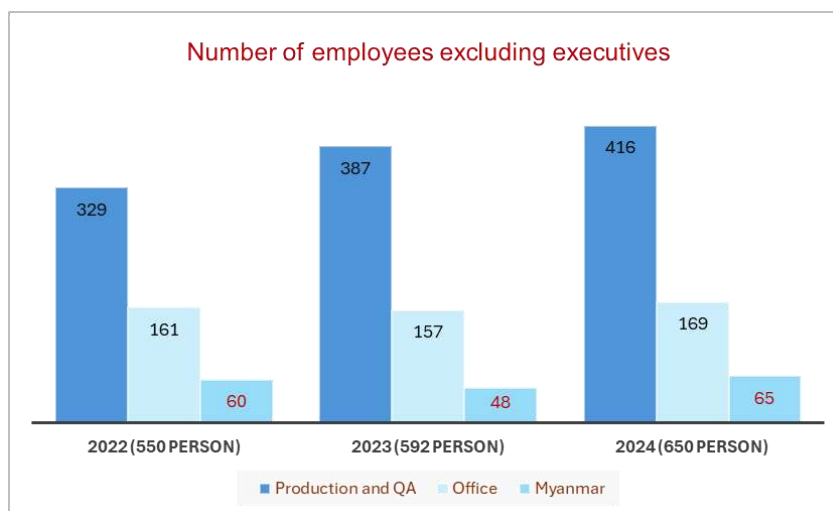
M.C.S. Steel Public Company Limited has established policies related to society regarding respect for human rights, as well as environmental policies that aim to maintain a balance between business operations, caring for the environment, and compliance with relevant laws and regulations.

Respect for human rights

The Company has given importance and consideration to the respect of human rights as follows:

- 1) Not infringing on fundamental rights on race, religion, sex, age, and disability, and taking into account the human rights of employees of all races including employees with disabilities by providing equal welfare. The company gives the rights in terms of compensation including welfare such as medical expenses, life insurance, accident insurance, and equal annual monetary prize to employees without distinguishing nationality, or race; and everyone receives equal work benefits.
- 2) Treat employees fairly, the company has a policy to reward employees based on the amount of work and the quality of work by allowing employees to choose the level of compensation they want both in the production department and in the staff office. The Company has improved the working environment including the importance of safety and occupational health for employees, to ensure a good quality of life for them. The company provides opportunities to relocate positions and develop work potential, practice and enhance work skills regularly as well as being able to request position modifications for higher returns.
- 3) Ensure that businesses and employees of the Company and its subsidiaries are not involved in human rights violations, such as illegal labor, and child labor, and ensure strict compliance with the standards of labor protection laws.
- 4) The company provides an alternative channel for employees' grievances through the Employee Welfare Committee, which is elected by the representatives of employees in the organization, allowing the company management to establish social dialogue with employees and make improvements.

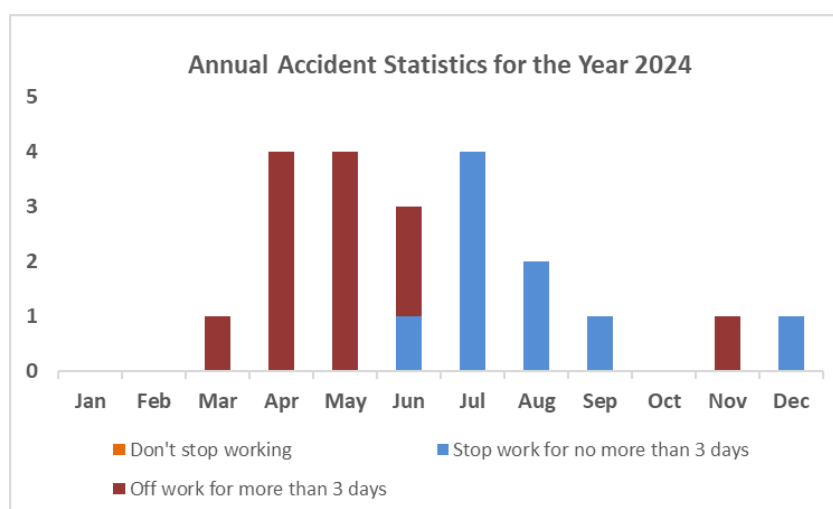
As of December 31, 2024, the number of employees (excluding the executives) is detailed as follows:



Safety and work environment

- 1) The Company provides safety policies and practices, by providing essential safety equipment to all employees working with the company, including helmets, shoes, gloves, glasses and more, as well as creating a good work environment, providing stadiums, gyms, and supporting workout budgets for employees i.e., contributing to employee football team budgets. Every year, the Company holds annual sporting events to allow employees to participate and strengthen harmony among employees in the company.

In the year 2024, there were 21 instances of employee injuries in the workplace.



Human Resource Development Policy

The Company has a policy to develop personnel at all levels regularly, by sending employees to attend training courses and study tours both domestically and internationally, especially craftsmen employees such as welders. Since the company's products are delivered to the projects in Japan, all of the company's craftsmen must meet the welding standards from Japan.

The main policy of personnel development of the company is that all employees must be trained to increase their knowledge annually so that employees continue to enhance their knowledge and skills, as the company's motto is "Every day must be better than yesterday". In the year 2024, there was a budget allocation of 8.98 million baht for employee training and development. This was divided into :

- Production staff : 5.98 million baht
- Office staff : 3.00 million baht

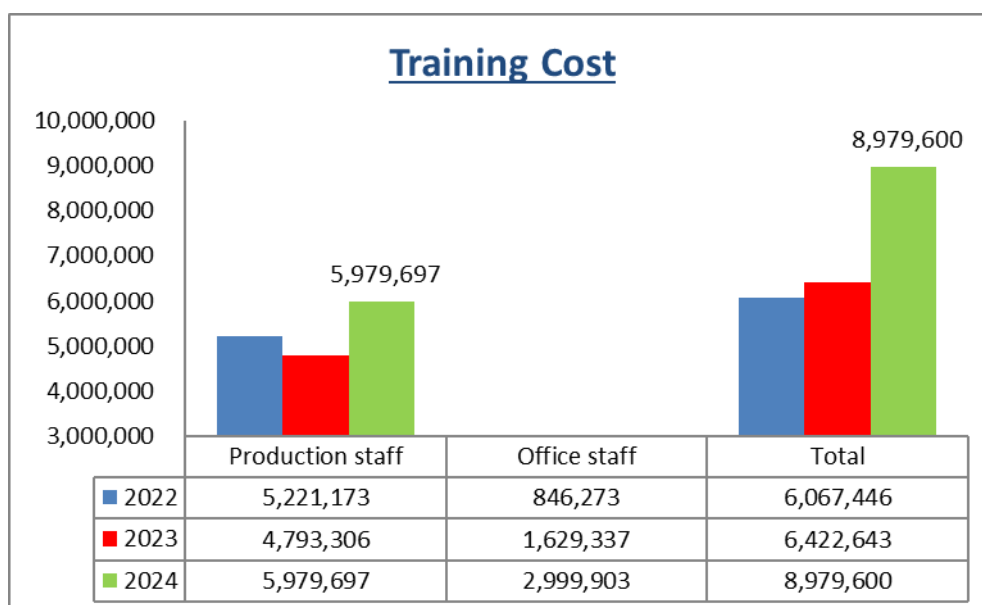


Table showing the training budget

In the production department, the company has arranged facilities and equipment for welding training, along with experts available to provide guidance. This allows employees to utilize their spare time to develop their skills and improve the quality of their welding work. In the year 2024, a total of 214 employees successfully completed the welding training program.

- Training Center



- Training on the production process

In the year 2024, the company placed significant emphasis on training employees in various work procedures. Training sessions were organized for production staff regarding the operational procedures they are currently performing, with a confirmation of understanding through tests. This approach ensures that all employees comprehend the correct working procedures, which will help reduce errors in the production of workpieces.

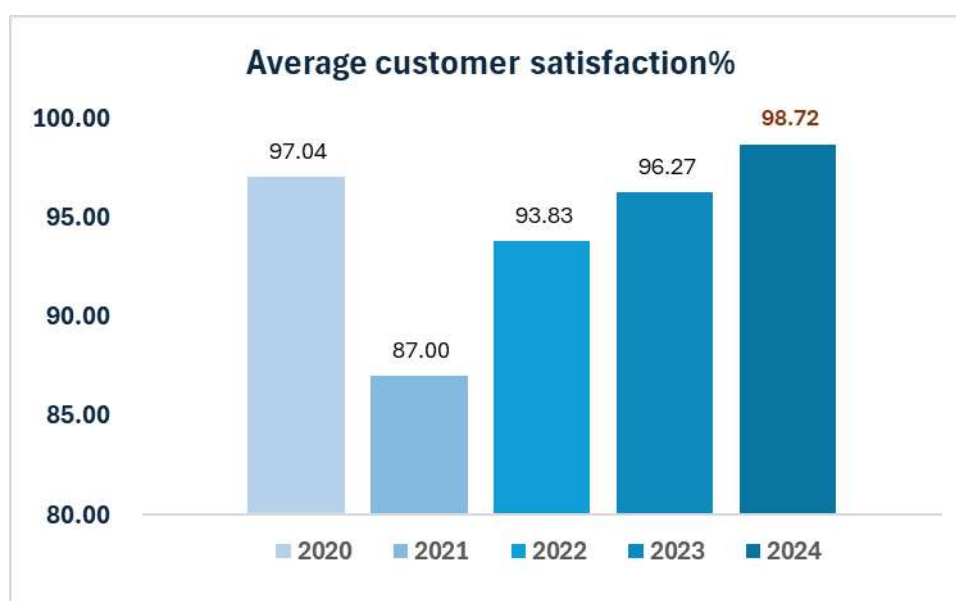


Responsibility to Consumers (Customers)

To ensure accountability for product quality before delivery to customers, the company has implemented quality inspections of workpieces prior to shipment. In the year 2024, there were a total of 9 projects delivered, with inspections conducted a total of 59 times. The company also established satisfaction survey forms for customers each time they came for inspections.

The results of the customer satisfaction surveys over the past 5 years are as follows:

Year	Inspection (Times)	Average customer satisfaction (%)
2020	113	97.04
2021	37	87.00
2022	39	93.83
2023	41	96.27
2024	59	98.72



Community and Social Development Participation

The Company has made it a priority to contribute to community and social development by doing the following:

1) Support the Children's Day Activities in the community

Every year, the company donates money to Ratchakram Subdistrict Municipality, Bang Sai District, Phra Nakhon Si Ayutthaya Province. and donated gifts and money to staff dormitory directors to support activities and food in the Children's Day event for employees' children who live in the company area and nearby

2) Donations

In the year 2024, M.C.S. Steel Public Company Limited supported donations to the community and government agencies as follows:

- Donated Rice: Provided rice for the lunch program to Thai Rath Witthaya School 2 (Wat Chang Yai) in Phra Nakhon Si Ayutthaya Province.



- Donated Prepared Food: Provided prepared meals to the Department of Employment in Phra Nakhon Si Ayutthaya Province.



- Donated Bicycles to the Department of Employment in Phra Nakhon Si Ayutthaya Province.
- Donated fans to Bang Sai District, Phra Nakhon Si Ayutthaya Province.

- Donated Money: Contributed funds to Wat Pang Kloa in Saraburi Province.
- Donated a royal Kathina robe to the Industrial Council in Phra Nakhon Si Ayutthaya Province.
- Provided financial support to Ban Nong Eela School in Nakhon Ratchasima Province.
- Donated funds to support educational institutions at Wat Metarak School, Pathum Thani Province.

Non-stop development for sustainable organizations

The Company realizes the importance of continuous development in business operations, therefore bringing modern technology into use including the development of personnel's abilities every year is one of our priorities. The company has a policy for all employees to learn or train, or send our employees to the training courses and study tours to obtain more knowledge. This is because the Company believes that the development of employees' abilities is what will enable the Company to grow sustainably, as the motto of the company says,

“Better than yesterday everyday” Trust .

The board of directors and Executives, including all employees, remain committed continuously and consistently to create a sustainable business for both internal and external stakeholders to have confidence and mutually benefit in both the short and long term.

4. Management Discussion and Analysis (MD&A)

4.1 Operational and Financial Analysis

➤ Overview of past performance

The company operates as a manufacturer and assembler of large fabricated steel structures for use in the construction of large buildings. The majority of the steel structures produced by the company are columns (Column-Box) and beams (Beam). In the year 2024, the total weight of delivered projects was 67,224 tons, which includes 1,366 tons for domestic projects (this figure also accounts for work contracted out to subsidiaries for production).

The company and its subsidiaries reported a profit for the period of 690.48 million baht, representing an increase of 545.88 million baht or 377.52% compared to 2023. The profit attributable to the parent company amounted to 678.60 million baht, which is an increase of 513.99 million baht, reflecting a growth rate of 312.25%.

The subsidiaries reported the following financial results:

- M.C.S. Steel Xiamen Co., Ltd. : Net profit of 10.74 million yuan(CNY).
- M.C.S.- Japan Co., Ltd. : Net profit of 63.67 million yen(JPY).
- Tanaka Welding Center Co., Ltd. : Net loss of 0.07 million baht.

After recognizing the profits according to the ownership stakes, the profit attributable to the parent company remains at 678.60 million baht.

➤ **Performance**

1) Revenue from sales

In the year 2024, the company and its subsidiaries generated sales revenue of 5,607.17 million baht, which represents a decrease of 169.99 million baht or a decline of 2.94% compared to the previous year. This decrease is attributed to a reduction in the volume of deliveries in accordance with customers' installation schedules, with the volume of deliveries dropping by 15.28%. Despite this, the selling price per unit increased by 22.39%, and exchange rates declined by 6.34%, leading to the overall reduction in sales revenue of 2.94%.

2) Other income

In 2024, the company reported other income of 79.93 million baht, an increase of 38.01 million baht from the previous year. This increase was primarily due to the reversal of impairment on loans to subsidiaries, recorded as other income amounting to 18.87 million baht, along with higher scrap steel sales compared to the previous year.

3) Gross profit

In 2024, the company and its subsidiaries achieved a gross profit of 1,576.87 million baht, an increase of 523.77 million baht, reflecting a growth rate of 49.74%. The gross profit margin increased to 28.12%, up from 18.23% in 2023, driven by higher selling prices per unit and reduced cost of goods sold.

4) Cost of sales of goods and rendering of services

In 2024, the company and subsidiaries reported a cost of goods sold and services of 4,030.30 million baht, a decrease of 693.76 million baht from the previous year. The reduction in costs was attributed to lower delivery volumes and a decline in steel prices compared to the prior year.

5) Distribution costs

In 2024, the selling expenses for the company and its subsidiaries amounted to 493.09 million baht, a decrease of 13.68 million baht, or 2.70% compared to the previous year, due to reduced delivery volumes.

6) Administrative expenses

In 2024, the company and its subsidiaries incurred administrative expenses of 312.79 million baht, an increase of 9.21 million baht, or 3.03% from the previous year. Part of this increase was due to the subsidiary in China experiencing a slowdown in operations.

7) Net foreign exchange loss

In 2024, the company and its subsidiaries faced a net loss from exchange rates of 112.74 million baht, an increase of 27.37 million baht from the previous year, resulting from fluctuations in the JPY exchange rate.

8) Finance costs

In 2024, the financial costs for the company and its subsidiaries were 21.15 million baht, a decrease of 15.63 million baht from the previous year. This reduction was due to the company having placed advance orders for steel at the end of 2022 in anticipation of rising prices, which resulted in extended Letter of Credit (L/C) payment periods and associated interest of 25.81 million baht in the previous year. In 2024, the company implemented tighter financial planning, eliminating interest from deferred L/C payments.

9) Income Tax Expenses

In 2024, the company and its subsidiaries had income tax expenses of 14.37 million baht, an increase of 5.65 million baht, or 64.72% compared to the previous year. This increase was due to the subsidiary in China reporting profits in 2024, whereas it had incurred losses in 2023, leading to higher tax expenses.

➤ **Financial status**

Total assets

As of December 31, 2024, the company reported total assets of 6,065.25 million baht, an increase of 793.47 million baht, or a growth rate of 15.05% from December 31, 2023.

The Summary of the company's main assets are detailed as follows:

- **Cash and cash equivalents**

The company has cash and cash equivalents as follows:

Year	Total (million baht)
2022	197.66
2023	153.19
2024	142.04

As of the end of 2024, the company's cash and cash equivalents consist of both Thai Baht and foreign currencies, classified as follows: Thai Baht 41.13%, Renminbi (RMB) 21.72%, Japanese Yen (JPY) 36.63%, and United States Dollar (USD) 0.52%. The company aims to hold foreign currency, particularly Japanese Yen (JPY), to facilitate the payment of foreign currency liabilities, the majority of which are denominated in JPY.

- **Accounts receivable, trade accounts receivable and other receivables**

The company conducts sales both domestically and internationally. It has a policy requiring all domestic customers to establish a Letter of Credit (L/C), Aval Certificate, or Bank Guarantee upon the delivery of goods. The company grants credit terms of 45 to 60 days after the delivery of products. For international sales, the company mandates that all customers open a Letter of Credit (L/C) upon delivery, thereby eliminating the need to set aside a provision for doubtful debts for both domestic and international customers.

Additionally, the company has a policy to establish performance guarantee receivables at a rate of 5-10% of the project value, as stipulated in contractual agreements. The company will receive payment for this portion once the construction of steel structures is successfully completed, which typically occurs about 2 to 4 months after the delivery of the workpieces.

As of the end of 2024, the company's accounts receivable, including trade debtors and other debtors, totaled 1,647.29 million baht.

The company and its subsidiaries have trade receivables and other receivables are divided as follows:

Unit : million baht

(Unit: Million Baht)	31 Dec 2022	31 Dec 2023	31 Dec 2024
Trade receivables			
- Overseas	707.72	724.59	1,143.92
- Domestically	29.46	22.62	-
Rebalance receivables			
- Overseas	133.49	178.61	345.66
- Domestically	-	-	-
Other receivables	-	107.86	157.71
Total	870.67	1,033.69	1,647.29

Inventories

The company's inventory consists of steel stock, nuts, consumables, and work-in-progress. As of December 31, 2024, the total inventory amounted to 2,728.58 million baht, reflecting an increase of 341.69 million baht or 14.32% compared to the end of 2023. This inventory was ordered according to the production plans in hand. The company manages its inventory by categorizing it based on age and type, applying a first-in, first-out (FIFO) approach to inventory management. Additionally, the company regularly checks the appropriateness of inventory levels for both products and raw materials to ensure they are maintained at suitable levels. The inventory management strategy includes advanced production planning to align with operational needs.

Therefore, the company can estimate the use of raw materials and deliver the remaining products appropriately along with minimal waste.

Property, plant and equipment

As of the end of 2024, the company's land, buildings, and equipment totaled 1,204.93 million baht, down from 1,243.01 million baht at the end of 2023, and 1,379.48 million baht at the end of 2022. The percentages of these assets to total assets were 20.29%, 23.58%, and 19.87%, respectively. The decrease of 38.08 million baht or 3.06% from 2023 was mainly due to currency translation adjustments related to the Japanese Yen, which impacted the value of the land, buildings, and equipment.

Total liabilities

As of December 31, 2024, the company's total liabilities amounted to 2,306.07 million baht, an increase of 796.95 million baht or 52.81% from December 31, 2022. This increase was due to the import of steel for production and delivery planned for 2025, with a payment term of 180 days post-import.

Shareholders' Equity

As of December 31, 2024, shareholders' equity was 3,759.19 million baht, a decrease of 3.48 million baht or 0.09% from December 31, 2023. The changes are attributed to the following :

- The company and its subsidiaries recorded a profit of 690.48 million baht for the year.
- The company paid dividends amounting to 248.019 million baht, distributing 0.32 baht per share for the 2023 financial year in May 2024 and an interim dividend of 0.20 baht per share for the 2024 financial year in September 2024.
- The exchange rate of the Japanese Yen decreased by approximately 11.18% from December 31, 2023.

➤ Financial liquidity and source of funds of the company

Cash flow

In 2024, the company generated a net cash flow from operating activities of 65.84 million baht, incurred cash outflows from investing activities of 214.91 million baht, and had a net cash flow from financing activities of 133.17 million baht. As a result, cash and cash equivalents decreased by 11.15 million baht from December 31, 2023.

The company's income tax payments decreased from 34.89 million baht in 2023 to 10.78 million baht in 2024, indicating sufficient cash liquidity to meet tax obligations.

Liquidity ratio

The company's liquidity ratios from 2022 to 2024 ranged between 1.81 and 2.54 times. The quick ratio was recorded at 0.39 times, 0.85 times, and 0.89 times in 2022, 2023, and 2024, respectively.

Source of funds

The company's capital originates from two sources: liabilities and shareholders' equity. The debt to equity ratio (D/E Ratio) was 0.72 times, 0.40 times, and 0.51 times in 2022, 2023, and 2024, respectively.

4.2 Factors or events that may significantly affect the financial position or operations in the future (Forward-looking)

Since the company primarily exports its products for installation in foreign countries, various factors that will affect the company's operations in the future include:

- 1) As the company operates in the export business, its primary revenue is generated in foreign currencies. Fluctuations in exchange rates significantly impact the company's income. Currently, 95% of the company's revenue is in Japanese Yen (JPY). By the end of 2024, the exchange rate of the yen to the baht decreased by approximately 11.18% compared to the end of 2023.
- 2) The situation regarding the shortage of shipping vessels has begun to ease, resulting in a decrease in shipping costs by approximately 5% in 2024 compared to 2023. This reduction in shipping costs positively affects the company's overall costs and financial performance.
- 3) There was a slight decrease in raw material costs compared to 2023, although the price of hot-rolled steel sheets – the primary raw material for the business – has been steadily increasing since late 2021 until 2023. In 2024, the price of hot-rolled steel sheets decreased by approximately 20,000 yen per ton compared to 2023.
- 4) The increased demand for natural gas has led the Metropolitan Electricity Authority to continuously raise electricity rates since 2022. This increase affects operational costs as it is used for transportation and electricity in the production process. However, the company has planned production to minimize energy use, resulting in electricity costs for production being approximately 5% lower in 2024 compared to 2023.

4.3 Important financial information

Key Financial Ratios and Operating Results of the Company and its Subsidiaries Comparison of 3 years

อัตราส่วนทางการเงิน (Key Financial Ratio)		2024	2023	2022
อัตราส่วนสภาพคล่อง (Liquidity Ratios)				
อัตราส่วนสภาพคล่อง / Current ratio	(เท่า / Time)	2.43	2.54	1.81
อัตราส่วนสภาพคล่องหมุนเร็ว / Quick ratio	(เท่า / Time)	0.89	0.85	0.39
อัตราส่วนหมุนเวียนลูกหนี้การค้า / Receivable current ratio	(เท่า / Time)	4.18	6.07	3.00
ระยะเวลาเก็บหนี้เฉลี่ย / Avg. debt collection period	(วัน/Day)	87.26	60.16	121.70
อัตราส่วนหมุนเวียนสินค้าคงเหลือ / Inventory turnover period	(เท่า / Time)	1.58	1.51	1.04
ระยะเวลาขายสินค้าเฉลี่ย / Avg. selling period	(วัน/Day)	232	242	351
อัตราส่วนหมุนเวียนเจ้าหนี้ / Payable current ratio	(เท่า / Time)	2.73	2.44	1.54
ระยะเวลาชำระหนี้ / Loan repayment period	(วัน/Day)	133.66	149.86	236.35
Cash Cycle	(วัน/Day)	185.23	152.53	236.27
อัตราส่วนแสดงความสามารถในการหากำไร (Profitability Ratios)				
อัตรากำไรขั้นต้น / Gross profit margin	(%)	28.12	18.23	23.39
อัตรากำไรสุทธิ / Operating profit margin	(%)	12.14	2.48	3.33
อัตราผลตอบแทนผู้ถือหุ้น / Return on equity	(%)	18.36	3.75	3.14
อัตราส่วนแสดงประสิทธิภาพในการดำเนินงาน (Efficiency Ratios)				
อัตราผลตอบแทนจากสินทรัพย์ / Return on assets	(%)	12.18	2.40	2.07
อัตราผลตอบแทนจากสินทรัพย์ถาวร / Return on fixed assets	(%)	56.41	11.03	9.49
อัตราการหมุนของสินทรัพย์ / Assets turnover	(เท่า / Time)	0.99	95.73	61.31
อัตราส่วนวิเคราะห์นโยบายทางการเงิน (Financial Policy Ratios)				
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น / Debt to equity ratio	(เท่า / Time)	0.51	0.40	0.72
อัตราส่วนความสามารถชำระดอกเบี้ย / Interest coverage ratio	(เท่า / Time)	32.33	3.17	16.85
อัตราการจ่ายเงินปันผล / Pay out ratio	(%)	49.20	92.73	79.59

Remark : The company does not have finished goods balance because it will deliver the goods to the customer when the goods are produced. Therefore, the ratio calculated will be the inventories in Steel inventory, Consumables, Inventory Nuts, and Work-in-Process.

Key Financial Ratios and Operating Results of the Company and its Subsidiaries Comparison of 3 years (Continued)

ข้อมูลต่อหุ้นและอัตราการเติบโตของประเภทธุรกิจ		2024	2023	2022
อัตราการเติบโต (Growth Ratio)				
สินทรัพย์รวม / Total Assets	(%)	15.05	-22.45	9.44
หนี้สินรวม Total liabilities	(%)	52.81	-47.12	79.78
รายได้จากการขายหรือบริการและรายได้ตามสัญญา	(%)	-2.94	44.86	-42.26
Revenue from sales of goods and rendering of services				
ค่าใช้จ่ายดำเนินงาน / Operation Expenses	(%)	3.90	46.58	-27.60
กำไรสุทธิ / Net Profit	(%)	377.52	7.46	-90.78
ข้อมูลต่อหุ้น (Information per share)				
มูลค่าตามบัญชีต่อหุ้น / Book Value per share	(บาท/Baht)	7.88	7.89	8.27
กำไรสุทธิต่อหุ้น / Net Profit per share	(บาท/Baht)	1.42	0.35	0.25
เงินปันผลต่อหุ้น / Dividend per share	(บาท/Baht)	0.70	0.32	0.20

5. General and other important information

5.1 General Information	
Company	M.C.S. Steel Public Company Limited
Nature of Business	Manufacturing and distributing large steel structures
Head office and factory address	70 Moo 2, Chang Yai Sub-district, Bang Sai District, Phra Nakhon Si Ayutthaya Province
Registration number	0107548000048
Registered capital	477,000,000 Baht 477,000,000 ordinary shares with a par value of 1 baht per share (full payment)
Website	www.mcssteel.com
E-mail	info@mcssteel.co.th
Phone	035-372961-6 , 089-9001217-8
Fax	035-372967-8

Other references	
A) Securities Registrar	
	Thailand Securities Depository Company Limited
	93 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400
	Telephone +66(0) 2009-9000
	Fax +66(0) 2009-9991
B) Auditor	
	Mr. Banthit Tangpakorn
	Certified Public Accountant No. 8509
	Auditor approved by the SEC Office
	PKF Audit (Thailand) Co., Ltd.
	Sathorn Square Office Tower, Unit 2812, 28th Floor, No. 98.
	Northern Sathorn Road, Silom Subdistrict, Bang Rak District, Bangkok 10500
	Telephone +66(0)2108 1591 Fax +66(0)2108 1599
C) Legal advisor	
	Paramee Law Company Limited
	511/4 Pracha Uthit Road 117/1, Thung Khru Subdistrict,
	Thung Khru District, Bangkok 10140
	Phone +66(0) 2815-9523
D) Financial advisor	
	- None -

5.2 Other important information

5.2.1 Important information that significantly affects to the investor's decision-making

- None -

5.2.2 Restrictions on foreign shareholders

- None -

5.3 Legal Disputes

As of December 31, 2024, the Company has no lawsuits that may affect the assets of the Company and its subsidiaries of which the value is greater than 5% of the shareholders' equity.

5.4 Secondary market

- None -

5.5 Financial institutions that are in constant contact (Only in the case of bonds)

- None -

Section **2**

Corporate Governance

Part 2 Corporate

Governance

6. Corporate Governance Policy

6.1 Overview of corporate governance policies and practices

The Company attaches great importance to compliance with good corporate governance principles to promote sustainable growth of the Company. The Board of Directors has established a policy of good corporate governance in writing for executives and employees to adhere to as guidelines for practice covering the following matters:

- 1) Rights of Shareholders
- 2) Equitable treatment of shareholders
- 3) Role of Stakeholders
- 4) Board of Directors

6.1.1 Policies and guidelines relegated to directors

- **Structure of the Board of Directors**

- 1) Board of Directors**

1. The Board of Directors consists of not less than 5 members, of which not less than half of the total directors must reside in the Kingdom of Thailand and must have the qualifications as required by law.
2. Board of Directors shall be knowledgeable, capable and experienced in business operations, acting as a leader and setting the company's policies, vision, strategies, goals, missions, business plans, and budgets. In addition, they shall supervise the management team to carry out the work as set out with efficiency and effectiveness within the framework of the law, objectives, and articles of association of the company and the resolution of the shareholders' meeting with responsibility and honesty cautious according to the principles of good practice.
3. The Board of Directors consists of independent directors at least one-third of all directors.
4. A company director shall not hold a directorship position in more than 5 listed companies.
5. All company directors must have completed at least one basic training course for directors from the Thai Association of Directors (IOD). To understand the duties of directors of listed companies.

2) Audit Committee

The Audit Committee consists of at least 3 independent directors serving as the Audit Committee. All Audit Committee members must have all the qualifications as specified in the Stock Exchange of Thailand Notification regarding the Qualifications and Scope of Work of the Audit Committee, to perform the duties of checking and balancing business administration in various fields of the company.

To ensure fairness and maximum benefit to all shareholders, there must be at least 1 member of the Audit Committee who knows accounting.

3) Sub-committees

The Company has appointed other sub-committees to perform various duties as appropriate which include the following committees:

- (1) Executive Committee
- (2) Audit Committee
- (3) Nomination and Remuneration Committee
- (4) Risk Management Committee

No.	Sub-Committee	Member's Composition (Number of people)	Tenure
1.	Executive Committee	4	From 20/8/2021
2.	Audit Committee	3	3 Years
3.	Nomination and Remuneration Committee	3	3 Years
4.	Risk Management Committee	4	3 Years

4) Board of Directors Meeting

The Board of Directors holds meetings at least once every 3 months and may call for a meeting as appropriate and necessary. The meeting schedule is set in advance throughout the year and does not include any special agendas that are set afterward. The meeting agenda and supporting documents are delivered to the committee at least 5 days in advance of the meeting or less for reason and necessity. In each meeting, the chairman of the board has to preside over the meeting. If the chairman is not able to attend the meeting, the committee will appoint another director to act as the chairman of the meeting by specifying a quorum that must be attended by not less than two-thirds of the Board of Directors so that the meeting can be opened.

5) Board Meeting Minutes

The secretary of the Board of Directors is responsible for taking board meeting minutes which will be sent to the Board of Directors for approval in the next meeting. If the Company's directors wish to amend the minutes of the previous meeting, they can do so at the Board of Directors' meeting. The minutes of the meeting contain at least the following information.

- (1) Date and time of commencement and termination of the meeting
- (2) List of directors attending the meeting and not attending the meeting, including related persons who attend the meeting
- (3) Important matters in various agendas
- (4) Comments/suggestions/questions of the Board of Directors
- (5) Resolution of the meeting, list of directors in case of disagreeing on that agenda

6) Report of the Board of Directors

The Board of Directors is responsible for the Company's financial statements. Such financial statements are prepared in accordance with generally accepted accounts in Thailand and audited by a certified public accountant licensed by the Securities and Exchange Commission. In this regard, the Audit Committee is responsible for reviewing the quality of financial reports and internal control systems, including adequate disclosure of important information in the notes to the financial statements. The Audit Committee will present the opinions of the Audit Committee to the Board of Directors and the shareholders' meeting respectively.

7) Remuneration of Directors

Approved by the Shareholders' Meeting, the Board of Directors has designated a nomination and remuneration committee, to consider the remuneration of directors clearly and transparently. The remuneration is determined in such a way that it is linked to the Company's performance in the past year and compared it to other similar businesses. The remunerations established are appropriate for the duties and responsibilities of the directors in the form of monthly remuneration and meeting allowance.

8) Term of Office of the Board of Directors

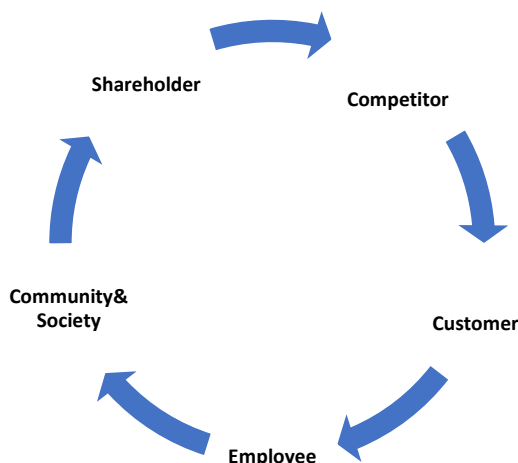
At every annual general meeting of shareholders, one-third (1/3) of the number of directors at that time shall retire from office. If the number of directors cannot be divided exactly into three parts, it is issued by the number closest to one-third (1/3). The directors who vacate office upon the expiration of the term may be re-elected.

The committee members shall agree to mutually agree on the order of vacating the office following the procedures mentioned in the above paragraph.

The directors who must retire from office in the first and second year after the company registration by the draw, in subsequent years, the member who has been in office for the longest time shall retire from office.

6.1.2 Policies and practices relevant to shareholders and stakeholders

The MCS committee attaches great importance to the stewardship of the rights of all stakeholders, both inside and outside the company, including social and environmental responsibilities. The stakeholder groups are divided into 5 main groups and the guidelines for stakeholders have been clearly defined for the Company's directors, executives and employees to adhere to as guidelines. It covers the following matters:



1. Rights of shareholders

1. Shareholder Meeting

1) The Company shall provide information, date, time, location and agenda of the meeting in both Thai and English in advance through the Company's website at least 14 days prior to the meeting, with statements and reasons for each agenda in accordance with the resolutions requested as specified in the Invitation to the AGM of Shareholders, as well as the documents attached. The Company has assigned Thailand Securities Depository Company Limited, which is the Company's share registrar to deliver the invitation letter for the shareholders' meeting and supporting documents to all shareholders at least 7 days prior to the meeting date, and in case of special agenda requiring shareholders to consider. It will be sent at least 14 days in advance with the meeting invitation letter with complete details as follows:

- Agenda for approving dividend payment: The company's dividend payment policy has been informed including the proposed dividend rate and the proportion of dividends in case of receiving BOI tax rights
- Agenda to consider appointing directors: Specifying name, surname, age, number of years as a director, educational qualifications, and related training courses, work history, number of companies holding director positions, positions of directors proposed, shareholding, including attendance information for the past year, and legal disputes in the past 5 years, and the remuneration of the approved directors

- Agenda for the appointment of auditors: Clearly stated the name of the auditor is specified including his/her affiliated company, license number, number of years auditing for the company, including the independence of the auditors and the auditor's remuneration

2) At the shareholders meeting, the following people are required to attend the meeting:

- (1) All Directors **
- (2) Chief Executive Officer or Managing Director
- (3) Chief Executive Officer of the Accounting Department
- (4) Auditor
- (5) Legal advisor

** Except in the event of force majeure that cannot attend the meeting.

3) The Company holds shareholders meetings in Bangkok or neighboring provinces with convenient travel. The meeting shall be scheduled on weekdays that do not coincide with long holidays, and arrange for registration at least 1.30 hours before the start of the meeting, and shareholders can register until the final agenda. Shareholders shall be able to travel through public transport. If any shareholders are inconvenient attending the meeting, the company shall arrange a Proxy Form so that shareholders can determine the direction of voting and one independent director or non-executive director shall be appointed as an alternative for the proxy of the shareholders.

2. Actions taken on the day of the shareholders meeting

- 1) The Company arranges the use of technology for the shareholders' meeting by adopting the Barcode system to assist in registration. For the shareholders who do not bring the barcode registration documents, the company arranges a registration officer. by using the ID card code or the name and surname of the shareholder. For the counting of votes in each agenda for those who disagree or abstain from voting, votes were collected through the barcode system as well. Therefore, the registration or vote counting is fast and accurate, and the video is recorded to be published on the company's website after the meeting.
- 2) In meetings, the Chairman of the Meeting allows shareholders to inquire on matters related to the agenda. In other sessions, the Company has allowed shareholders to question issues for some time. Details of questions and answers are recorded in the minutes.
- 3) At the shareholders' meeting, the Company holds a vote in individual order, with a ballot prepared. Separately, the appointment of directors, gives shareholders the opportunity to appoint directors individually, as well as vote on the remuneration of directors separately from the appointment of directors. After the meeting, the company kept ballots on all sessions.

3. Preparation of minutes and disclosure of shareholders' meeting resolutions

- 1) Prior to the start of the meeting, the company explains how to vote on various agendas and records in the minutes of the shareholders' meeting of the voting process. Questions and votes on each term that shareholders agree on disagree and abstention, including the number of invalid cards. In addition, the names of attending directors are listed and submitted to the resolutions of the shareholders' meeting the next day through the Stock Exchange of Thailand's reporting system. To keep shareholders informed of both Thai and English, the full minutes of the meeting shall be disclosed on the company's website.

In the year 2024, the company will hold a meeting at the Grand Hyatt Erawan Hotel in Bangkok, requiring participants to wear face masks and maintaining seating approximately 60 centimeters apart to mitigate risks from the COVID-19 virus.



To provide shareholders the opportunity to consider various agendas of the meeting, the company has sent an invitation letter along with supporting documents to shareholders at least 14 days in advance, and has also published this information on the company's website in both Thai and English at least 7 days in advance.

2. Equitable treatment of shareholders

The Company encourages equal treatment of all shareholders to protect the fundamental rights of all shareholders as follows:

1. Information before the shareholders' meeting

- The Company informs the schedule of the meeting with agendas and opinions of the Board of Directors to the SET and published via the Company's website at least 14 days before the date of the shareholders' meeting. The above notice of shareholders' meeting is prepared in both English and Thai versions.

2. Protection of the rights of minority shareholders

- The Company has notified the criteria for all minority shareholders to be able to propose additional agendas in advance and to nominate a person to be a director one month before the date of the shareholders' meeting to demonstrate fairness and transparency.
- As for the agenda for appointing directors, the Company allows shareholders to exercise their rights to appoint directors individually.

3. Protection of insider information

- The Company attaches importance to an effective internal control system. Therefore, it determines the retention and prevention of insider information by having all executive directors of the Company in the organization hold a code of conduct, prohibiting all senior executive directors of the Company from trading in the company's securities, including transferring or being transferred.
- Company securities one month before the public announcement and require all directors and executives who are obliged to report their legal holdings both on the part of the spouse and underage children and notify the company secretary every time there is an action related to the company's securities. To be disclosed in the annual data report (Form 56-1 One Report)

4. Interests of Directors

- In determining the agenda related to any director, the Board of Directors requires the Directors to report the stake at least before considering the agenda, and record it in the minutes of the Board of Directors meeting, as well as refrain from participating in the meeting.

5. Disclosure of connected transactions that are subject to disclosure

- The company discloses the details and reasons for the connected transaction that fall within the scope of disclosure of information in the annual information report (form 56-1 One Report) to shareholders. The report has been reviewed by the Audit Committee clearly explaining the reasons for considering entering into the transaction.

3. Role of Stakeholders

The Company has given importance to the rights of all groups of stakeholders, whether they are internal stakeholders such as employees and executives of the Company or external stakeholders such as creditors, competitors, etc., with details as follows:

- Employee : Treat employees fairly and equally according to human rights principles. There is no discrimination against skin color, race or nationality. The company pays reasonable compensation according to the abilities of the employees and always provides opportunities for employees to increase their knowledgeability is always including providing various welfare to all employees appropriately, such as

- 1) Provident Fund The maximum contribution rate is 15% for employees with more than 15 years of service.
- 2) Staff Village by constructing houses and selling them to employees at a lower price than the market
- 3) Provide necessary safety equipment for all employees working in the company, including helmets, shoes, gloves, goggles, etc., and create a good working environment by providing a sports gym.

Creditor : Comply with the terms and conditions outlined in the contract and do not promote dishonest claims of benefits.

Customer : Caring and being responsible to customers by producing quality and standard products. Maintaining the customers' confidentiality and providing a system to receive customer complaints to act in a fair resolution as soon as possible, such as:

- 1) Set a reserve limit for parts during the life of the product after delivery for a period of at least 2 years to ensure the customer's confidence in the quality of the company's products.

Competitor : Comply with the framework of competition rules that the industry or regulatory authorities establish and maintain norms of competitive conduct, such as:

- 1) There are procedures and processes for selecting business partners or contractors set out in writing

Society : Be socially responsible by conducting business with professional ethics and supporting activities. that is helpful and creative to the society as appropriate, such as

- 1) The operations are conducted systematically according to ISO 14001:2015 and ISO 45001:2018 standards, ensuring that the company's production system does not pose a threat to the environment.
- 2) Various monetary donations are made to support the operations of government agencies, hospitals, schools, and police stations as appropriate.

In 2024, the Company does not have any significant disputes with stakeholders. The company has complied with the good corporate governance policy as clearly defined.

4. Disclosure and Transparency

The Company recognizes the importance of good corporate governance to increase transparency and the competitiveness of the business, as well as to increase confidence in shareholders and all related parties. Therefore, it has established a corporate governance policy covering important principles as follows:

- (1) Equitable treatment of shareholders and stakeholders fair to all parties.

(2) The Board of Directors is committed to creating value added to the business in the long term, managing work and managing risks with prudence and caution, and being responsible for performing duties with sufficient competence and efficiency, to make the most of the benefits for shareholders including preventing conflicts of interest and taking responsibility for their own decisions and actions.

(3) The operations are transparent and verifiable, and disclose sufficient information to all relevant parties.

(4) Establishing business ethics for directors and employees to practice, and preparing compliance manuals.

In addition, the Company will comply with all rules and regulations as specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. After the company's ordinary shares were listed on the Stock Exchange of Thailand, the Company disclosed its corporate governance report in its annual statement (Form 56-1 One Report).

The Board of Directors attaches importance to accurately disclose complete and transparent information to all shareholders. The Company continues to focus on disclosing information and presenting such information to shareholders and investors under the standards and regulations set by the Securities and Exchange Commission through the dissemination of information from the Stock Exchange of Thailand and the following channels:

1) Company Website (www.mcssteel.com)

The Company sets the minimum information disclosed on its website as follows:

- Company Information
- Nature of Business
- Project Examples
- Board of Directors
- Organizational Structure
- List of Major Shareholders
- Company Regulations
- Dividend Policy
- Latest Financial Statements
- Annual Data Statement (Form 56-1 One Report)
- Good Corporate Governance Report
- Documents relating to the AGM
- Other documents required

2) Making a request through the company's e-mail address to mcs.ir@mcssteel.co.th

3) Making a phone call to inquire about the information at investor Relation as details No. 7.6.2

6.2 Business ethics

The company operates by preparing the Compliance Manual which focuses on business ethics and compliance with official regulations and is signed for acknowledgment and compliance by the director's management and staff. The Company will monitor the implementation of the manual regularly and impose disciplinary penalties.

6.3 Major changes and developments of policies, guidelines and corporate governance in the past year

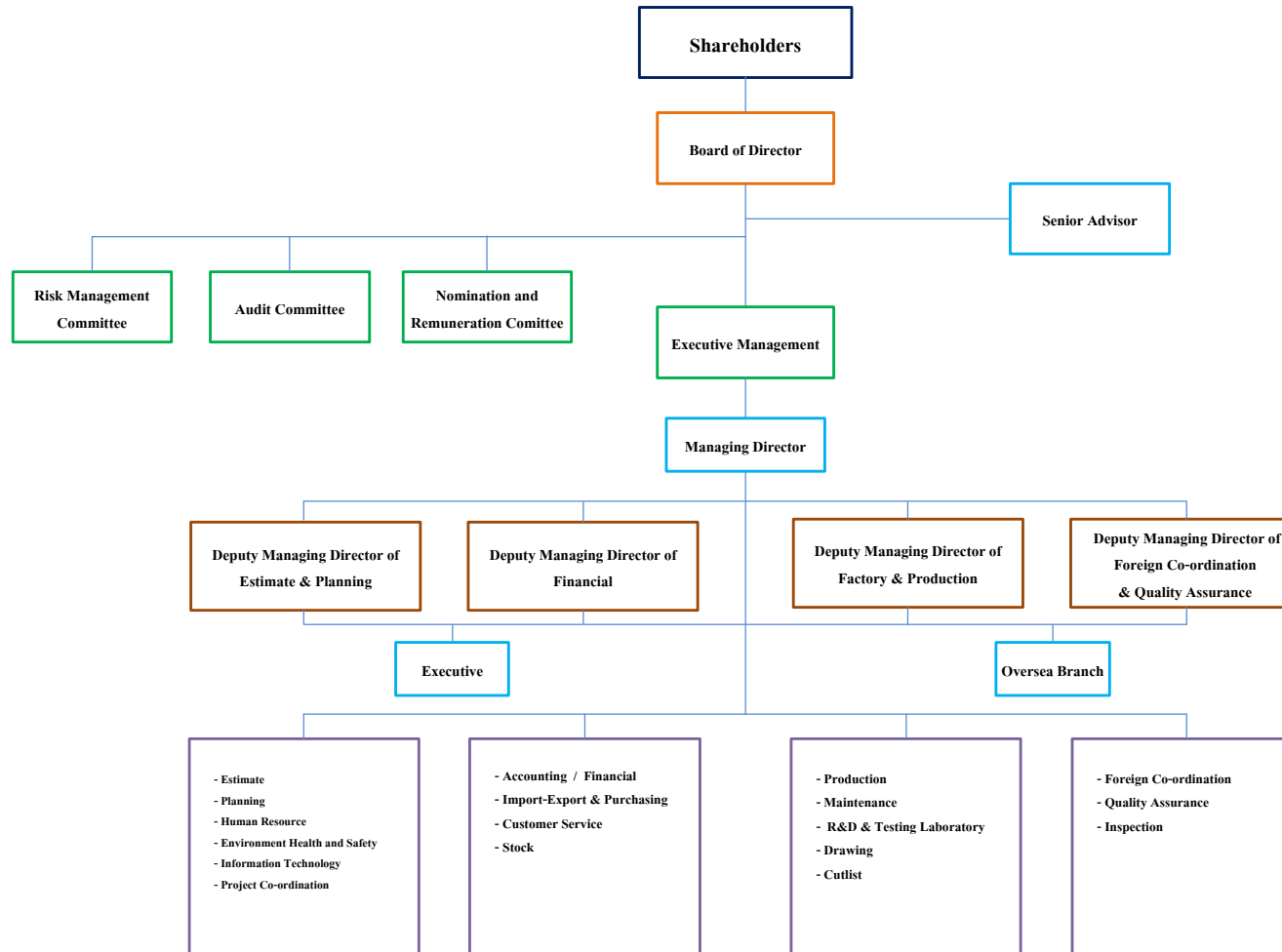
The Company has continually improved its policies, practices, and good corporate governance systems. In the past 2024, the Company has taken the following actions:

- (1) The risk management committee holds joint meetings with the management committee to identify the types of risks within the organization, as well as to establish guidelines for risk prevention across various aspects. Regular monitoring is also carried out.
- (2) Internal control system audit plans are established for both short-term and long-term periods, ensuring confidence in the company's internal control system being at a good level.
- (3) Regarding board member selection, replacements for outgoing members are carefully selected and evaluated to propose to the shareholders' meeting for appointment. This includes considering annual board member compensation for presentation to and approval by the shareholders' meeting.
- (4) Clear channels for complaints or reports regarding wrongdoing within the organization are established.
- (5) Promotion of equality within the organization ensures that employees of various nationalities have equal benefits, including annual bonuses, healthcare coverage, accommodation, and others. Additionally, efforts are made to promote the employment of differently-abled individuals within the company.
- (6) Annual reviews of the MCS committee charter and various subcommittees are conducted to ensure appropriateness.

7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-Committees, Executives, Employees and Others



7.1 Corporate Governance Structure



7.2 Information about the Board of Directors

7.2.1 The Board of Directors Structure

As at 31 December 2024, the Board of Directors consisted of 9 directors as follows:

No.	Name	Position	Type	2024
				Number of meeting
1.	Dr.Naiyuan Chi	Chairman of Board Director	Executive Director	6/6
2.	Mr.Phairat Viwatborvornwong	Director	Executive Director	6/6
3.	Mr.Pornchai Phisarnanukunkit	Director	Executive Director	6/6
4.	Ms.Wanna Pholkaew	Director	Executive Director	6/6
5.	Gen. Titiwat Kamlang-Ek	Chairman of Audit Committee	Independent Director	6/6
6.	Mr.Tinakorn Seedasomboon	Audit Committee	Independent Director	6/6
7.	Mr.Supoj Kaewmanee	Audit Committee	Independent Director	6/6
8.	Ms.Penprapa Vongkovit **	Chairman of Nomination and Remuneration Committee	Independent Director	5/6
9.	Mr.Hideo Iwaki	Director	Director	1/6

Remark :

**Ms. Penprapa Vongkowit resigned from her position on December 31, 2024.

The company's board of directors consists of 4 independent directors out of a total of 9 directors, accounting for 44.44% of all directors.

7.2.2 Profiles of Directors and Controlling persons

Detailed in Attachment 1.

7.2.3 The Board's Responsibilities

The Board's Responsibilities

The Board of Directors has the important duties and responsibilities as follows:

1. Manage to comply with the laws, objectives, and company regulations as well as resolutions of the Shareholders' Meeting with lawful, honest, and good corporate governance
2. Determine the policies, budgets, and operational directions of the Company to be suitable and supervise the administration and the management of the Executive to be by the assigned policies and the regulations of the Stock Exchange of Thailand, except the following matters that the Board of Directors must receive an approval from the Shareholders' Meeting before taking action, such as capital increase, capital reduction, issuance of debentures, selling or transferring of entire or partial business to other persons, or buying or receiving the business transfer of other companies to belong to the Company, or revision of the Memorandum of Association or regulations, including the payment of pension or director compensation.
3. Control the Company's operation to be in accordance with the rules and regulations of relevant official agencies with adequate information disclosure to all parties of shareholders and relevant persons and to obtain transparency in the administration as well as maximum benefits to the shareholders.
4. Have the authority to consider appointing a certain number of directors as see appropriate as other sub-committees to supervise the business of the Company as the Board of Directors has assigned
5. Have the authority to consider appoint any other person to operate the Company under the control of the Board of Directors or might give the authority to the said person to have the authority as the Committee sees appropriate within the specified period of time

Authorized Directors

At present Dr.Naiyuan Chi or Mr.Phairat Viwatborvornwong or Mr.Pornchai Phisarnanukunkit or Ms.Wanna Pholkaew any two persons signing jointly with the Company's seal affixed.

7.3 Sub-Committee

7.3.1 Structure of Directors of the Company

The Sub —Committee structure consists of 4 groups of directors which are :

- (1) Executive Director
- (2) Audit Committee
- (3) Nomination and Remuneration Committee
- (4) Risk Management Committee

7.3.2 List of each Committee

(1) Executive Director

At present, the Executive Directors comprised 4 members :

No.	Name	Position
1.	Ms.Wanna Pholkeaw	Chairman of the Executive Board
2.	Mr.Phairat Viwatborvornwong	Executive Director
3.	Mr.Pornchai Phisarnanukunkit	Executive Director
4.	Ms.Mattawan Srisakda	Executive Director

(2) Audit Committee

As at December 31, 2024, the Audit Committee comprised 3 members:

No.	Name	Position	2024	Period
			Total of Meeting	
1.	Gen.Titiwat Kamlang-Ek	Chairman of Audit Committee	4/4	8/4/2024-8/4/2027
2.	Mr.Tinakorn Seedasomboon*	Audit Committee	4/4	17/4/2023-17/4/2026
3.	Mr.Supoj Kaewmanee	Audit Committee	4/4	8/4/2024-8/4/2027

Remark :

* Is a person with sufficient knowledge and experience to verify the creditability of the financial statements.

Ms. Kanchalika Sangparinya is the secretary to the Nomination and Remuneration Committee.

The scope of duties and responsibilities of the Board of Directors are as follows:

Power into performing work

1. To make consideration in selection, propose for appointment or employment termination of an independent person in order to perform his/her duty as the Auditor of the Company, and to propose his/her remuneration and appointment to the Shareholders Meeting for approval.
2. To make consideration, in case the Management and the Auditor have different opinions on Financial Report. However, it excludes the power to approve adjustment of important accounting policies stated in accounting and financial regulations of the Company which is in the power and the duty of the Board of Directors.

3. To give comments in making consideration of appointment, transferring, termination, and feats of internal auditing work unit chiefs.
4. To approve the charter of internal auditing work units.
5. To consider approval of the annual budget, manpower, and necessary resources for performing work of the internal auditing unit.
6. To approve the annual auditing plan, as well as make consideration for approval of revision/adjustment for change of work planning in the part of implicitly significant.
7. To access every level of information of the Company, including invitations made to executives, employees, or related persons to the meeting and give information concerned under work performance within the scope of the power and the duty assigned by the Board of Directors.
8. To consult the expert or the consultant of the Company (if any), or hire the consultant, or the expert outside in necessary case at the expense of the Company.

Duty

1. To check up for the Company to have the correct financial report with enough revelation.
2. To promote for having development system of financial reports to be on par with international accounting standard.
3. To check up the effectiveness of information technology that relates to financial report and internal control.
4. To check up of the efficiency and effectiveness of good corporate governance process, risk management process and internal control process.
5. To make consideration of the report from the Risk Management Sub-Committee and discuss with Management on assessment of policy, and risk management.
6. To make consideration of the assessment result of the internal control system of the Company to ensure to the Board of Directors that activities have sufficient internal control and in accordance with a good corporate Governance process.
7. To check performance to be in accordance with recommendations in the assessment report of the internal control system received from the Internal Auditor, the Accounting Auditor aims for improvement and rectification of the weak points in the working process to have the most effectiveness.
8. To check up for the Company to comply with the law concerning Security and The Stock Exchange of Thailand, requirements of The Stock Exchange of Thailand, and laws related to the business of the Company.
9. To make consideration of things to be in accordance with involving laws, in case there are related items or items that may have a conflict of interest, they are required to be in accordance with the law and the requirement of The Stock Exchange of Thailand, in order to ensure that such items are reasonable and to the maximum benefit of the Company.
10. To check up anti-corruption process of the Company.
11. To check up internal process of receiving and supervising clue notifications, receiving of complaints.
12. To attend the meeting with the Accounting Auditor for acknowledgment of quarterly Financial Reports, and/or the inspection result of yearly Financial Reports, and discuss problems/obstacles that may be found in the work performance of the Accounting Auditor, by holding the meeting with the Accounting Auditor without participation of the Management at least once a year. And assess the efficiency and the effectiveness of performance results, and to make consideration of the independence of the accounting Auditor.
13. To check up the internal auditing process to be suitable and effective
 - To ensure the independence of the internal auditing unit by prescribing the Audit Committee to have a chain of command directly to the internal auditing work unit.
 - To supervise the internal auditing work unit to perform works by yearly inspection plan that has been approved and to perform by international standards of internal audit profession practice.

14. The Audit Committee shall be the one who reports the work result of The Audit Committee to the Board of Directors Meeting for acknowledgement and/or for consideration periodically.
15. To prepare a report of the Audit Committee for revealing in the annual report of the Company. Such report must be signed by the Chairman of the Audit Committee, which must be composed of :
 - Comment on the correctness, and completeness of making the Financial Report of the Company reliable.
 - Comment on the sufficiency of the Internal Control System of the Company.
 - Comment on performing in accordance with the law concerning Security and Stock Exchange of Thailand, or laws in relation to the business of the Company.
 - Comment on the suitability of the Accounting Auditor.
 - Comment about items that may have a conflict of interest.
 - Number of meetings of the Audit Committee and participation of each audit committee member.
 - Comment or observation as a whole that the Audit Committee receives from performing the duty pursuant to the Charter.
 - Other particulars deemed that shareholders and investors should know under the scope of duty and responsibility assigned by Board of Directors of the Company.
16. Review and provide opinions on the adequacy assessment of the internal control system from the management's evaluation.
17. In the performance of the Audit Committee's duties, if there are doubts about any items or actions that may be significant to the financial position and operational results of the company, the Audit Committee shall report to the Board of Directors for corrective action within the time deemed appropriate by the Audit Committee:
 - (1) Items that involve conflicts of interest.
 - (2) Fraud or significant irregularities or deficiencies in the internal control system.
 - (3) Violations of laws related to the company's business. If the Board of Directors or management fails to implement corrective actions within the time set by the Audit Committee, any member of the Audit Committee may report any such items or actions to the Office of the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand.
18. Provide opinions differing from those of the Board of Directors regarding agreements on acquiring or disposing of assets as prescribed by the Stock Exchange.
19. Undertake other duties assigned by the Board of Directors with the approval of the Audit Committee, and such orders must be in writing.
20. Assess the performance of the Audit Committee annually (Self-Assessment) to summarize the results of self-evaluation and submit them to the Board of Directors for consideration in evaluating the annual performance of the Audit Committee.
21. Review the oversight process of the complaints handling by the management.
22. Approve the experience of the person assigned responsibility in the accounting and finance department, which is directly beneficial to the company's operations, and in case the company conducts training courses for continuing professional education in accounting, demonstrate that the content and number of training hours have been reviewed by the Audit Committee to comply with the requirements set by the office.
23. Approve the experience of the person directly responsible for overseeing accounting practices, which is directly beneficial to the company's operations, and in case the company conducts training courses for continuing professional education in accounting, demonstrate that the content and number of training hours have been reviewed by the Audit Committee to comply with the requirements set by the office.

(3) Nomination and Remuneration Committee

The Nomination and Remuneration Committee which consists of 3 company committee .

No.	Name	Position	2024	Period
			Total of Meeting	
1.	Ms.Penprapa Vongkovit **	Chairman of Nomination and Remuneration Committee	1/1	17/4/2022-17/4/2025
2.	Mr.Tinakorn Seedasomboon	Nomination and Remuneration Committee	1/1	17/4/2022-17/4/2025
3.	Mr.Supoj Kaewmanee	Nomination and Remuneration Committee	1/1	8/4/2024-7/4/2027

**Ms. Penprapa Vongkowit resigned from her position on December 31, 2024.

Ms.Kanchalika Sangparinya is the secretary to the Nomination and Remuneration Committee.

The duties and responsibilities can be summarized as follows:

- 1) To consider and review the qualification of persons to hold the position of Directors in Board of Directors of the company and of its subsidiaries. A director must have a variety of qualification, namely skill, experience, and specialization which will be beneficial to the company.
- 2) To seek new Directors for the company and its subsidiaries to replace Directors of the company and its subsidiaries who complete their office term, or in the other cases that make the positions of Directors of the company and its subsidiaries become vacant.
- 3) To review the independence of Directors of the company and its subsidiaries, including conflict of interest that may occur from performing duties of Directors.
- 4) To consider the plan of position succeeding, and seek executives to hold the highest superior ranks whatever names of the ranks may be called, such as managing director, CEO, etc. of the company and its subsidiaries for submission to Board of Directors of the company for consideration of approval.
- 5) To propose the guideline and method for payment of remuneration to Board of Directors and its subsidiaries, including Sub-Committee appointed by Board of Directors.
- 6) To prescribe the policy for consideration of remuneration and evaluation criterion of work performance result of executives who are the highest superiors of the company and its subsidiaries, as well as consideration of salary adjustment and prescribing annual bonus amounts, based on business operation and result of work performance, in order to propose to Board of Directors of the company for approval.
- 7) To evaluate work performance of executives, who are in the highest positions of the company and its subsidiaries in order to adjust their remuneration yearly, before submitting to Board of Directors of the company for approval.
- 8) To regularly consider remuneration of Board of Directors of the company and of its subsidiaries, Sub-Committee, and executives who are the highest superiors of the company and its subsidiaries, by comparing to the other companies that operate the same business nature, in order to create the incentive to work management.

- 9) To set up standard of work performance evaluation as a whole, both in the organization of the company and subsidiaries, and to consider salary adjustment and fix amounts of annual bonus to employees in the whole organization (except executives who are the highest superiors) of the company and its subsidiaries, on the basis of business operation and work performance result and submit to Board of Directors for approval.
- 10) To report the progress and work performance results to the Board of Directors every time after the meeting of the NRC.
- 11) To evaluate the result of the duty performance of the NRC and report the evaluation result to the Board of Directors for acknowledgment.
- 12) To perform other duties assigned by the Board of Directors.

(4) Risk Management Committee

The Risk Management Committee consists of 4 company committees.

No.	Name	Position	2024	Period
			Meeting	
1.	Mr.Tinakorn Seedasomboon	Chairman of Risk Management Committee	1/1	17/4/2023-17/4/2026
2.	Mr.Supoj Kaewmanee	Risk Management Committee	1/1	8/4/2024-8/4/2027
3.	Ms.Wanna Pholkeaw	Risk Management Committee	1/1	7/4/2022-7/4/2025
4.	Mr.Phairat Viwatborvornwong	Risk Management Committee	1/1	7/4/2022-7/4/2025

Ms. Pornsiri Sukchai is the secretary to the Risk Management Committee.

The scope of duties and responsibilities is as follows:

1. Determine and review the risk management framework, risk management charter, policies, and processes, as well as recommending various risk management approaches, including operational risks, strategic and business operation risks, investment risks, financial risks, personnel risks, and data security and cybersecurity risks, among others, that relate to the business operations of the company appropriately and efficiently in line with the strategic direction of operations, business plans, and changing circumstances.
2. Support and develop risk management at all levels across the organization, continuously and effectively, including promoting the development of a risk management culture within the organization.
3. Oversee, monitor, and review the significant risk management plans and reports, and provide recommendations to ensure that risk management is executed effectively and appropriately at an acceptable level, in accordance with risk management policies.
4. Report significant risk management results to the Board of Directors. In the case of significant factors or events that may have a substantial impact on the company, such matters must be reported to the Board of Directors for prompt consideration.

5. Ensure regular evaluation of the performance of the Risk Management Committee and report the evaluation results to the Board of Directors at the end of each year.
6. Continuously monitor the development of risk management approaches and frameworks to ensure the company has an effective risk management system and that it is consistently adhered to.
7. Review the risk management reports to monitor material risks and take action to ensure that the company has adequate and appropriate risk management.
8. Coordinate with the Audit Committee regarding significant risks and ensure that the internal audit department reviews to guarantee that the company has appropriate internal control systems for risk management, along with appropriately implementing and adhering to the risk management system.
9. Carry out any other tasks related to risk management as assigned by the Board of Directors.

7.4 Information of Executives

7.4.1 The Management

As of 31 December 2024, the management consisted 5 Executives of The Company as follows :

No.	Name	Position
1.	Dr.Naiyuan Chi	Senior Advisor
2.	Ms.Wanna Pholkaew	Managing Director
3.	Mr.Phairat Viwatborvornwong	Deputy Managing Director of Estimate and Planning
4.	Mr.Pornchai Phisarnanukunkit	Deputy Managing Director of Factory & Production
5.	Ms.Mattawan Srisakda	Deputy Managing Director of Accounting and Financial

7.4.2 Remuneration Policy of Directors and Executives

The Company has a remuneration policy for directors, executive directors, and executives by considering from suitability, duties and responsibilities, and performance of the Company that compares with the remuneration from public companies in the stock exchange that conduct the business or have the revenue in similar manner. The remuneration for the Board of Directors will be presented to the shareholders for approval in the Annual General Meeting. The director remuneration will be in a form of salary and annual meeting allowance. In the part of remuneration for executives and executive directors, the Company has appointed the Nomination and Remuneration Committee, consisting of external independent director since the year 2018, to consider the remuneration in this part. The remuneration will be paid in the form of salary, annual gratuity, and provident fund contribution.

7.4.3 Remuneration of Directors and Executives

Monetary Remuneration

- Director

Name	Position	Remuneration (Baht)	
		2023	2024
1. Dr.Naiyuan Chi	Chairman of Board Director	496,400	432,500
2.Mr.Phairat Viwatborvornwong	Director	457,000	405,000
3. Mr.Pornchai Phisarnanukunkit	Director	449,800	405,000
4. Gen.Titiwat Kamlang-Ek	Independent Director and Chairman of Audit Committee	531,400	465,000
5. Mr.Tinakorn Seedasomboon	Independent Director and Audit Committee and Nomination and Remuneration Committee	517,000	465,000
6. Mr.Supoj Kaewmanee	Independent Director and Audit Committee and Nomination and Remuneration Committee	487,000	450,000
7. Ms.Wanna Pholkaew	Director	453,400	405,000
8. Ms.Penprapa Vongkovit **	Independent Director and Chairman of Nomination and Remuneration Committee	449,000	405,000
9. Mr.Hideo Iwaki	Director	345,000	315,000

In 2023-2024, remuneration was paid to the directors of the Company and Sub-Committee, in the form of meeting allowance and directors' reward for the number of attendance

Remark :

For Director, The company does not pay any remuneration except health insurance

Details of the directors' remuneration in the subsidiary for the year 2024

Name	Position	Remuneration (Baht)	
		M.C.S- JAPAN	M.C.S. Steel Xiamen
1. Dr.Naiyuan Chi	Chairman of Board Director	279,904	520,517
2. Ms.Wanna Pholkaew	Director	279,904	-
3. Ms.Mattawan Srisagda	Director	279,904	-

- Executives

Remuneration	Year			
	2023		2024	
	Number of Executive	Total (Baht)	Number of Executive	Total (Baht)
Salary and Bonus	5	28,987,577	5	47,088,866
Provident Funds + Others	5	4,540,606	5	4,537,617

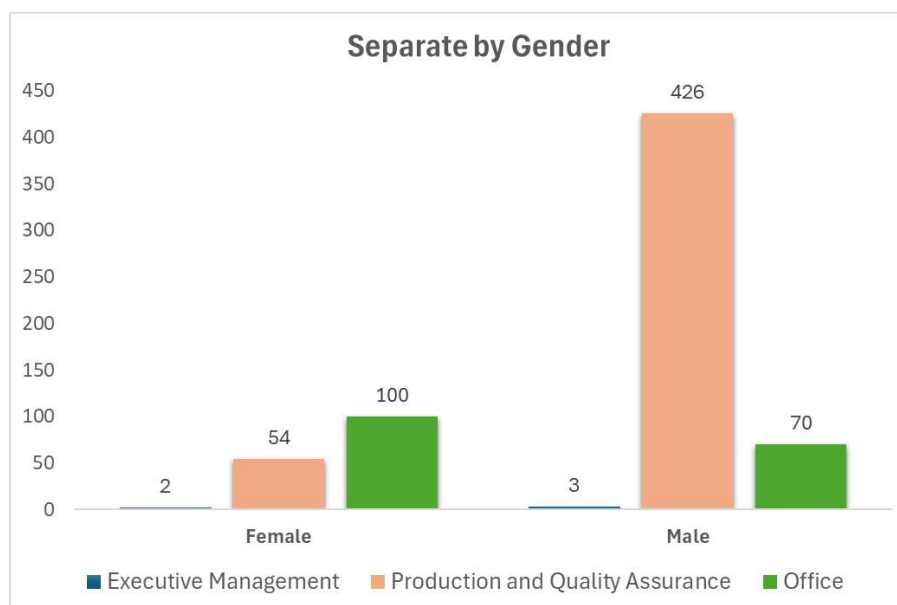
Remarks : Others including Health Insurance and Car Rental

7.5 Employees

- At the end of 2024 Total of employees were 655 Person (including Executives)

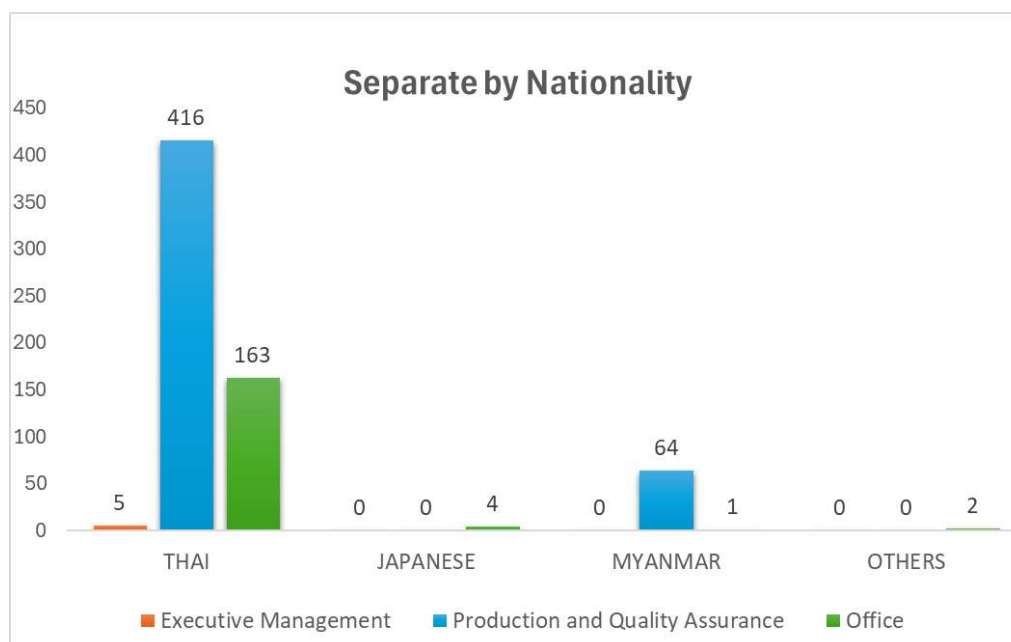
Separate by Gender

Department	Female	Male	Total
Executive Management	2	3	5
Production and Quality Assurance	54	426	480
Office	100	70	158
Total	156	499	655



Separate by Nationality

Department	Thai	Japanese	Myanmar	Others	Total
Executive Management	5	-	-	-	5
Production and Quality Assurance	416	-	64	-	480
Admin	163	4	1	2	170
Total	584	4	65	2	655



Remuneration of Employers (Exclude the Executive Management 5 Person)

Remuneration	Year 2024 (Million Baht) exclude Executives
Salary + Bonus	334,990,998
Provident Fund	9,290,972

As of December 31, 2024, there were 498 employees out of 650 (excluding executives) who became members of the provident fund. Currently, the company utilizes the provident fund of the TMB M Choice Provident Fund.

Human resource development policy

The company is committed to the development of the company's personnel to develop potential in terms of knowledge, ability, and skills in working. The company continuously supports the education of employees. Our main policy is that all employees must be trained to enhance their knowledge on an annual basis, which is consistent with the Company's motto - "Better than yesterday, everyday". In 2024, The employees took more training courses, which is the total budget was Baht 8.99 million.

7.6 Other Important Information

7.6.1 List of persons who were assigned to be responsible as follows

➤ Company Secretary

Now, the company secretary is Ms.Kanchalika Sangparinya.

Roles and Responsibilities

- 1) Responsible for arranging meetings of the Board of Directors and shareholders' meetings including helping to ensure compliance with such resolutions
- 2) Supervise and advise the Board of Directors regarding various rules and regulations
- 3) Preparing and keeping a register of directors, Invitation of the Board of Directors, Board meeting minutes, Company's annual report, Invitation of the Annual General Meeting of Shareholders, and the minutes of the shareholders' meeting
- 4) Other duties according to the Securities and Exchange Act (No. 4) B.E. 2551

Contact as :

Telephone : 089-9001217-8 Ext.113/148

E-mail : kancharica@mcssteel.co.th

Profile of company secretary is presented in Attachment 1

➤ The person supervising accounting

The Company appointed **Miss Titinan Punlaising** to be the person supervising accounting and profile of supervising accounting is presented in Attachment 1

➤ The Head of Internal Audit

The Company appointed **Miss Pornsiri Sukchai** to be the head of the Internal Audit, review and evaluate the internal control system, and plan the internal audit plan by reporting directly to the audit committee. Miss Pornsiri Sukchai profile is presented in Attachment 3

7.6.2 List of Investor Relations and Contacts

The company board of directors attaches utmost importance to the disclosure of accurate, complete, and transparent data to every investor. The company still attaches importance to the disclosure and provision of data to the share shareholders and general investors in accordance with the standards and criteria determined by the Securities Exchange Commission and the Stock Exchange of Thailand both by the data distribution channels and media of the Stock Exchange of Thailand and the company website (www.mcssteel.com) or provides an opportunity for investors or shareholders who wish to inquire about the company in many ways, as follows :

Head of Investor Relation : Ms.Kanchalika Sangparinya

Contact to 089-9001217-8 Ext. 113 /148

E-mail : mcs.ir@mcssteel.co.th

7.6.3 Remuneration of The Auditor

1) Audit fee

The Company and its subsidiaries paid audit remuneration in 2023-2024 as follows ;

No.	Company	Auditor Name	Audit Fees (Baht)	
			2023	2024
1.	M.C.S. Steel Public Co., Ltd.	PKF Audit (Thailand) Co., Ltd.	4,500,000	3,730,000
2.	Tanaka Welding Center Co., Ltd.	PKF Audit (Thailand) Co., Ltd.	101,000	40,000
3.	M.C.S. – Japan Co., Ltd.	Local Auditor Japan	464,177	556,775
4.	M.C.S. Steel – Xiamen Co., Ltd.	Local Auditor China	358,905	373,600

- 2023 The company and Tanaka 's auditor was KPMG Phoomchai Audit Limited

2) Non-audit fee

- None -

8. Significant Corporate Governance Operational Report

8.1 Summary of Performance of Duties of the Board of Directors in the Past Year

- 1) On 9 April 2024, there were 9 directors (from totaling as 9 person) attending the Annual General Meeting for the year 2024 to present the performance of the year 2023 to the shareholders.
- 2) In the company and its subsidiaries have a net profit of 678.60 million baht, which is an increase from 513.99 million baht in the year 2023.

8.1.1 Nomination, Development, and Performance Evaluation of the Board

The Company has determined the rules for the nomination of directors, independent directors, and chief executives as follows:

- (1) **Independent Directors** have been appointed from the directors or the Shareholders' Meeting. The Company has defined the Independent Director of the Company with the minimum requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand as follows:
 1. Holds shares not exceeding 1% of the total shares with voting right of the applicant, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the applicant, provided that the shares held by the related parties of such independent director shall be included.
 2. Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling parties of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent director has ever been official or advisor of the government sector that is the major shareholder or controlling party of the applicant.
 3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.
 4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholders.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
9. Is not any otherwise which is unable to have an independent opinion regarding the business operation of the applicant. After being appointed as the independent director in accordance with the conditions under article (1) - (9), such independent director may be assigned by the board of directors to decide in respect of collective decision on the business operation of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant.

(2) **Directors** have been appointed from the directors or the Shareholders' Meeting. The appointment of the Company Director will be following the rules as specified in the company regulations as follows:

1. The Company Director consists of no less than 5 directors by which the directors of no less than half of all directors must have a residence in the kingdom.
2. The Shareholders' Meeting must elect the directors according to the rules and methods as follows:
 - 2.1 One shareholder has the vote of one (1) share per one (1) vote.
 - 2.2 Each shareholder will use all existing votes according to Item 2.1 to elect a single or multiple persons as directors, but the votes cannot be shared to any person in any number.
 - 2.3 The persons who receive the top scores in descending order will be those who are elected to be the directors in the number of directors that should have or should be elected at that time. In case the elected persons in the descending orders receive the equivalent scores in the number that exceeds the number of directors that should have or should be elected at that time, the Chairman of the Meeting will have a casting vote.

3. In each Annual General Meeting, the directors must vacate the office in the number of one in three (1/3) of all directors during that time. If the number of directors cannot be divided into three parts, they must be vacated in the number that is nearest to one in three (1/3). The directors who are retired by rotation might be elected to hold the position again. The directors must be mutually agreed with the ordering of vacating the office of directors according to the method in the above paragraph. The directors who must vacate the office in the first year and the second year after the registration of the company must draw lots. For the following years, the director who holds the position for the longest period of time will vacate the office.
4. Any director who will vacate the office must file the resignation letter to the Company by which the resignation will be effective when the resignation letter reaches the Company.
5. In case the position of director is vacant but not by rotation, the Board of Directors must select a person with suitable qualifications to be the director in the meeting of the Board of Directors unless the remaining terms of director is less than 2 months and the substitute person will hold the position of director only for the remaining term of the director that has been replaced.
6. The Shareholders' Meeting might resolve for any director to vacate the office before retiring by rotation with the votes of no less than three in four (3/4) of number of shareholders who attend the meeting and have the right to vote with the total shares of no less than half of number of shares held by shareholders who attend the meeting and have the right to vote.

- (3) **Executives** have been selected from the Nomination and Remuneration Committee by selecting a person with knowledge, abilities, experiences, and direct skills that match with the business of the Company and appointing by the Board of Directors or the person that the Board of Directors has assigned to have the appointing authority.

Development of Directors and Executives

The Company has the policy to encourage the Directors and Executives to participate in the training courses that will benefit the position holding by which the training courses to attend will depend on the request of the Board of Directors or Executives who see that the training courses are interesting and will benefit the business operation of the Company. For the basic training course that the Directors must receive from the Thai Institutes of Directors, the Company has arranged for all Directors to participate in the training as specified.

8.1.2 Meeting Attendance and Individual Director Compensation Payment

In the year 2024, the meeting attendance of the Board of Directors was shown in Item 7.2.1. Also, the information on individual director compensation payment was shown in Item 7.4.3 Financial Compensation of Directors and Executives.

8.1.3 Subsidiary Supervision

Operational Supervision of Subsidiary

The Company has the policy to send a representative from the Company to take the position of Director at the subsidiary in case of suitability. Currently, the subsidiary of the Company has the representative or the Director that the Company has sent to take the position of Director in which the Company will be informed about the operations in the subsidiary at all times. All subsidiaries are adhering to the administration policy, which is following the Company policy at most.

8.1.4 Monitoring for Compliance with the Policy and Practices in Corporate Governance

(1) Prevention of Conflict of Interest

The Board of Directors has determined the policy on the making of cross-transactions and the transactions that might cause a conflict of interest. The transactions must be proposed via the review by the Audit Committee and must be proposed for approval by the Board of Directors before making the transactions at all times.

(2) Use of Internal Information for Exploitation

The Company has determined the rules for the prevention of the use of internal information of the Directors and the Chief Executives as follows:

- Determine the security for data retention by the Information Technology Department to limit the access to important information of the Company
- The Board of Directors and the Executives (the first 4 Executives from the Chief Executive Officer to the Accounting Manager) must not disclose the information of the Company or use to seek for the benefits of oneself or acquaintances whether directly or indirectly unless the said information have been disclosed to the public with no stock trading of the Company during 1 month before the disclosure of financial statement. This will include spouse and minor child of the Directors and the Executives.
- Determine for all Directors and Executives, including spouse and minor child, to report the holding of the Company's securities within 3 days to the Securities and Exchange Commission (SEC) and notify to the Company Secretary as information for the making of Annual Data Report.

(3) Anti-Corruption Business

The Company has placed an importance on operating the business with transparency and auditability and can communication with all employees participating in the business operation with no corruption in all procedures by not encouraging the giving of bribes or gifts. Also, the whistleblowing channel is determined in case the abnormalities that might cause the corruption are found by which the complaints can be made via the complaint box to the Welfare Committee or the Company Secretary in order to forward to the Audit Committee via e-mail: info@mcssteel.co.th or the Company's address.

(4) Whistleblowing

The Company has placed importance on operating the business with transparency and audibility and can communicate with the Executives and all employees participating in the business operation with no corruption in all procedures of business operation by not encouraging the giving of bribes or gifts to relevant agencies, including the use of information that take advantage of other persons. Also, the whistleblowing channel is determined in case the abnormalities that might cause the corruption are found by which the complaints can be made via the complaint box to the Welfare Committee or the Company Secretary in order to forward to the Audit Committee via e-mail: info@mcssteel.co.th or the Company's address.

8.2 Audit Committee Report

8.2.1 Attendance of the Committee
Details at 7.3 Sub-committee

8.2.2 Performance of the Audit Committee
The Performance of the Audit Committee is presented in Report of the Audit Committee at attachment 6

8.3 Other Sub -Committee Report

8.3.1 Attendance of the Committee
Details at 7.3 Sub-committee

8.3.2 Performance of other Sub -Committee
- None -

9. Internal Control and Cross-Transaction

9.1 Internal Control

Opinions of the Board of Directors on the Internal Control System

The Company's Board of Directors had arranged the Meeting No. 2/2025 on 20 February 2025. The 3 audit committee members attended the meeting and gave their opinions on the assessment of adequacy and suitability of the internal control of the Company by referring to the adequacy assessment form of the internal audit control of the Securities and Exchange Commission, which could be seen that the Company and its subsidiary had suitable and effective internal control system that covered the activities on 3 aspects, which were operation, reporting, and compliance with laws and rules that were relevant with the business operation of the Company. Also, the Company had appointed the Risk Management Committee to assess the risk of the organization, including monitoring the risk management regularly, which could convince that the Company had obtained suitable risk control.

9.1.1 Adequacy and Suitability of Internal Control System

The Company has established an internal audit agency by which the said agency is independent with the direct reporting line to the Audit Committee in terms of internal auditing and to the Chief Executive Committee in terms of agency management. The internal audit agency has the duty to assess the efficiency and effectiveness of the internal control system, risk management, and corporate governance and to act as an advisor in order to support the Company to achieve its objectives and business goals. The annual internal audit plan of the agency has received approval from the Audit Committee by using Risk Based Audit Approach and the Key Control Points and emphasizing on preventive control, including corruption risk assessment according to the Fraud Whistleblowing Protection Policy. In every quarter, the Internal Audit Department has the duty to present the audit report of the internal control system in the annual plan of the Meeting of Audit Committee. Hence, in the year 2024, the Internal Audit Department had no limitation on giving opinions and no issue with audit results that could convince that the internal control system obtained risks and faults that might cause significant damage to the organization.

9.1.2 Faults Concerning Internal Control System of the Company and Subsidiary

The Company has arranged the audit of the internal control system to cover all activities in the Company, which is in accordance with the internal audit plan of both long-term and short-term that the Head of Internal Audit will present to the Audit Committee for consideration and approval annually. If the Audit Committee has seen that risks that need to be audited and monitored urgently in any system of the Company, the Audit Committee will notify the Internal Audit Department to proceed with the audit instantly. Currently, there is no fault that needs to be urgently audited and monitored.

9.1.3 Opinions of the Audit Committee

The Audit Committee had opinions that were consistent to the Company's Board of Directors that the internal control system of the Company is adequate and suitable.

9.1.4 Opinions of the Audit Committee on the Incumbent Head of Internal Audit Department

The Audit Committee had the duty to supervise the internal audit by appointing the Head of Internal Audit with proper qualifications to audit and assess the internal control system for its adequacy, suitability, and effectiveness. The Internal Audit Department has the duty to report to the Audit Committee every quarter. Currently, it has assigned **Miss Pornsiri Sukchai** to be the main responsible person for the internal audit of the Company by the Audit Committee has seen that **Miss Pornsiri Sukchai** has proper and adequate qualifications for the performance of duty as well as has good knowledge and understanding on the working system of the Company and passing the training course that is relevant with the internal audit.

9.15 Practical Guidelines for Appointment, Removal, and Transfer of the Head of Internal Audit Department

The Audit Committee has the authority and duty to supervise, consider, and approve the appointment, removal, and transfer of the Head of the Internal Audit Department, including encouraging and supporting the training of knowledge that is relevant to the internal audit work.

9.2 Cross-Transaction

9.2.1 Information on Cross-Transaction with Persons that Might Have Conflict / 9.2.2 Necessity and Reasonability of Transaction

For the year ended 31 December 2024 as follows:

Unit : Thousand Baht

Name of Company/Person with Mutual Benefit	Category	Types of Transaction	Transaction Value Year 2024	Necessity/ Reasonability
M.C.S.- JAPAN Co., Ltd.		Subsidiary that the Company holds the share of 98%		
	Expense	- The Company receives the service from M.C.S.-JAPAN Co., Ltd. and the manufacturing and workpiece modification service in Japan	332,215	Normal service transaction
	Revenue	- The Company records the interest received from a loan given to M.C.S.-JAPAN Co., Ltd.	3,742	Transaction from loan giving to the affiliated company
	Asset	The company has received repayment of the long-term loan.	389,212	This is a transaction resulting from loans made to the subsidiary companies.
M.C.S. Steel-Xiamen Co., Ltd.		Subsidiary that the Company holds the share of 74%		
	Expense	- The Company pays the wage for manufacturing of workpieces and the wage for drawing.	1,203,757	Normal service transaction

9.2.3 Policies or Trends of Cross-Transaction in the Future

Since the Company and its subsidiary need to have cross-transaction in the future for the services that are relevant to the manufacturing and the modification of workpieces in Japan or China, the said transaction is to support the business of the Company in Thailand with the determination of service fee according to the reasonable market price. The Audit Committee reviews the said transaction every quarter and presents it to the Meeting of the Board of Directors to request approval according to the rules of the making of transactions.

The loan giving between the Company and its subsidiary has been proceeded as see appropriate to support the business in the company group. Also, the minimum remuneration is determined according to the interest rate of a fixed deposit account of a commercial bank. On the part of the related person, the Company and its subsidiary have no policy to provide financial support to related persons.

Section 3

Financial

Report on the Board's Responsibility for Financial Statements

To: Shareholders of M.C.S. Steel Public Company Limited

The Board of Directors of M.C.S. Steel Public Company Limited is responsible for the financial statements of the company and its subsidiaries, which have been prepared to ensure that they present the financial position, revenue, expenses, and cash flows fairly and reasonably. The Board has ensured that accurate and complete accounting records are maintained to safeguard assets, as well as to prevent fraud and irregularities. In preparing the financial statements, suitable accounting policies have been selected and consistently applied in accordance with financial reporting standards. Additionally, adequate disclosure of significant information has been provided in the notes to the financial statements, which have been audited by external auditors.

The Board of Directors has appointed an Audit Committee consisting of independent directors to review the financial statements and assess the adequacy of the internal control system. The opinions of the Audit Committee are reflected in the Audit Committee's report, which is included in the annual information disclosure form (Form 56-1 One Report).

The Board of Directors believes that the overall internal control system of the company is at a satisfactory level, providing reasonable assurance regarding the reliability of the financial statements of the company and its subsidiaries as of December 31, 2024. The company's auditors have conducted their audit in accordance with generally accepted auditing standards and have expressed the opinion that the financial statements present the financial position and results of operations fairly in all material respects in accordance with generally accepted accounting principles.

On behalf of the Board of Directors,



Dr. Naiyuan Chi
Chairman
M.C.S. Steel Public Company Limited
February 28, 2025

**M.C.S. Steel Public Company Limited
and its subsidiaries**

Financial statements for the year ended
31 December 2024

and

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of M.C.S. Steel Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of M.C.S. Steel Public Company Limited and its subsidiaries (the "Group") and of M.C.S. Steel Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2024, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statement, including material accounting policies information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2024 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is that matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Adequacy of provision for product warranty	
Refer to notes 16 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
The Company has warranted the quality of the products by compensating the customers for the damage arising from normal usage due to the quality of the products. The product warranty period is 2 years counting from the completion date of the construction projects in which the products were installed. Therefore, a provision of product warranty was recognized. The determination of the provision involves estimates of the probability and amount of damage under warranty through the use of management's judgement. Therefore, I consider this matter to be a key audit matter.	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> - Inquiring management to gain understanding on the process and method for estimation; - Testing the reliability of actual claims with warranties data including testing on sampling basis of relevant documents; - Considering the appropriateness of assumptions used for estimation of expected damage from warranty by comparing with historical actual claims data; - Testing the calculation of provision for product warranty by considering the value of the products in the warranty period, total actual warranty expense and average number of years being claimed; and - Considering the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 25 February 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. And where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

PKF Audit (Thailand) Ltd.
Bangkok
20 February 2025

M.C.S. Steel Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2024

		Consolidated financial statements		Separate financial statements	
Assets	Note	2024	2023	2024	2023
		(in Baht)			
Current assets					
Cash and cash equivalents	5	142,043,347	153,192,730	84,717,471	112,005,169
Trade and other current receivables	4,6	1,647,289,007	1,033,691,233	1,831,895,967	1,465,779,174
Current portion of long-term loans to employees	8	5,904,654	6,472,568	5,904,654	6,472,568
Inventories	7	2,728,578,091	2,386,883,389	2,383,128,345	1,924,701,288
Total current assets		4,523,815,099	3,580,239,920	4,305,646,437	3,508,958,199
Non-current assets					
Investments in subsidiaries	9	-	-	141,529,763	158,184,279
Long-term loans to related party	4	-	-	-	393,995,413
Long-term loans to employees	8	53,792,622	57,118,977	53,792,622	57,118,977
Property, plant and equipment	11	1,204,932,179	1,243,008,672	808,663,419	794,283,425
Right-of-use assets	12	117,873,123	124,245,219	3,959,485	3,379,132
Goodwill		-	17,799,373	-	-
Other intangible assets		14,003,219	13,762,965	9,174,403	7,348,570
Deferred tax assets	20	-	-	1,936,360	4,496,168
Contract cost assets	18	149,593,094	235,041,718	149,593,094	235,041,718
Other non-current assets		1,244,656	567,641	795,258	34,775
Total non-current assets		1,541,438,893	1,691,544,565	1,169,444,404	1,653,882,457
Total assets		6,065,253,992	5,271,784,485	5,475,090,841	5,162,840,656

M.C.S. Steel Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2024

		Consolidated financial statements		Separate financial statements	
Liabilities and Equity	Note	2024	2023	2024	2023
		(in Baht)			
Current liabilities					
Short-term loans from financial institution	14, 23	249,170,461	120,600,078	-	-
Trade and other current payables	4, 13, 23	1,667,624,862	1,284,179,031	2,030,320,857	1,699,292,845
Current portion of lease liabilities	14, 23	2,064,666	2,265,428	1,949,038	2,184,744
Income tax payable		10,494,410	3,375,858	-	-
Total current liabilities		1,929,354,399	1,410,420,395	2,032,269,895	1,701,477,589
Non-current liabilities					
Lease liabilities	14, 23	3,102,287	2,049,191	2,713,107	1,924,595
Long-term loans from financial institution	14, 23	275,289,089	-	-	-
Deferred tax liabilities	20	27,054,726	31,841,058	-	-
Non-current provisions for employee benefits	15	30,233,520	31,499,739	30,233,520	31,499,739
Provision for product warranty	16	41,034,682	33,312,527	37,972,468	26,001,952
Total non-current liabilities		376,714,304	98,702,515	70,919,095	59,426,286
Total liabilities		2,306,068,703	1,509,122,910	2,103,188,990	1,760,903,875
Equity					
Share capital:					
Authorised share capital					
(477 million ordinary shares, par value at Baht 1 per share)		477,000,000	477,000,000	477,000,000	477,000,000
Issued and paid-up share capital					
(477 million ordinary shares, par value at Baht 1 per share)		477,000,000	477,000,000	477,000,000	477,000,000
Share premium		140,000,000	140,000,000	140,000,000	140,000,000
Retained earning					
Appropriated					
Legal reserve	17	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		4,982,892,424	4,548,726,655	4,623,592,473	4,236,272,736
Other components of equity		(2,029,238,980)	(1,588,146,332)	(1,918,690,622)	(1,501,335,955)
Equity attributable to owners of the parent		3,620,653,444	3,627,580,323	3,371,901,851	3,401,936,781
Non-controlling interests	10	138,531,845	135,081,252	-	-
Total equity		3,759,185,289	3,762,661,575	3,371,901,851	3,401,936,781
Total liabilities and equity		6,065,253,992	5,271,784,485	5,475,090,841	5,162,840,656

M.C.S. Steel Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2024

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
		(in Baht)			
Revenues					
Revenue from sale of goods and rendering of services	18	5,482,311,809	5,517,987,172	5,466,308,890	5,498,176,103
Contract revenue	18	124,859,557	259,176,287	124,859,557	259,176,287
Other income	4	79,931,849	41,919,601	73,823,310	44,866,574
Total revenues		5,687,103,215	5,819,083,060	5,664,991,757	5,802,218,964
Expenses					
Cost of sale of goods and rendering of services	4, 7, 19	3,937,945,222	4,570,601,459	4,126,558,162	4,595,017,651
Contract costs	7, 19	92,351,151	153,457,889	92,351,151	153,457,889
Distribution costs	19	493,086,100	506,761,820	496,042,235	506,761,820
Administrative expenses	19	324,984,305	312,792,858	255,953,929	202,965,757
Net foreign exchange loss		112,737,336	85,366,557	46,756,271	78,467,516
Total expenses		4,961,104,114	5,628,980,583	5,017,661,748	5,536,670,633
Profit from operating activities		725,999,101	190,102,477	647,330,009	265,548,331
Finance costs		21,146,890	36,777,494	13,137,727	32,059,516
Profit before income tax expense		704,852,211	153,324,983	634,192,282	233,488,815
Tax expenses	20	14,374,625	8,726,941	2,434,047	838,339
Profit for the year		690,477,586	144,598,042	631,758,235	232,650,476
Other comprehensive income (expense)					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(449,515,374)	(230,039,535)	(417,354,667)	(219,278,637)
Total comprehensive income (expense) for the year		(449,515,374)	(230,039,535)	(417,354,667)	(219,278,637)
Items that will not be reclassified subsequently to profit or loss					
Gain on remeasurements of defined benefit plans	15	3,886,702	-	3,886,702	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	20	(306,272)	-	(306,272)	-
Total item that will not be reclassified subsequently to profit or loss		3,580,430	-	3,580,430	-
Other comprehensive income (expense) for the year, net of tax		(445,934,944)	(230,039,535)	(413,774,237)	(219,278,637)
Total comprehensive income (expense) for the year		244,542,642	(85,441,493)	217,983,998	13,371,839

M.C.S. Steel Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2024

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of parent		678,604,267	164,610,871	631,758,235	232,650,476
Non-controlling interest	10	11,873,319	(20,012,829)	-	-
		<u>690,477,586</u>	<u>144,598,042</u>	<u>631,758,235</u>	<u>232,650,476</u>
Total comprehensive income (expense) attributable to:					
Owners of parent		241,092,049	(54,463,712)	217,983,998	13,371,839
Non-controlling interest	10	3,450,593	(30,977,781)	-	-
		<u>244,542,642</u>	<u>(85,441,493)</u>	<u>217,983,998</u>	<u>13,371,839</u>
Basic earnings per share (in Baht)	21	<u>1.42</u>	<u>0.35</u>	<u>1.32</u>	<u>0.49</u>

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2024

Consolidated financial statements											
Retained earnings					Other components of equity						
					Exchange	Difference					
					differences	from change in	Equity				
					on translating	shareholding	Total other	attributable			
					financial	proportion in	components	to owners of	Non-controlling		
Note	Issued and	Share premium	Legal reserve	Unappropriated	statements	subsidiary	of equity	the parent	interests	Total equity	
	share capital										
(in Baht)											
Balance at 1 January 2023	477,000,000	140,000,000	50,000,000	4,479,515,264	(1,353,821,688)	(15,250,061)	(1,369,071,749)	3,777,443,515	166,059,033	3,943,502,548	
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends	22	-	-	-	(95,399,480)	-	-	-	(95,399,480)	-	(95,399,480)
Total transactions with owners, recorded directly in equity	-	-	-	(95,399,480)	-	-	-	(95,399,480)	-	(95,399,480)	
Comprehensive income (expense) for the year											
Profit for the year	-	-	-	164,610,871	-	-	-	164,610,871	(20,012,829)	144,598,042	
Other comprehensive income (expense) for the year	-	-	-	-	(219,074,583)	-	(219,074,583)	(219,074,583)	(10,964,952)	(230,039,535)	
Total comprehensive income (expense) for the year	-	-	-	164,610,871	(219,074,583)	-	(219,074,583)	(54,463,712)	(30,977,781)	(85,441,493)	
Balance at 31 December 2023	477,000,000	140,000,000	50,000,000	4,548,726,655	(1,572,896,271)	(15,250,061)	(1,588,146,332)	3,627,580,323	135,081,252	3,762,661,575	

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2024

Consolidated financial statements											
Retained earnings					Other components of equity						
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Exchange	Difference	Total other components of equity	Equity	Non-controlling interests	Total equity	
					differences	from change in		attributable			
					on translating	shareholding		to owners of			
					financial	proportion in		the parent			
(in Baht)											
Balance at 1 January 2024	477,000,000	140,000,000	50,000,000	4,548,726,655	(1,572,896,271)	(15,250,061)	(1,588,146,332)	3,627,580,323	135,081,252	3,762,661,575	
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends	22	-	-	-	(248,018,928)	-	-	-	(248,018,928)	-	(248,018,928)
Total transactions with owners, recorded directly in equity		-	-	-	(248,018,928)	-	-	-	(248,018,928)	-	(248,018,928)
Comprehensive income (expense) for the year											
Profit for the year		-	-	-	678,604,267	-	-	-	678,604,267	11,873,319	690,477,586
Other comprehensive income (expense) for the year		-	-	-	3,580,430	(441,092,648)	-	(441,092,648)	(437,512,218)	(8,422,726)	(445,934,944)
Total comprehensive income (expense) for the year		-	-	-	682,184,697	(441,092,648)	-	(441,092,648)	241,092,049	3,450,593	244,542,642
Balance at 31 December 2024		477,000,000	140,000,000	50,000,000	4,982,892,424	(2,013,988,919)	(15,250,061)	(2,029,238,980)	3,620,653,444	138,531,845	3,759,185,289

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2024

		Separate financial statements				Other components		
				Retained earnings		of equity		
		Issued and paid-up				Exchange differences		
						on translating		
Note		share capital	Share premium	Legal reserve	Unappropriated	financial statements	Total equity	
(in Baht)								
	Balance at 1 January 2023	477,000,000	140,000,000	50,000,000	4,099,021,740	(1,282,057,318)	3,483,964,422	
	Transactions with owners, recorded directly in equity							
	Contributions by and distributions to owners							
	Dividends	22	-	-	(95,399,480)	-	(95,399,480)	
	Total contributions by and distributions to owners		-	-	(95,399,480)	-	(95,399,480)	
	Comprehensive income (expense) for the year							
	Profit for the year		-	-	232,650,476	-	232,650,476	
	Other comprehensive income (expense) for the year		-	-	-	(219,278,637)	(219,278,637)	
	Total comprehensive income (expense) for the year		-	-	232,650,476	(219,278,637)	13,371,839	
	Balance at 31 December 2023		477,000,000	140,000,000	50,000,000	4,236,272,736	(1,501,335,955)	3,401,936,781

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2024

Separate financial statements						
			Retained earnings		Other components of equity	
	Issued and paid-up				Exchange differences on translating	
Note	share capital	Share premium	Legal reserve	Unappropriated	financial statements	Total equity
	(in Baht)					
Balance at 1 January 2024	477,000,000	140,000,000	50,000,000	4,236,272,736	(1,501,335,955)	3,401,936,781
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends	22	-	-	(248,018,928)	-	(248,018,928)
Total contributions by and distributions to owners		-	-	(248,018,928)	-	(248,018,928)
Comprehensive income (expense) for the year						
Profit for the year		-	-	631,758,235	-	631,758,235
Other comprehensive income (expense) for the year		-	-	3,580,430.00	(417,354,667)	(413,774,237)
Total comprehensive income (expense) for the year		-	-	635,338,665	(417,354,667)	217,983,998
Balance at 31 December 2024	477,000,000	140,000,000	50,000,000	4,623,592,473	(1,918,690,622)	3,371,901,851

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2024

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
(in Baht)					
Cash flows from operating activities					
Profit for the year		690,477,586	144,598,042	631,758,235	232,650,476
Adjustments to reconcile profit to net cash provided by (paid from) operating activities:					
Tax expenses		14,374,625	8,726,941	2,434,047	838,339
Finance costs		21,146,890	36,777,494	13,137,727	32,059,516
Depreciation and amortisation	19	149,872,725	144,339,060	104,655,248	101,189,682
Amortisation of contract cost assets		64,551,035	78,921,470	64,551,035	78,921,470
Provision for employee benefits expense	15	3,334,812	3,356,968	3,334,812	3,356,968
Unrealised gain on exchange rate		(22,503,124)	(13,418,724)	(22,503,124)	(13,418,724)
Provision (reverse) for product warranty	16	23,123,471	47,222	26,642,496	(3,040,994)
Loss from write-off assets		10,346,363	-	10,346,363	-
Reverse the expected credit loss impairment	4	-	-	(19,072,211)	-
Reverse of impairment loss on investments in subsidiaries	9	-	-	(1,128,372)	2,339,759
Gain on disposal of equipment		(810,583)	(25,514)	(3,395,545)	(8,689,598)
Interest income		(1,174,719)	(5,489,413)	(5,071,816)	(5,489,413)
Profit from operating activities before changes in operating assets and liabilities		952,739,081	397,833,546	805,688,895	420,717,481
Operating assets (increase) decrease					
Trade and other current receivables		(580,129,440)	(137,161,703)	(352,533,120)	(91,482,717)
Inventories		(341,694,702)	1,496,611,005	(458,427,057)	1,525,021,955
Contract cost assets		-	(110,345,466)	-	(110,345,466)
Other non-current assets		(736,596)	(59,431)	(760,483)	-
Operating liabilities increase (decrease)					
Trade and other current payables		373,477,184	(1,318,773,956)	321,968,105	(1,474,624,604)
Exchange rate differences on translating of financial statements		(314,497,065)	(121,535,418)	(253,523,791)	(105,416,340)
Net cash generated from operations		89,158,462	206,568,577	62,412,549	163,870,309
Provisions for employee benefit paid	15	(714,329)	(880,164)	(714,329)	(880,164)
Provision for warranties paid	16	(11,828,453)	(10,749,950)	(11,828,453)	(10,749,950)
Taxes paid		(10,775,265)	(34,890,824)	(3,760,268)	(10,773,084)
Net cash from operating activities		65,840,415	160,047,639	46,109,499	141,467,111

M.C.S. Steel Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2024

		Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
(in Baht)					
Cash flows from investing activities					
Decrease in loans to employees	8	3,894,269	15,595,212	3,894,269	15,595,212
Proceeds from repayment of loans to related parties	4	-	-	368,057,695	-
Acquisition of plant and equipment	11	(218,390,218)	(97,557,006)	(192,167,789)	(58,598,788)
Proceeds from disposal of equipment		4,829,705	1,583,585	4,829,705	3,782,914
Acquisition of intangible assets		(6,411,873)	(1,611,342)	(6,411,873)	(1,611,342)
Interest received		1,172,366	6,615,581	7,158,450	4,526,594
Net cash from (used in) investing activities		(214,905,751)	(75,373,970)	185,360,457	(36,305,410)
Cash flows from financing activities					
Increase of short-term loans from financial institution		403,859,472	528,795	-	-
Payment of lease liabilities	12	(2,044,596)	(2,541,302)	(1,959,155)	(2,394,721)
Dividend paid	22	(248,018,928)	(95,399,480)	(248,018,928)	(95,399,480)
Financial cost paid		(20,629,466)	(36,771,889)	(13,529,042)	(32,059,516)
Net cash from (used in) financing activities		133,166,482	(134,183,876)	(263,507,125)	(129,853,717)
Net increase in cash and cash equivalents,					
before effect of exchange rate changes		(15,898,854)	(49,510,207)	(32,037,169)	(24,692,016)
Effect of exchange rate changes on cash and cash equivalents		4,749,471	5,047,470	4,749,471	5,047,535
Net decrease in cash and cash equivalents		(11,149,383)	(44,462,737)	(27,287,698)	(19,644,481)
Cash and cash equivalents at 1 January		153,192,730	197,655,467	112,005,169	131,649,650
Cash and cash equivalents at 31 December	5	142,043,347	153,192,730	84,717,471	112,005,169
Non-cash transactions					
Other current receivables from sale of equipment		-	-	-	6,428,596
Increase of right-of-use assets from lease liabilities		2,867,049	-	2,867,049	-
Payable for purchase Fix assets		4,948,476	-	4,948,476	-

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M.C.S. Steel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

These notes form an integral part of the financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 20 February 2025.

1 General information

M.C.S. Steel Public Company Limited, the “Company”, is incorporated in Thailand since 1992 and was listed on the Stock Exchange of Thailand in February 2005. The Company’s registered office is at 70 Moo 2, Changyai, Bangsai, Ayutthaya.

The principal activities of the Company and the Group are production and distribution of structural steel products for building construction. Details of the Company’s subsidiaries as at 31 December 2024 are described in notes 9.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

Financial reporting standards that became effective in the current period

The revised financial reporting standards, which are effective for annual accounting periods beginning on or after 1 January 2024 do not have any significant impact on the Group’s financial statements.

Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The Group’s management is currently assessing the impact on the financial statements of these revised financial reporting standards.

The financial statements in Thai language are the official statutory financial statements of the Company. The English language financial statements have been translated from the Thai language financial statements.

M.C.S. Steel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

(b) Functional and presentation currency

Item included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). These financial statements are presented in Thai Baht which is different from the functional currency of the Company, which is Japanese Yen. The presentation currency in Thai Baht is in accordance with the regulatory requirements in Thailand. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. Condensed financial statements presented in Japanese Yen, which is the Company's functional currency, are disclosed in Note 27.

(c) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2024.

3 Material accounting policies information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group")

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

M.C.S. Steel Public Company Limited and its Subsidiaries
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Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency difference are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to functional currency at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to functional currency at rates approximating the exchange rates at the dates of the transactions. Foreign exchange differences are recognised in other comprehensive income, except to the extent that the translation difference is allocated to non-controlling interests. Foreign exchange differences are accumulated in the translation reserve until disposal of the investment

(d) Financial instruments

(1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivable (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

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For the year ended 31 December 2024

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(3) Impairment of financial assets other than trade accounts receivable

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

M.C.S. Steel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 270 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition.

(f) Trade and other current receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when the Group has no reasonable expectations of recovering.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories are calculated by the following methods:

Work in process	By actual cost specific to weight of the work piece
Raw materials, spare parts and factory supplies	By the first-in, first-out method

M.C.S. Steel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Buildings and building improvement	5, 20 years
Machinery and factory equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Vehicles	5 years

(i) Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

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For the year ended 31 December 2024

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation is calculated on a straight-line basis over the estimated useful lives of other intangible assets and recognised in profit or loss. The estimated useful lives are as follows:

Software licences	5 - 10 years
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No amortisation is provided on software under installation.

The amortisation of other intangible assets is included in administrative expenses.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expense on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero. The Group remeasured lease liabilities using the original discount rate and recognised the impact of the change in lease liability in profit or loss.

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(k) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and other intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

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The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(o) Revenue

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and the Group makes a corresponding change to the amount of revenue recognised.

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(3) Contract cost assets

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on systematic basis over the term of the contract it relates to, consistent with the related revenue recognition.

(p) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Earnings per share

The calculation of basic EPS has been based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding.

4 Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or has significant influence over the financial and managerial decision-making.

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Relationships with subsidiaries are described in notes 9. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities	Nationalities	Nature of relationship			
Key management personnel	Multi nationalities	Persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company			
		Consolidated		Separate	
Significant transactions with related parties for the year ended 31 December		financial statements		financial statements	
		2024	2023	2024	2023
		(in thousand Baht)			
Subsidiaries					
Interest income		-	-	3,742	4,306
Purchase goods and services		-	-	1,525,329	1,380,340
Technical assistance expense		-	-	22,392	16,234
Gain from sale of machinery and factory equipment		-	-	-	8,628
Key management personnel					
Key management personnel compensation					
Short - term benefits		51,572	41,305	42,994	33,293
Post - employment benefits		171	164	171	164
Total key management personnel Compensation		51,743	41,469	43,165	33,457
		Consolidated		Separate	
Balances with related parties at 31 December		financial statements		financial statements	
		2024	2023	2024	2023
		(in thousand Baht)			
Other current receivables					
Subsidiaries		-	-	231,653	484,932
Less allowance for expected credit loss		-	-	-	-
Net		-	-	231,653	484,932

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Movement of long-term loans to related party

		Separate financial statements				
	Interest rate (% <i>per annum</i>)	At 1 January	Increase	Decrease	Translation adjustment	At 31 December
			(in thousand Baht)			
2024						
Subsidiary	1.00	414,392	-	(368,058)	(46,334)	-
Less allowance for expected credit loss		(20,397)	-	19,072	1,325	-
Net		393,995				-
2023						
Subsidiary	1.00	446,488	-	-	(32,096)	414,392
Less allowance for expected credit loss		(21,977)	-	-	1,580	(20,397)
Net		424,511				393,995

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<i>(in thousand Baht)</i>				
Balances with related parties at 31 December				
Trade accounts payable				
Subsidiaries	-	-	402,860	529,101
Total	-	-	402,860	529,101
Other current payables				
Subsidiaries	-	-	126,073	74,388
Total	-	-	126,073	74,388

Significant agreements with related parties

Loans to subsidiary

At 31 December 2023, The Company has a unsecured loan agreements with a subsidiary with totaling amount of Yen 1,735.00 million or equivalent to Baht 394.00 million, bearing interest at 1.00% per annum. During 2024, the subsidiary has repayment the loans in whole amount.

Service agreement

The Company entered into a service agreement with M.C.S. Steel (Xiamen) Co., Ltd. for the fabrication of steel based on design drawing and delivery according to the project schedule. Under the agreement, the Company pays M.C.S. Steel (Xiamen) Co., Ltd. in advance for procurement of steel materials as identified in the project agreement.

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Technical service agreement

The Company entered into a technical service agreement with M.C.S. - JAPAN Co., Ltd. to obtain technical and proficiency skills to improve the efficiency of the steel fabrication process. The Company is required to pay service charges as specified in the agreement. The agreement is for one year and is automatically renewed unless either party notifies it be terminated.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Cash on hand	811	768	732	644
Cash at banks	140,576	151,776	83,329	110,712
Highly liquid short-term investments	656	649	656	649
Cash and cash equivalents in the statement of financial position and statement of cash flows	142,043	153,193	84,717	112,005

6 Trade and other current receivables

	Consolidated financial statements		Separate financial statements	
Note	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Other parties				
Within credit terms	1,177,458	526,509	1,128,454	489,855
Overdue:				
Less than 3 months	-	172,491	-	172,491
3 - 6 months	-	11,098	-	11,098
6 - 12 months	3,269	-	3,269	-
More than 12 months	62,589	103,553	-	-
Total	1,243,316	813,651	1,131,723	673,444
Less allowance for expected credit loss	(99,396)	(103,553)	-	-
Net	1,143,920	710,098	1,131,723	673,444
Trade accounts receivables - Net	1,143,920	710,098	1,131,723	673,444
Other current receivables				
Related parties				
Product and service advance payment	-	-	231,653	474,117
Others	-	-	-	10,815
Total	-	-	231,653	484,932
Less allowance for expected credit loss	-	-	-	-
Net	-	-	231,653	484,932

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	Consolidated financial statements		Separate financial statements	
Note	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Other parties				
Retention receivables	345,661	178,615	345,661	178,615
Product and service advance payment	73,843	63,708	33,067	36,791
Revenue department receivables	94,721	72,282	83,190	53,968
Others	18,586	57,617	6,602	38,029
Total	532,811	372,222	468,520	307,403
Less allowance for expected credit loss	(29,442)	(48,629)	-	-
Net	503,369	323,593	468,520	307,403
Other current receivables - Net	503,369	323,593	700,173	792,335
Trade and other current receivables - Net	1,647,289	1,033,691	1,831,896	1,465,779

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Allowance for expected credit loss				
At 1 January	152,182	150,697	-	-
Reversal	(15,809)	-	-	-
Effect of movements in exchange rates	(7,535)	1,485	-	-
At 31 December	128,838	152,182	-	-

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7 Inventories

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Work in progress	864,513	1,021,109	719,940	725,923
Raw materials	1,531,811	997,325	1,462,855	932,121
Spare parts and factory supplies	262,946	260,933	131,025	159,142
Goods in transit	69,308	107,516	69,308	107,515
Total	<u>2,728,578</u>	<u>2,386,883</u>	<u>2,383,128</u>	<u>1,924,701</u>
Inventories recognised in 'cost of sales of goods and rendering of services' and 'contract costs':				
- Cost of goods and rendering of services	<u>4,030,296</u>	<u>4,724,059</u>	<u>4,218,909</u>	<u>4,748,476</u>
Net	<u>4,030,296</u>	<u>4,724,059</u>	<u>4,218,909</u>	<u>4,748,476</u>

As at 31 December 2024 and 2023, the Company's certain portion of raw materials are pledged as collateral for credit facilities with a local financial institution as disclosed in note 14.

8 Loans to employees

	Consolidated and Separate	
	financial statements	
	2024	2023
	<i>(in thousand Baht)</i>	
At 1 January	63,592	79,187
Decrease	<u>(3,894)</u>	<u>(15,595)</u>
At 31 December	<u>59,698</u>	<u>63,592</u>
Current	5,905	6,473
Non-current	<u>53,793</u>	<u>57,119</u>
At 31 December	<u>59,698</u>	<u>63,592</u>

According to the Board of Directors Meeting No. 3/2018 dated 24 March 2018, it had resolution to approve the Company to provide loans to employees as welfare and support employees to have accommodation at low cost by calculating interest at 2% per annum. The period of payment is not over 20 years.

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9 Investments in subsidiaries

Investment in subsidiaries in the separate financial statements as at 31 December 2024 and 2023 which are stated at cost are as follow:

	Country of operation	Separate financial statements											
		Percentage of shareholding		Paid-up capital		Cost		Impairment		Net Cost		Dividend Income for the year	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		(Percent)						(in thousand Baht)					
		Direct subsidiaries											
TANAKA WELDING CENTER Co., Ltd. ⁽¹⁾	Thailand	99.92	99.92	Baht 14.85 million	Baht 14.85 million	8,741	9,842	(1,045)	(2,340)	7,696	7,502	-	-
M.C.S. - JAPAN Co., Ltd ⁽²⁾	Japan	98.00	98.00	Yen 50 million	Yen 50 million	10,395	11,703	-	-	10,395	11,703	-	-
M.C.S. Steel (Xiamen) Co., Ltd. ⁽³⁾	China	74.00	74.00	Yuan 64 million	Yuan 64 million	134,246	151,147	(10,807)	(12,168)	123,439	138,979	-	-
Total						153,382	172,692	(11,852)	(14,508)	141,530	158,184	-	-

- (1) Subsidiaries operate the businesses of welder training and real estate.
- (2) Subsidiaries operate the businesses of design and production of structural steel product.
- (3) Subsidiary operates the business of production and distribution of structural steel product.

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10 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	M.C.S. Steel (Xiamen) Co., Ltd.	
	2024	2023
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	26.00	26.00
Current assets	657,597	449,344
Non-current assets	242,694	263,670
Current liabilities	(389,750)	(232,663)
Non-current liabilities	(31,414)	(33,681)
Net assets	479,127	446,670
Carrying amount of non-controlling interest	138,532	135,081
Revenue	1,162,107	703,011
Profit (loss)	45,667	(76,972)
Other comprehensive income (expense)	(32,395)	(42,173)
Total comprehensive income (expense)	13,272	(119,145)
Profit (loss) allocated to non-controlling interest	11,873	(20,013)
Other comprehensive income (expense) allocated to non-controlling interest	(8,422)	(10,965)
Total	3,451	(30,978)
Cash flows from operating activities	(143,717)	13,962
Cash flows from investing activities	(7,186)	(7,992)
Cash flows from financing activities	143,624	(163)
Effect of exchange rate changes on cash and cash equivalents	16,413	6,788
Net increase in cash and cash equivalents	9,134	12,595

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11 Property, plant and equipment

	Consolidated financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2023	331,426	967,491	1,205,942	174,482	39,586	192,413	2,911,340
Additions	-	9,511	12,475	10,206	2,866	62,499	97,557
Transfers	-	5,092	-	-	-	(5,092)	-
Disposals	-	(1,216)	(21,560)	(875)	-	-	(23,651)
Effect of movements in exchange rates	(27,823)	(61,225)	(82,974)	(9,547)	(2,613)	(13,683)	(197,865)
At 31 December 2023 and 1 January 2024	303,603	919,653	1,113,883	174,266	39,839	236,137	2,787,381
Additions	-	258	24,023	18,359	4,893	175,806	223,339
Transfers	-	89,083	148,060	-	-	(237,143)	-
Disposals	-	-	(13,781)	(12,927)	(10,635)	-	(37,343)
Effect of movements in exchange rates	(30,396)	(79,977)	(129,985)	(16,110)	(7,035)	(26,535)	(290,038)
At 31 December 2024	273,207	929,017	1,142,200	163,588	27,062	148,265	2,683,339

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	Consolidated financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Depreciation</i>							
At 1 January 2023	2,907	583,285	783,275	135,568	26,829	-	1,531,864
Depreciation charge for the year	-	42,060	73,497	12,915	3,353	-	131,825
Disposals	-	(10)	(21,183)	(249)	-	-	(21,442)
Effect of movements in exchange rates	(209)	(36,267)	(51,946)	(7,560)	(1,893)	-	(97,875)
At 31 December 2023 and 1 January 2024	2,698	589,068	783,643	140,674	28,289	-	1,544,372
Depreciation charge for the year	-	44,573	38,576	28,672	29,737	-	141,558
Disposals	-	-	(13,528)	(12,812)	(6,983)	-	(33,323)
Effect of movements in exchange rates	(301)	(57,009)	(57,391)	(26,021)	(33,478)	-	(174,200)
At 31 December 2024	2,397	576,632	751,300	130,513	17,565	-	1,478,407
<i>Net book value</i>							
At 31 December 2023	300,905	330,585	330,240	33,592	11,550	236,137	1,243,009
At 31 December 2024	270,810	352,385	390,900	33,075	9,497	148,265	1,204,932

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	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment <i>(In thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2023	118,607	610,124	965,687	91,932	24,667	192,345	2,003,362
Additions	-	4,868	2,940	6,687	-	44,104	58,599
Transfers	-	4,304	-	-	-	(4,304)	-
Disposals	-	(1,216)	(21,362)	(712)	-	-	(23,290)
Effect of movements in exchange rates	(8,524)	(43,860)	(69,418)	(6,610)	(1,773)	(13,827)	(144,012)
At 31 December 2023 and 1 January 2024	110,083	574,220	877,847	91,297	22,894	218,318	1,894,659
Additions	-	113	5,648	15,442	107	175,806	197,116
Transfers	-	89,083	141,612	-	-	(230,695)	-
Disposals	-	-	(11,251)	(12,829)	(4,701)	-	(28,781)
Effect of movements in exchange rates	(12,309)	(64,206)	(98,156)	(10,208)	(2,560)	(24,411)	(211,850)
At 31 December 2024	97,774	599,210	915,700	83,702	15,740	139,018	1,851,144

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	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and factory equipment	Furniture, fixtures and office equipment (In thousand Baht)	Vehicles	Assets under construction and installation	Total
Depreciation							
At 1 January 2023	2,908	385,160	635,972	65,819	17,854	-	1,107,713
Depreciation charge for the year	-	20,077	61,224	10,950	1,809	-	94,060
Disposals	-	(10)	(21,362)	(396)	-	-	(21,768)
Effect of movements in exchange rates	(209)	(27,688)	(45,717)	(4,732)	(1,283)	-	(79,629)
At 31 December 2023 and 1 January 2024	2,699	377,539	630,117	71,641	18,380	-	1,100,376
Depreciation charge for the year	-	23,196	23,128	26,681	28,398	-	101,403
Disposals	-	-	(11,251)	(12,726)	(3,370)	-	(27,347)
Effect of movements in exchange rates	(302)	(46,436)	(33,233)	(22,734)	(29,246)	-	(131,951)
At 31 December 2024	2,397	354,299	608,761	62,862	14,162	-	1,042,481
Net book value							
At 31 December 2023	107,384	196,681	247,730	19,656	4,514	218,318	794,283
At 31 December 2024	95,377	244,911	306,939	20,840	1,578	139,018	808,663

As at 31 December 2024, the Group and the Company's land and building with a net book value of Baht 320.66 million (2023: Baht 126.03 million) are pledged as collateral for bank credit facilities and as at 31 December 2024 and 2023, the Company committed not to sell, transfer or make any restriction to the machinery for the such credit facilities with a local financial institution.

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12 Right-of-use assets

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Land	113,914	120,866	-	-
Equipment	1,397	2,112	1,397	2,112
Vehicles	2,562	1,267	2,562	1,267
Total	117,873	124,245	3,959	3,379

In 2024, additions to the right-of-use assets of the Group and the Company were Baht 2.87 million (2023: Baht 1.22 million).

In 2024 and 2023, the Group leased a office equipment for 4 - 5 years and paid fixed lease payment. These payment terms are common in Thailand.

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
For the year ended 31 December				
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land	3,803	2,977	-	-
- Equipment	1,197	1,308	1,197	1,308
- Vehicles	901	945	901	945
Interest on lease liabilities	176	110	176	110
Expenses relating to short-term leases - office equipment	654	40	654	40

In 2024, total cash outflow for leases of the Group and the Company were Baht 2.22 million and Baht 2.13 million, respectively (2023: Baht 2.65 million and Baht 2.50 million, respectively).

13 Trade and other current payables

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
		<i>(in thousand Baht)</i>			
Trade accounts payable					
Related parties	4	-	-	402,860	529,101
Other parties		1,354,614	969,437	1,279,470	865,475
Total trade accounts payable		1,354,614	969,437	1,682,330	1,394,576
Other current payables					
Related parties	4				
Accrued expenses		-	-	15,757	13,179
Other		-	-	110,316	61,209
Total		-	-	126,073	74,388

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		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
		<i>(in thousand Baht)</i>			
Other parties					
Accrued expenses		282,453	191,540	199,817	115,740
Contract liabilities	18	-	66,616	-	66,616
Other		30,558	56,586	22,101	47,973
Total		313,011	314,742	221,918	230,329
Total other current payables		313,011	314,742	347,991	304,717
Trade and other current payables		1,667,625	1,284,179	2,030,321	1,699,293

14 Interest-bearing liabilities

	Consolidated financial statements					
	2024			2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Short-term loans from financial institution	249,170	-	249,170	120,600	-	120,600
Long-term loans from financial institution	275,289	-	275,289	-	-	-
Lease liabilities	3,394	1,773	5,167	1,699	2,616	4,315
Total interest-bearing liabilities	527,853	1,773	529,626	122,299	2,616	124,915

	Separate financial statements					
	2024			2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Lease liabilities	2,889	1,773	4,662	1,493	2,616	4,109

At 31 December 2024, a subsidiary has outstanding loans from a financial institution amounting to Yuan 55.55 million or equivalent to Baht 261.81 million (2023: Yuan 24.74 million or equivalent to Baht 120.60 million) which bear interest rate between 3.80% to 3.90% per annum (2023: 3.90% to 4.20% per annum), which will become due within October 2025. The short-term loans were guaranteed by right-of-use assets of the subsidiary.

At 31 December 2024, a subsidiary has outstanding loans from a financial institution amounting to Yen 1,200 million or equivalent to Baht 262.65 million, which bear interest rate TIBOR, and will become due within December 2029. The long-term loans were guaranteed by assets of the subsidiary.

At 31 December 2024, the Group and the Company has unutilized credit facilities with financial institutions for overdrafts, trust receipt and loan totalling Baht 398.52 million and Baht 377.55 million, respectively (2023: Baht 1,631.27 million and Baht 1,630.00 million, respectively).

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Assets pledged as security for liabilities at 31 December	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Inventories	1,354,457	791,985	1,354,457	791,985
Property, plant and equipment	320,658	126,025	122,935	126,025
Right-of-use assets	113,914	120,866	-	-
Total	1,789,029	1,038,876	1,477,392	918,010

15 Non-current provisions for employee benefits

At 31 December	Consolidated and Separate financial statements	
	2024	2023
	<i>(in thousand Baht)</i>	
Defined benefit plan	30,234	31,500
Total	30,234	31,500

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations	Consolidated and Separate financial statements	
	2024	2023
	<i>(in thousand Baht)</i>	
At 1 January	31,500	28,986
Recognised in profit or loss:		
Current service cost	2,624	2,717
Interest on obligation	711	640
	<u>3,335</u>	<u>3,357</u>
Recognised in other comprehensive income		
Actuarial (gain) loss		
- Financial assumptions	652	-
- Experience adjustment	(4,539)	-
	<u>(3,887)</u>	<u>-</u>
Effect of movements in exchange rates	-	37
Benefit paid	(714)	(880)
At 31 December	30,234	31,500

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Principal actuarial assumptions	Consolidated and Separate financial statements	
	2024	2023
	(%)	
Discount rate	2.40	2.70
Future salary growth	5.00	5.00
Turnover rate	3.82 – 45.84	3.82 – 45.84

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2024 the weighted-average duration of the defined benefit obligation was 7.31 years (2023: 6.20 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation At 31 December	Consolidated and Separate financial statements			
	Increase in assumption		Decrease in assumption	
	2024	2023	2024	2023
	(in thousand Baht)			
Discount rate (0.5% change)	(1,074)	(824)	1,138	872
Future salary growth (1% change)	2,570	2,014	(2,325)	(1,829)

16 Provision for product warranty

	Consolidated financial statement	Separate financial statement
	(in thousand Baht)	
At 1 January 2023	47,371	42,826
Provisions made (reversal)	47	(3,041)
Provisions used	(10,750)	(10,750)
Effect of movements in exchange rates	(3,355)	(3,033)
At 31 December 2023 and 1 January 2024	33,313	26,002
Provisions made	23,123	26,642
Provisions used	(11,828)	(11,828)
Effect of movements in exchange rates	(3,573)	(2,844)
At 31 December 2024	41,035	37,972

Warranties

The provision for warranty relates mainly to structural steel products. The provision has been estimated based on historical warranty data associated with similar products.

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Notes to the financial statements

For the year ended 31 December 2024

17 Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

18 Segment information and disaggregation of revenue

(a) Segment information

Segment results that are reported to the Group’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Management determined that the Group has three reportable segments on the basis of geographical of the entities, as described below, which are the Group’s strategic divisions. The strategic divisions offer different operations separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1 Thailand
- Segment 2 China
- Segment 3 Japan

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group’s CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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	Thailand		China		Japan		Elimination of inter-segment revenues		Total	
<i>For the year ended 31 December</i>	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<i>(in thousand Baht)</i>									
Information about reportable segments										
External revenues	5,591,168	5,757,352	14,306	19,270	1,697	541	-	-	5,607,171	5,777,163
Inter-segment revenue	-	-	1,209,835	689,381	360,695	757,572	(1,570,530)	(1,446,953)	-	-
Total revenue	<u>5,591,168</u>	<u>5,757,352</u>	<u>1,224,141</u>	<u>708,651</u>	<u>362,392</u>	<u>758,113</u>	<u>(1,570,530)</u>	<u>(1,446,953)</u>	<u>5,607,171</u>	<u>5,777,163</u>
Disaggregation of revenue										
Primary geographical markets										
Thailand	124,860	259,176	-	-	-	-	-	-	124,860	259,176
China	-	-	14,306	19,270	13,697	-	(13,697)	-	14,306	19,270
Japan	5,466,308	5,498,176	1,209,835	689,381	348,695	758,113	(1,556,833)	(1,446,953)	5,468,005	5,498,717
Total revenue	<u>5,591,168</u>	<u>5,757,352</u>	<u>1,224,141</u>	<u>708,651</u>	<u>362,392</u>	<u>758,113</u>	<u>(1,570,530)</u>	<u>(1,446,953)</u>	<u>5,607,171</u>	<u>5,777,163</u>
Major products/service lines										
Fabrication and sell of structural steel	5,182,265	5,127,567	1,224,141	708,651	362,392	758,113	(1,570,530)	(1,446,953)	5,198,268	5,147,378
Fabrication including installation of structural steel	124,860	259,176	-	-	-	-	-	-	124,860	259,176
Rendering of services	284,043	370,609	-	-	-	-	-	-	284,043	370,609
Total revenue	<u>5,591,168</u>	<u>5,757,352</u>	<u>1,224,141</u>	<u>708,651</u>	<u>362,392</u>	<u>758,113</u>	<u>(1,570,530)</u>	<u>(1,446,953)</u>	<u>5,607,171</u>	<u>5,777,163</u>
Timing of revenue recognition										
At a point in time	5,182,265	5,127,567	1,224,141	708,651	362,392	758,113	(1,570,530)	(1,446,953)	5,198,268	5,147,378
Over time	408,903	629,785	-	-	-	-	-	-	408,903	629,785
Total revenue	<u>5,591,168</u>	<u>5,757,352</u>	<u>1,224,141</u>	<u>708,651</u>	<u>362,392</u>	<u>758,113</u>	<u>(1,570,530)</u>	<u>(1,446,953)</u>	<u>5,607,171</u>	<u>5,777,163</u>
Segment profit (loss) before income tax	<u>634,513</u>	<u>233,489</u>	<u>50,489</u>	<u>(74,870)</u>	<u>17,943</u>	<u>11,597</u>	<u>2,038</u>	<u>(16,891)</u>	<u>704,983</u>	<u>153,325</u>
Segment assets as at 31 December	<u>5,480,296</u>	<u>5,171,900</u>	<u>908,263</u>	<u>728,585</u>	<u>484,662</u>	<u>865,353</u>	<u>(811,727)</u>	<u>(1,494,054)</u>	<u>6,061,494</u>	<u>5,271,784</u>
Segment liabilities as at 31 December	<u>2,108,741</u>	<u>1,762,455</u>	<u>437,723</u>	<u>271,317</u>	<u>465,071</u>	<u>866,746</u>	<u>(701,182)</u>	<u>(1,391,395)</u>	<u>2,310,353</u>	<u>1,509,123</u>

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(b) Major customer

Revenues from one customer of the Group's segment 1 and 3 represents approximately Baht 1,484.37 million (2023: Baht 2,938.25 million) of the Group's total revenue.

(c) Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for the manufacturing of gasket under fabrication of metal structure products or platform repair. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates, which the Group must comply with.

(d) Contract Balances

Contract assets	Note	Consolidated and Separate financial statements	
		2024	2023
		<i>(in thousand Baht)</i>	
Construction contract	6	-	-
Material movement			
Year ended 31 December			
Recognised as revenue during the year		124,860	259,176
Transfer to trade accounts receivable		(70,613)	(324,772)

The contract assets primarily relate to the Group's rights to consideration for project installation service agreements which the Group has rendered the services but not yet billed the customers at the reporting date.

Contract liabilities	Note	Consolidated and Separate financial statements	
		2024	2023
		<i>(in thousand Baht)</i>	
Advances received according to construction contract		-	58,116
Advances received for goods		-	8,500
Total	13	-	66,616

The Group's and the Company's contract liabilities at 31 December 2023 amounted of Baht 66.62 million, have been recognised as revenue in 2024.

(e) Contract cost assets

At 31 December 2024, the Group and the Company have net costs to obtain a contract amounted of Baht 149.59 million (2023: Baht 235.04 million).

M.C.S. Steel Public Company Limited and its Subsidiaries

Notes to the financial statements

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19 Expenses by nature

	Consolidated		Separate	
	financial statements		financial statements	
Note	2024	2023	2024	2023
	(in thousand Baht)			
Changes in inventories of finished goods and work in progress	74,878	226,002	5,983	337,492
Raw materials and consumables used	3,132,491	3,380,604	1,973,878	2,223,440
Shipping cost	474,724	553,812	470,286	469,004
Personnel expenses	526,160	571,755	422,863	376,663
Subcontract cost	109,822	119,710	1,639,453	1,494,471
Depreciation and amortisation	149,872	144,339	104,655	101,190
Amortisation of contract cost assets	64,551	78,921	64,551	78,921
Utilities expense	52,939	65,229	44,670	54,827
Repair and maintenance	30,878	26,128	24,007	18,936
Professional and consultation fee	7,376	18,484	7,192	7,797
Others	224,676	358,630	213,367	295,462
Total cost of sales of goods and service, contract cost, distribution costs and administrative expenses	4,848,367	5,543,614	4,970,905	5,458,203

20 Income tax

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	(in thousand Baht)			
Income tax recognised in profit or loss				
Current tax expense				
Current year	18,397	10,319	-	-
	18,397	10,319	-	-
Deferred tax expense				
Movements in temporary differences	(4,022)	(1,592)	2,254	493
Exchange differences	-	-	180	345
Total income tax expense	14,375	8,727	2,434	838

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Notes to the financial statements

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	Consolidated and Separate financial statements					
	2024			2023		
<i>Income tax</i>	Before tax	Tax expense	Net of tax (in thousand Baht)	Before tax	Tax expense	Net of tax
Recognised in other comprehensive income						
Defined benefit plan actuarial gains	3,886	(306)	3,580	-	-	-
Total	3,886	(306)	3,580	-	-	-

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2024		2023	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		704,852		153,325
Income tax using the Thai corporation tax rate	20.00	140,970	20.00	30,665
Difference from taxable currency		(50,705)		(37,093)
Expenses not deductible for tax purposes		5,751		279
Expenses allowed increase in determine taxable		(504)		(83)
Income not subject to tax		(3,776)		(150)
The exemption of profit of the promoted business (BOI)		(93,687)		(33,059)
Effect of different tax rates in foreign jurisdictions		(4,229)		(3,150)
Recognition of previously unrecognised tax losses		8,045		-
Taxable loss unrecognised as deferred tax assets		-		41,291
Elimination and others		12,510		10,027
Total	2.04	14,375	5.69	8,727

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Reconciliation of effective tax rate

	Rate (%)	Separate financial statements		Rate (%)	(in thousand Baht)
		2024			2023
		(in thousand Baht)			(in thousand Baht)
Profit before income tax expense		<u>634,192</u>			<u>233,489</u>
Income tax using the Thai corporation tax rate	20.00	126,838	20.00		46,698
Difference from taxable currency		(50,705)			(37,093)
Expenses not deductible for tax purposes		5,751			279
Expenses allowed increase in determine taxable		(504)			(83)
Income not subject to tax		(3,776)			(150)
The exemption of profit of the promoted business (BOI)		(93,687)			(33,059)
Recognition of previously unrecognised tax losses		8,045			-
Taxable loss unrecognised as deferred tax assets		-			25,540
Others		<u>10,472</u>			<u>(1,294)</u>
Total	0.38	<u>2,434</u>	0.35		<u>838</u>

Consolidated financial statements

Deferred tax

At 31 December

	Assets		Liabilities	
	2024	2023	2024	2023
		(in thousand Baht)		
Total	2,382	2,697	(29,437)	(34,538)
Set off of tax	<u>(2,382)</u>	<u>(2,697)</u>	<u>2,382</u>	<u>2,697</u>
Net deferred tax liabilities	-	-	<u>(27,055)</u>	<u>(31,841)</u>

Separate financial statements

Deferred tax

At 31 December

	Assets		Liabilities	
	2024	2023	2024	2023
		(in thousand Baht)		
Total	2,382	6,776	(446)	(2,280)
Set off of tax	<u>(446)</u>	<u>(2,280)</u>	<u>446</u>	<u>2,280</u>
Net deferred tax assets	<u>1,936</u>	<u>4,496</u>	-	-

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	Consolidated financial statements (Charged) / Credited to				
	At 1 January	Profit or loss	Other comprehensive income (in thousand Baht)	Exchange differences	At 31 December
Deferred tax					
2024					
Deferred tax assets					
Lease liabilities	1	(1)	-	-	-
Provisions for employee benefits	2,696	(8)	(306)	-	2,382
Total	2,697	(9)	(306)	-	2,382
Deferred tax liabilities					
Property, plant and equipment	(2,280)	1,834	-	-	(446)
Prepaid land rental expense	(32,258)	2,197	-	1,070	(28,991)
Total	(34,538)	4,031	-	1,070	(29,437)
Net	(31,841)	4,022	(306)	1,070	(27,055)
2023					
Deferred tax assets					
Lease liabilities	9	(8)	-	-	1
Provisions for employee benefits	3,924	(1,228)	-	-	2,696
Total	3,933	(1,236)	-	-	2,697
Deferred tax liabilities					
Property, plant and equipment	(12,590)	2,090	-	309	(10,191)
Prepaid land rental expense	(25,922)	738	-	837	(24,347)
Total	(38,512)	2,828	-	1,146	(34,538)
Net	(34,579)	1,592	-	1,146	(31,841)

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Notes to the financial statements

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	Separate financial statements				
	(Charged) / Credited to				
	At 1	Profit or	Other	Exchange	At 31
<i>Deferred tax</i>	January	loss	comprehensive	differences	December
			income		
			(in thousand Baht)		
2024					
Deferred tax assets					
Lease liabilities	1	(1)	-	-	-
Provisions for employee benefits	2,696	(8)	(306)	-	2,382
Loan to related party	4,079	(4,079)	-	-	-
Total	6,776	(4,088)	(306)	-	2,382
Deferred tax liabilities					
Property, plant and equipment	(2,280)	1,834	-	-	(446)
Total	(2,280)	1,834	-	-	(446)
Net	4,496	(2,254)	(306)	-	1,936
2023					
Deferred tax assets					
Lease liabilities	9	(8)	-	-	1
Provisions for employee benefits	3,924	(1,228)	-	-	2,696
Loan to related party	4,396	-	-	(317)	4,079
Total	8,329	(1,236)	-	(317)	6,776
Deferred tax liabilities					
Property, plant and equipment	(3,023)	743	-	-	(2,280)
Total	(3,023)	743	-	-	(2,280)
Net	5,306	(493)	-	(317)	4,496

Unrecognised deferred tax assets	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	(in thousand Baht)			
Tax losses	115,020	119,666	113,798	103,915

The tax losses expire in 2027 and 2028. The deductible temporary differences do not expire under current tax legislation. The Group and the Company has not recognised these items as deferred tax assets because it is not probable that the Group and the Company will have sufficient future taxable profit to utilise the benefits therefrom.

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21 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<i>Profit attributable to ordinary shareholders</i>				
Profit attributable to ordinary shareholders of the Company (basic)	<u>678,604</u>	<u>164,611</u>	<u>631,758</u>	<u>232,651</u>
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	<u>477,000</u>	<u>477,000</u>	<u>477,000</u>	<u>477,000</u>
Number of ordinary shares outstanding (basic) at 31 December	<u>477,000</u>	<u>477,000</u>	<u>477,000</u>	<u>477,000</u>
Earnings per share (basic) (in Baht)	<u>1.42</u>	<u>0.35</u>	<u>1.32</u>	<u>0.49</u>

22 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
<u>2024</u>				
2023 Annual dividend	9 April 2024	2 May 2024	0.32	152,630
2024 Interim dividend	8 August 2024	10 September 2024	0.20	95,389
				<u>248,019</u>
<u>2023</u>				
2022 Annual dividend	17 April 2023	8 May 2023	0.20	95,399
				<u>95,399</u>

23 Financial instruments

(a) Carrying amounts and fair values

The Group's financial assets and financial liabilities measured at amortised cost and the carrying amount is a reasonable approximation of fair value.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18.

The Group limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 365 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivable and contract assets are disclosed in note 6 and 18, respectively.

(b.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

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Consolidated financial statements					
Contractual cash flows					
		1 year	More than 1 year but less than 5 years	More than 5 years	Total
At 31 December	Carrying amount	or less			
(in thousand Baht)					
2024					
Non-derivative financial liabilities					
Short-term loans from financial institutions	524,460	249,171	275,289	-	524,460
Trade and other current payables	1,667,625	1,667,625	-	-	1,667,625
Lease liabilities	5,167	2,065	3,102	-	5,167
	<u>2,197,252</u>	<u>1,918,861</u>	<u>278,391</u>	<u>-</u>	<u>2,197,252</u>
2023					
Non-derivative financial liabilities					
Short-term loans from financial institutions	120,600	120,600	-	-	120,600
Trade and other current payables	1,203,685	1,203,685	-	-	1,203,685
Lease liabilities	4,315	2,434	2,158	-	4,592
	<u>1,328,600</u>	<u>1,326,719</u>	<u>2,158</u>	<u>-</u>	<u>1,328,877</u>

M.C.S. Steel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

Separate financial statements					
Contractual cash flows					
	Carrying	1 year	More than 1 year but less than 5 years	More than 5 years	Total
At 31 December	amount	or less	(in thousand Baht)		
2024					
Non-derivative financial liabilities					
Trade and other current payables	2,030,321	2,030,321	-	-	2,030,321
Lease liabilities	4,662	1,949	2,713	-	4,662
	<u>2,034,983</u>	<u>2,032,270</u>	<u>2,713</u>	<u>-</u>	<u>2,034,983</u>
2023					
Non-derivative financial liabilities					
Trade and other current payables	1,618,799	1,618,799	-	-	1,618,799
Lease liabilities	4,109	2,228	2,158	-	4,386
	<u>1,622,908</u>	<u>1,621,027</u>	<u>2,158</u>	<u>-</u>	<u>1,623,185</u>

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

Consolidated financial statements				
Exposure to foreign currency	USD	THB	CNY	Total
At 31 December				
				(in thousand Baht)
2024				
Cash and cash equivalents	741	49,493	30,846	81,080
Trade and other current receivables	-	122,859	28,476	151,335
Interest-bearing liabilities	-	(4,662)	(261,807)	(266,469)
Trade and other current payables	(4,488)	(170,017)	(67,158)	(241,663)
Net statement of financial position exposure	<u>(3,747)</u>	<u>(2,327)</u>	<u>(269,643)</u>	<u>(275,717)</u>
2023				
Cash and cash equivalents	745	10,361	23,609	34,715
Trade and other current receivables	-	153,780	49,727	203,507
Interest-bearing liabilities	-	(4,109)	(120,600)	(124,709)
Trade and other current payables	(17,305)	(114,267)	(69,373)	(200,945)
Net statement of financial position exposure	<u>(16,560)</u>	<u>45,765</u>	<u>(116,637)</u>	<u>(87,432)</u>

M.C.S. Steel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

Separate financial statements			
Exposure to foreign currency			
At 31 December	USD	THB (in thousand Baht)	Total
2024			
Cash and cash equivalents	741	49,493	50,234
Trade and other current receivables	-	122,859	122,859
Interest-bearing liabilities	-	(4,662)	(4,662)
Trade and other current payables	(4,488)	(170,017)	(174,505)
Net statement of financial position exposure	(3,747)	(2,327)	(6,074)
2023			
Cash and cash equivalents	745	10,361	11,106
Trade and other current receivables	-	153,780	153,780
Interest-bearing liabilities	-	(4,109)	(4,109)
Trade and other current payables	(17,305)	(114,267)	(131,572)
Net statement of financial position exposure	(16,560)	45,765	29,205

Sensitivity analysis

A reasonably possible strengthening (weakening) of Japanese Yen against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

Impact to profit or loss	Movement	Consolidated financial statements		Separate financial statements	
		Strengthening	Weakening	Strengthening	Weakening
	(%)		(in thousand Baht)		
2024					
USD	10	(375)	375	(375)	375
THB	10	(233)	233	(233)	233
CNY	10	(26,964)	26,964	-	-
2023					
USD	10	(1,656)	1,656	(1,656)	1,656
THB	10	4,577	(4,577)	4,577	(4,577)
CNY	10	(11,664)	11,664	-	-

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 14) are mainly fixed. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

M.C.S. Steel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

	Consolidated and Separate financial statements	
	2024	2023
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and other constructions	15,745	200
Total	15,745	200
<i>Other commitments</i>		
Unused letters of credit for goods and supplies that have been opened but have not yet recognise liabilities	1,252,452	462,573
Purchase orders for goods and supplies	2,768	14,294
Bank guarantees	146,002	75,911
Other agreements	1,165	5,572
Total	1,402,387	558,350

Hiring job search agent agreement

On 1 December 2018, the Company entered into job search agreement with Creation Import Distribution Inc. Such company will be an agent in negotiating with the new customers under the rate of service fee specified in 2 year agreement. If either party does not give the advance notice not less than 3 months, it considers as the extension of this agreement.

26 Events after the reporting period

Approval of annual dividend

At the Board of Directors Meeting held on 20 February 2025, the Board of Directors approved the annual dividend payment in cash based on the operating result for the year of 2024 of Baht 0.50 per share, totaling Baht 238.50 million. The dividend is subject to approve by the shareholders at the annual general meeting to be held in April 2025.

M.C.S. Steel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

27 Condensed functional currency financial statements

The statements of financial position as at 31 December 2024 and 2023 and statements of comprehensive income for the year ended 31 December 2024 and 2023 presented in Japanese Yen currency which is used in its operations as major sales and purchases transactions are denominated in Japanese Yen currency. The detail are as follows:

<i>Statement of financial position</i>	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
Assets				
Current assets				
Cash and cash equivalents	669,583	641,395	399,353	468,949
Trade and other current receivables	7,765,214	4,327,911	8,635,437	6,136,999
Current portion of long-term loans to employees	27,834	27,100	27,834	27,099
Inventories	12,862,339	9,993,525	11,233,912	8,058,437
Total current assets	21,324,970	14,989,931	20,296,536	14,691,484
Non-current assets				
Investments in subsidiaries	-	-	667,162	662,294
Long-term loans to related party	-	-	-	1,649,600
Long-term loans to employees	253,575	239,149	253,575	239,149
Property, plant and equipment	5,679,972	5,204,292	3,811,986	3,325,546
Right-of-use assets	555,646	520,196	18,665	14,148
Goodwill	-	74,523	-	-
Other intangible assets	66,010	57,623	43,248	30,767
Deferred tax assets	-	-	9,128	18,825
Contract cost assets	705,172	984,085	705,172	984,085
Other non-current assets	5,867	2,377	3,749	145
Total non-current assets	7,266,242	7,082,245	5,512,685	6,924,559
Total assets	28,591,212	22,072,176	25,809,221	21,616,043

M.C.S. Steel Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2024

	Consolidated		Separate	
	financial statements		financial statements	
<i>Statement of financial position</i>	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
Liabilities and equity				
Current liabilities				
Short-term loans from financial institutions	1,138,404	490,739	-	-
Trade and other current payables	7,619,004	5,225,508	9,276,081	6,914,665
Current portion of lease liabilities	9,433	9,218	8,905	8,890
Income tax payable	47,947	13,737	-	-
Total current liabilities	8,814,788	5,739,202	9,284,986	6,923,555
Non-current liabilities				
Lease liabilities	14,174	8,338	12,396	7,831
Long-term loans from financial institutions	1,257,734	-	-	-
Deferred tax liabilities	123,326	129,517	-	-
Non-current provisions for employee benefits	138,130	128,177	138,130	128,177
Provisions for product warranty	187,478	135,553	173,488	105,806
Total non-current liabilities	1,720,842	401,585	324,014	241,814
Total liabilities	10,535,630	6,140,787	9,609,000	7,165,369
Equity				
Share capital:				
Authorised share capital	1,269,343	1,269,343	1,269,343	1,269,343
Issued and paid-up share capital	1,269,343	1,269,343	1,269,343	1,269,343
Share premium	371,008	371,008	371,008	371,008
Retained earnings				
Appropriated				
Legal reserve	153,579	153,579	153,579	153,579
Unappropriated	15,240,810	13,309,474	14,406,291	12,656,744
Other components of equity	519,774	414,065	-	-
Equity attributable to owners of the parent	17,554,514	15,517,469	16,200,221	14,450,674
Non-controlling interests	501,068	413,920	-	-
Total equity	18,055,582	15,931,389	16,200,221	14,450,674
Total liabilities and equity	28,591,212	22,072,176	25,809,221	21,616,043

M.C.S. Steel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December			
<i>Statement of comprehensive income</i>	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
<i>Income</i>				
Revenue from sale of goods and rendering of services	23,625,298	22,246,152	23,555,368	22,178,583
Contract revenue	520,088	1,040,892	520,088	1,040,892
Other income	346,473	168,614	320,306	181,471
Total income	24,491,859	23,455,658	24,395,762	23,400,946
<i>Expenses</i>				
Costs of sale of goods and rendering of services	16,909,058	18,407,752	17,738,356	18,523,248
Contract costs	384,092	614,459	384,092	614,459
Distribution costs	2,113,522	2,041,363	2,126,759	2,041,363
Administrative expenses	1,407,458	1,259,159	1,110,408	819,284
Net foreign exchange loss	487,113	349,679	202,235	323,459
Total expenses	21,301,243	22,672,412	21,561,850	22,321,813
Profit (loss) from operating activities	3,190,616	783,246	2,833,912	1,079,133
Finance costs	91,622	149,514	56,810	130,552
Profit (loss) before income tax expense	3,098,994	633,732	2,777,102	948,581
Tax expense (income)	63,258	35,437	11,375	3,013
Profit (loss) for the year	3,035,736	598,295	2,765,727	945,568
Other comprehensive income (expense)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	192,805	(86,045)	-	-
Total comprehensive income (expense) for the year	192,805	(86,045)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain on remeasurements of defined benefit plans	17,757	-	17,757	-
Income tax relating to items that will not be reclassified	(1,444)	-	(1,444)	-
Total item that will not be reclassified subsequently to profit or loss	16,313	-	16,313	-
Other comprehensive income (expense) for the year, net of tax	209,118	(86,045)	16,313	-
Total comprehensive income (expense) for the year	3,244,854	512,250	2,782,041	945,568

M.C.S. Steel Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2024

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December			
<i>Statement of comprehensive income</i>	2024	2023	2024	2023
	<i>(in thousand Yen)</i>			
Profit (loss) attributable to:				
Owners of parent	2,984,816	675,400	2,765,727	945,568
Non-controlling interest	50,920	(77,105)	-	-
	<u>3,035,736</u>	<u>598,295</u>	<u>2,765,727</u>	<u>945,568</u>
Total comprehensive income (expense)				
attributable to:				
Owners of parent	3,157,706	611,727	2,782,041	945,568
Non-controlling interest	87,148	(99,477)	-	-
	<u>3,244,854</u>	<u>512,250</u>	<u>2,782,041</u>	<u>945,568</u>
Basic earnings (loss) per share <i>(in Yen)</i>	6.26	1.42	5.80	1.98

Attach 1

Profiles of Directors, Executives, Controlling Persons, Person Assigned the Highest Responsibility in Finance and Accounting, Person Assigned as the Person Supervising Accounting and Company Secretary As at 31 December 2023

Dr.Naiyuan Chi

Age 72

- The founder
- Chairman of Board Director
- Senior Advisor

Appointed Date : September 1,2022

- The Authorized Director



1. Directorship	▪ Induction since 2005
2. Stock Holding at December 30,2024	▪ 6,500,000 Shares or 1.36 %
3. Share changed in 2024	▪ None
4. Relationship with Company's Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Ph.D. of Engineering Kyoto University ▪ Director Accreditation Program (DAP) Class 25th Year 2004
6. Work Experience in the last 5 Years	<p>MCS Group</p> <ul style="list-style-type: none"> ▪ 2022 September – Present Senior Advisor M.C.S. Steel Public Company Limited ▪ 2005 – 2022 August Executive Chairman M.C.S. Steel Public Company Limited ▪ 2010 – Present Director Tanaka Welding Center Co., Ltd. ▪ 2018 to Present Director M.C.S. – JAPAN Co., Ltd. , Japan

Ms. Wanna Pholkaew

Age 48



- Director
Most recently appointed Date : April 7, 2022
- Risk Management Committee
Most recently appointed Date : April 7, 2022
- Managing Director
Appointed Date : August 13, 2021
- The Authorized Director

1. Directorship	▪ Induction since November 2018
2. Stock Holding at December 30,2024	▪ 10,500 Shares or 0.002%
3. Share changed in 2024	▪ None
4. Relationship with Company' s Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Bachelor of Business Administration (Computer) Rangsit University ▪ Bachelor of Engineering and Technology Department of Industrial Engineering Pathum Thani University ▪ (Japanese course) Futaba Collage of Foreign Languages : JAPAN ▪ Certificate of Director Accreditation Program (DAP) Class 156th Year 2019
6. Work Experience in the last 5 Years	MCS Group <ul style="list-style-type: none"> ▪ 2021 to Present Managing Director M.C.S. Steel Public Co., Ltd. ▪ 2017 to 2018 Asst. to Vice President Foreigner Co-ordination Dept. M.C.S. Steel Public Co., Ltd. ▪ 2018 to Present Director M.C.S. – JAPAN Co., Ltd. , Japan

Mr. Phairat Viwatborvornwong

Age 57

- Director
Most recently appointed Date : April 7, 2022
- Risk Management Committee
Most recently appointed Date : April 7, 2022
- Deputy Managing Director of Estimate and Planning
Appointed Date : August 20, 2021
- The Authorized Director



1. Directorship	▪ Induction since 2007
2. Stock Holding at December 30, 2024	▪ 10,000 shares or 0.002%
3. Share changed in 2024	▪ None
4. Relationship with Company' s Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	▪ Bachelor of Civil Engineering Rajamangala Institute of Technology Tewes ▪ Certificate of Director Accreditation Program (DAP) Class 70th Year 2008
6. Work Experience in the last 5 Years	<u>MCS Group</u> <ul style="list-style-type: none"> ▪ 2021 to Present Deputy Managing Director of Estimate and Planning M.C.S. Steel Public Co., Ltd. ▪ 2014 to 2018 President M.C.S. Steel Public Co., Ltd. ▪ 2010 to Present Director Tanaka Welding Center Co., Ltd.

Mr.Pornchai Phisarnanukunkit

Age 55



- Director
Most recently appointed Date : April 7,2022
- Deputy Managing Director of Factory & Production
Appointed Date : August 20,2021
- The Authorized Director

1. Directorship	▪ Most recently induction since 2005
2. Stock Holding at December 30,2024	▪ None
3. Share changed in 2024	▪ None
4. Relationship with Company' s Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Bachelor of Industrial Technology in Structures King Mongkuts Institute of Technology North Bangkok ▪ Master of Business Administration (Industrial Business Administration) King Mongkuts Institute of Technology North Bangkok ▪ Certificate of Director Accreditation Program (DAP) Class 42nd Year 2005
6. Work Experience in the last 5 Years	<p>MCS Group</p> <ul style="list-style-type: none"> ▪ 2021 to Present Deputy Managing Director of Factory & Production M.C.S. Steel Public Co., Ltd. ▪ 2010 to Present Director Tanaka Welding Center Co., Ltd.

Gen.Titiwat Kamlang-Ek

Age 68

- Chairman of Audit Committee
Most recently appointed Date : April 9,2024
- Independent Director
Most recently appointed Date : April 9,2024



1. Directorship	▪ Induction since 2016
2. Stock Holding at December 30,2024	▪ None
3. Share changed in 2024	▪ None
4. Relationship with Company' s Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Bachelor of Science Program Chulachomklao Royal Military Academy ▪ Certificate of Director Accreditation Program (DAP) Class 134th Year 2017
6. Work Experience in the last 5 Years	<ul style="list-style-type: none"> ▪ 2019 – Present Advisory Subcommittee to the Chairman of the Senate Sports Development Committee ▪ 2023 – Present Sub-committee overseeing the operations of the Power Development Fund in designated areas

Mr.Tinakorn Seedasomboon

Age 64



- Member of Audit Committee
Most recently appointed Date : April 17,2023
- Member of the Nomination and Remuneration Committee
Most recently appointed Date : April 17,2023
- Chairman of Risk Management Committee
Most recently appointed Date : April 17,2023

1. Directorship	▪ Induction since 2010
2. Stock Holding at December 30,2024	▪ 336,400 shares
3. Share changed in 2024	▪ Increased 191,400 shares
4. Relationship with Company' s Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Bachelor of Accounting , Bangkok University ▪ Master of Business Administration The University of the Thai Chamber of Commerce (UTCC) ▪ Certificate of Director Accreditation Program (DAP) Class 61st Year 2006 ▪ Certificate of Director Certification Program (DCP) Class 92nd Year 2007 ▪ Certificate of Audit Committee Program (ACP) Class 19th Year 2007 ▪ Certificate of Role of the Chairman Program (RCP) Class 30th Year 2013 ▪ Certificate of Advanced Audit Committee Program (AACP) Class 27th Year 2017 ▪ Certificate of Board Nomination and Compensation Program (BNCP) Class 6th Year 2019
6. Work Experience in the last 5 Years	Other Companies <ul style="list-style-type: none"> ▪ 2002 to Present President Praathid Accounting Co., Ltd. ▪ 2009 to Present Independent Director DVMVS Co., Ltd. ▪ 2005 – 2022 Independent Director

Mr. Supoj Kaewmanee

Age 65



- Member of Audit Committee
Most recently appointed Date : April 9, 2024
- Nomination and Remuneration Committee
Most recently appointed Date : April 9, 2024
- Risk Management Committee
Most recently appointed Date : April 9, 2024

1. Directorship	▪ Induction Since 2018
2. Stock Holding at December 30, 2024	▪ None
3. Share changed in 2024	▪ None
4. Relationship with Company' s Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Bachelor of Laws ,Thammasat University ▪ Master of Laws ,Ramkhamhaeng University ▪ Certificate of Director Accreditation Program (DAP) Class 107th Year 2014 ▪ Tax Law Training Course offered by the Training Institute of the Bar Association, Batch 2. ▪ Tax Law Course for the Public provided by the Civil Service Development Institute, Tax Administration Division, Office of Civil Service Promotion, Batch 5.
6. Work Experience in the last 5 Years	<p><u>Other Listed Companies / Other Company</u></p> <ul style="list-style-type: none"> ▪ 2014 to Present Chairman of Nomination and Remuneration Committee And Member of Audit Committee Salee Printing Public Co., Ltd. ▪ 2019-Present Director Thai Investors Association ▪ 2019 to Present Independent Director and Audit Committee The Union Mosaic Industry Public Co., Ltd. ▪ 2013 to 2024 Chairman of Nomination and Remuneration Committee And Member of Audit Committee LDC Dental Public Co., Ltd. ▪ 2024 Director Qualitech Public Co., Ltd.

Mr.Hideo Iwaki

Age 61

- Director
- Most recently appointed Date : April 9,2024



1. Directorship	▪ Since April 2022
2. Stock Holding at December 30,2024	▪ None
3. Share changed in 2024	▪ None
4. Relationship with Company' s Executive (S) :	▪ None
5. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Master Degree of Department of Integrated Science and Technology of Architecture Tokyo Institute of Technology ▪ Bachelor Degree of Department of Architecture Tokyo Institute of Technology
6. Work Experience in the last 5 Years	<ul style="list-style-type: none"> ▪ 2010-2021 Technology Development Dept. Kajima Corporation , Japan ▪ 2024-Present Director M.C.S.-JAPAN Co., Ltd.

Ms.Mattawan Srisakda

Age : 50

- Deputy Managing Director of Accounting and Financial
Appointed Date : August 20,2021
- The person taking the highest responsibility
in finance and accounting



1. Stock Holding at December 30,2024	▪ 44,700 shares or 0.0094%
2. Share changed in 2024	▪ <u>Increased 10,000 shares</u>
3. Relationship with Company' s Executive (S) :	▪ None
4. Education / Training	▪ Bachelor of Business Administration (Accounting) Rangsit University
5. Work Experience in the last 5 Years	<u>MCS Group</u> <ul style="list-style-type: none"> ▪ 2021 to Present Deputy Managing Director of Accounting and Financial M.C.S. Steel Public Co., Ltd. ▪ 2009 to Present Manager : Accounting and Financial Department M.C.S. Steel Public Co., Ltd. ▪ 2018 to November 2023 Director M.C.S. – JAPAN Co., Ltd. , Japan

Ms.Kanchalika Sangparinya

Age 47

- Company Secretary
Appointed Date : since 2009



1. Stock Holding at December 30,2024	▪ 67,500 shares or 0.014%
2. Share changed in 2024	▪ None
3. Relationship with Company' s Executive (S) :	▪ None
4. Education / Training from Thai Institute of Directors (IOD)	<ul style="list-style-type: none"> ▪ Bachelor of Business Administrator (Computer Information Management) Saint John ' s University ▪ Bachelor of Accounting The University of the Thai Chamber Commerce ▪ Master of Business Administration (International Business Management) Saint John University ▪ Japanese course Toyo Language school , Japan ▪ Certificate of Company Secretary Program Year 2010 ▪ Certificate of IR Professional Program Class1/2012 ▪ Certificate of IR Fundamental No.2 Year 2019 From SET ▪ Summary of Key Concepts and Financial Statement Preparation According to TFRS 9: Financial Instruments (Part 1) ▪ Business and GHG Emission Reduction Stock Exchange of Thailand ▪ Carbon Footprint For Organization Stock Exchange of Thailand
5. Work Experience in the last 5 Years	<u>MCS Group</u> <ul style="list-style-type: none"> ▪ 2005-2008 Secretary to CEO M.C.S. Steel Public Co., Ltd. ▪ 2009 to Present Company Secretary M.C.S. Steel Public Co., Ltd. ▪ November 2023 to Present Director M.C.S.-JAPAN Co., Ltd.

Miss Titinan Punlaising

Age : 44

- Assistant Manager : Accounting and Financial Department
(The Person Assigned as the Person Supervising Accounting)
Appointed Date : since 2021



1. Stock Holding at December 30,2024	▪ None
2. Share changed in 2024	▪ None
3. Relationship with Company' s Executive (S) :	▪ None
4. Education	▪ Bachelor of Business Administration (Accounting) Sripatum University
5. Work Experience in the last 5 Years	<u>MCS Group</u> <ul style="list-style-type: none"> ▪ 2012 to Present Assistant Manager : Accounting and Financial Department M.C.S. Steel Public Co., Ltd.

Attach **2**

Information of Directors, Executives who are the Management of its Subsidiaries.

(At December 31, 2024)

1. Tanaka Welding Center Co., Ltd.

No.	Name of Director	Position
1.	Dr.Naiyuan Chi	Director
2.	Mr.Phairat Viwatborvornwong	Authorized Director
3.	Mr.Pornchai Phisamanukunkit	Director

2. M.C.S.- JAPAN Co., Ltd.

No.	Name of Director	Position
1.	Dr.Naiyuan Chi	Director
2.	Ms.Wanna Pholkaew	Director
3.	Ms.Kanchalika Sangparinya	Director

3. M.C.S.- Steel-Xiamen Co., Ltd.

No.	Name of Director	Position
1.	Dr.Naiyuan Chi	Director

Profile of Head of Internal Audit

1. Head of Internal Audit

Name	Ms. Pornsiri Sukchai
Position	Internal Audit
Age	35 Years
Education	<ul style="list-style-type: none"> - Bachelor Degree of Business Administration and Information Technology Rajamangala University of Technology Suvarnabhumi - Master's Degree in Business Administration and Information Technology, Business Information Technology Program , Rajamangala University of Technology Suvarnabhumi
Work Experience	<ul style="list-style-type: none"> ■ 2012 (October) - 2017 (May) Assistant Officer (Field Administrative Work) SINO-THAI ENGINEERING AND CONSTRUCTION PUBLIC CO.,LTD. ■ 2017 (May) - 2021 Assistant to Secretary M.C.S. Steel Public Co., Ltd. ■ 2019 - Present Head of Internal Audit M.C.S. Steel Public Co., Ltd.
Training	<ol style="list-style-type: none"> 1. Fundamentals for New Auditor Year 2019 By The Institute of Internal Auditors of Thailand 2. Financial Auditing for Internal Auditor or Non Accountants Year 2019 By The Institute of Internal Auditors of Thailand
Duty	<ol style="list-style-type: none"> 1. Set goals and plan the audit in accordance with the company's policy 2. Develop work systems to be efficient and effective 3. Supervise the operation to be in accordance with the specified work plan. 4. Review and assess the organization's Risk Management. 5. Advice and advice to strengthen the internal control system and good management 6. Review the operating procedures to be carried out in accordance with the rules and regulations of the company.
Relationship with Company's Executive (S)	-None-

4

Assets Used in Business Operations and Details Regarding Asset Valuation Listings

- None -

5

Corporate Governance and Business Ethics Policies and Practices.

- Details can be found in Section 6 on Corporate Governance Policies -

Annual Report of the Audit Committee for the Year 2024

The Audit Committee of M.C.S. Steel Public Company Limited consists of three independent directors whose qualifications and composition meet the criteria set forth in the announcement by the Securities and Exchange Commission of Thailand, comprising:

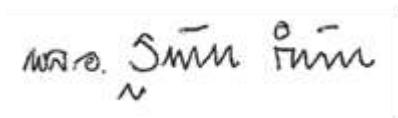
1. General Thitiwat Kangwaeng - Chairman of the Audit Committee
2. Mr. Thingkon Sidasamon - Audit Committee Member
3. Mr. Supachai Kaewmanee - Audit Committee Member

In the year 2024, the Audit Committee held a total of 4 meetings and performed its duties and responsibilities as summarized below:

1. Reviewed the accuracy and reliability of the quarterly and annual financial statements for the year 2024 of the company, which were prepared in accordance with generally accepted accounting standards, ensuring sufficient disclosure of information in compliance with the requirements and announcements of the Securities and Exchange Commission of Thailand.
2. Oversaw the company's operations following good corporate governance principles. The Audit Committee considered and opined that the corporate governance practices were in accordance with the standards and requirements of the Stock Exchange of Thailand, the laws on securities and exchange, and relevant laws concerning the company's business.
3. Reviewed and assessed the company's risk evaluation. The Audit Committee monitored the implementation and risk prevention based on recommendations from the auditors and from the company's management regarding changing economic and social conditions both domestically and internationally.
4. Reviewed the appropriateness of the internal control system. The Audit Committee proposed and provided recommendations to improve the internal control system to be effective and agile in managing to adapt to the current conditions.
5. Oversaw internal audit activities. The annual audit plan, operations, and reporting were reviewed to ensure that the internal audit of the company was appropriate, covering risk factors and enhancing management efficiency.
6. Assessed the performance of the auditing firm. The Audit Committee reviewed and proposed to the Board of Directors to appoint Mr. Bandit Tangphakorn, Certified Auditor No. 8509 from PKF Audit (Thailand) Co., Ltd., as the company's auditor for the year 2025, with a fee not exceeding 3,830,000 baht per year. This fee is higher than in 2024 due to additional items needing to be audited, as the company has changed its accounting system.

Furthermore, the Audit Committee has independently fulfilled its duties, providing opinions and recommendations for management to benefit the company, with excellent cooperation from all parties. We would like to take this opportunity to express our gratitude.

Sincerely,



(General Thitiwat Kangwaeng)
Chairman of the Audit Committee
February 20, 2025

M.C.S. STEEL PUBLIC COMPANY LIMITED

บริษัท เอ็ม.ซี.เอส.สตีล จำกัด (มหาชน)



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