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70 หมู่ 2 ด.ช้างใหญ่ อ.บางไทร จ.พระนครศรีอยุธยา ประเทศไทย 13290  
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( Translation )

Ref. No. MCS 004/2018  
February 26,2018

Subject : Management Discussion and Analysis of 2017

To : Director and Manager The Stock Exchange of Thailand

M.C.S. Steel Public Company Limited would like to clarify the operating result for the consolidate financial statements of company and subsidiary of 2017 periods ended 31 December 2017 that audited by the Independent Auditor , details are as followings ;

1. In Year 2017, the company's Profit in the owners ended 31 December 2017 was 492.63 Million Baht ,decreased of 736.63 Million Baht or 59.92% from Year 2016.
2. In Year 2017, the company's gross profit ended was 1,352.54 Million Baht, decreased of 851.80 Million Baht or 38.64% from year 2016.
3. In Year 2017, the company's sale revenue was 3,103.85 Million Baht, decreased of 2,536.41 Million Baht or 44.97% from year 2016.

#### Management Discussion and Analysis of previous year

1. In Year 2017, the export work was 43,898 tons (which included the company ' s export work from the associate company and the subsidiary company in aboard), that decreased around 21,848 tons or 33.23% compared of last year. As a result, the sales revenue decreased 2,536.41 Million Baht or 44.97%.
2. In Year 2017, Cost for sales of goods decreased 1,684.61 Million Baht due to export work decreased.
3. In Year 2017, the Selling expenses decreased 125.62 Million Baht due to cost of transportation decreased.

The Administrative expenses increased 90.52 Million Baht because of Administrative expenses of the subsidiary company (M.C.S. Steel Xiamen Co.,Ltd.).

4. At 31 December 2017, Inventories was 915.80 Million Baht ,increased 214.64 Million Baht compared with 31 December 2016.



# M.C.S. STEEL PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107548000048

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5. At 31 December 2017, Property ,plant and equipment increased 220.49 Million Baht compared with 31 December 2016 due to the investment of new office and bought some machines (Robot Machine and others).

As the main reasons as above No.1-3 on, In Year 2017, the company's Profit in the owners ended 31 December 2017 was decreased of 736.63 Million Baht or 59.92% from Year 2016.

Yours Sincerely

.....  
( Mr.Phairat Viwatborvornwong )  
President