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

Ref. No. MCS 009/2018
May 14,2018

Subject : Management Discussion and Analysis of Q1/2018

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 consolidated financial statements of company and subsidiary of Quarter 1/2018 periods ended 31 March 2018 that reviewed by the Independent Auditor , details are as followings ;

1. In Q2/2018, the company's Profit was 175.50 Million Baht , changed from Q1/2017 that the company loss ` profit was 63.15 Million Baht. (The profit in the separate financial statements was 181.93 Million Baht).
2. In Q1/2018, the company's gross profit in the separate financial statements was 327.13 Million Baht , a increase of 312.50 Million Baht from same period of last year . if included the gross profit from subsidiary companies it will be 352.93 Million Baht ,a increase of 332.88 Million Baht.
3. In Q1/2018, the company's sale revenue was 691.56 Million Baht, a increase 592.25 Million Baht or 596.37% from same period of last year. If included the sale revenue from subsidiary companies it will be 648.29 Million Baht ,a increase of 567.48 Million Baht or 702.24%.

Management Discussion and Analysis of Q1/2018

- 1) The profit in the separate financial statements was 181.93 Million Baht ,some profit were
 - A. Profit from one time sale of company properties
 - B. In Q1/2018 ,the technical reverse of projects reserve fund around 23.46 Million Baht.As a result ,the cost for sales of goods decreased.
- 2) The current profits mainly from previous projects, and will be dried out by end of second quarter of this year.
- 3) In Q1/2018, the export work from MCS (Thai) was around 9,524 Tons , a increase of 8,410 tons or 754.59% from same period of last year . As a result, the sales revenue increased 567.48 Million Baht or 596.37%.

If included the sale revenue from subsidiary companies, it will be 691.56 Million Baht ,a increase of 592.25 Million Baht.



M.C.S. STEEL PUBLIC COMPANY LIMITED

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- 4) In Q1/2018, Cost for sales of goods from MCS (Thai) increased by 254.99 Million Baht which was due to increased export work in Q1/2018 around 8,410 tons.

And if included the subsidiary companies ,cost for sales of goods was 339.16Million Baht ,a increase of 259.37 Million Baht.

- 5) In Q1/2018, the Selling expenses increased by 63.50 Million Baht which was due to increased the export work.

The Administrative expenses increased by 36.34 Million Baht which was due to the administrative expenses from subsidiary companies and the company reserved of employees 's bonus for M.C.S. Steel in this quarter.

- 6) At 31 March 2018, Inventories increased by 219.17 Million Baht from 31 December 2017 which was inventories that was waiting to delivery in Q2/2018.

- 7) At 31 March 2018, Property, plant and equipment decreased by 29.02 Million Baht from 31 December 2017 due to some assets was sold in this period.

- 8) In Q1/2018, Finance costs decreased by 1.02 Million Baht.

As stated as above No.1 - 5 , In Q1/2018, the. company's profit in Consolidated financial statements was 175.50 Million Baht.

Yours Sincerely

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(Mr.Phairat Viwatborvornwong)
President