

70 Moo 2 Changyai, Bangsai, Ayutthaya Thailand 13290
Tel : (66) 035-372961-6 Fax : (66) 035-372967-8
E-mail Address : info@mcssteel.co.th www.mcssteel.com

70 หมู่ 2 ต.ช้างใหญ่ อ.บางไทร จ.พระนครศรีอยุธยา ประเทศไทย 13290
โทรศัพท์ : (66) 035-372961-6 โทรสาร : (66) 035-372967-8
E-mail Address : info@mcssteel.co.th www.mcssteel.com

(Translation)

Ref. No. MCS 011/2018
August 14,2018

Subject : Management Discussion and Analysis of Q2/2018

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 2/2018 periods ended 31 June 2018 that reviewed by the Independent Auditor , details are as followings ;

1. In Q2/2018, the company's Profit was 67.11 Million Baht , a increase of 30.66 Million Baht from same period of last year. (The profit in the separate financial statements was 78.07 Million Baht).
2. In Q2/2018, the company's gross profit in the separate financial statements was 286.51 Million Baht , a increase of 66.71 Million Baht from same period of last year . if included the gross profit from subsidiary companies it will be 304.95 Million Baht ,a increase of 66.31 Million Baht.
3. In Q2/2018, the company's sale revenue was 939.99 Million Baht, a increase 450.30 Million Baht or 91.96% from same period of last year which was the sale revenue in the separate financial statements 903.80 Million Baht ,a increase of 417.64 Million Baht or 85.91%.

Management Discussion and Analysis of Q2/2018

- 1) In Q2/2018, the export work from MCS (Thai) was around 13,855 Tons , a increase of 7,032 tons or 103.08% from same period of last year . As a result, the sales revenue increased 417.64 Million Baht or 85.91%.

If included the sale revenue from subsidiary companies, it will be 939.99 Million Baht ,a increase of 450.30 Million Baht.

- 2) In Q2/2018, Cost for sales of goods from MCS (Thai) increased by 350.93 Million Baht which was due to increased export work in Q2/2018 around 7,032 tons and the company has considered the estimate for damage of accident of transportation in Japan as note no.30 around 36.44 Million Baht.

And if included the subsidiary companies ,cost for sales of goods was 635.04 Million Baht ,a increase of 383.99 Million Baht.



M.C.S. STEEL PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107548000048

70 Moo 2 Changyai, Bangsai, Ayutthaya Thailand 13290
Tel : (66) 035-372961-6 Fax : (66) 035-372967-8
E-mail Address : info@mcssteel.co.th www.mcssteel.com

70 หมู่ 2 ต.ช้างใหญ่ อ.บางไทร จ.พระนครศรีอยุธยา ประเทศไทย 13290
โทรศัพท์ : (66) 035-372961-6 โทรสาร : (66) 035-372967-8
E-mail Address : info@mcssteel.co.th www.mcssteel.com

- 3) In Q2/2018, the Selling expenses increased by 31.63 Million Baht which was due to increased the export work.

The Administrative expenses increased by 46.74 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.

- 4) At 30 June 2018, Inventories increased by 349.71 Million Baht from 31 December 2017 which was the raw materials and inventories that was waiting to delivery in Q3/2018.
- 5) At 30 June 2018, Property, plant and equipment decreased by 36.77 Million Baht from 31 December 2017 due to the depreciation of this quarter and some assets was sold in this period.
- 6) In Q2/2018, Finance costs increased by 0.74 Million Baht due to the interest of subsidiary companies.

As stated as above No.1 - 3 , In Q2/2018, the. company's profit in Consolidated financial statements was 67.11 Million Baht.

Yours Sincerely

.....
(Dr.Naiyuan Chi)
Chairman of Executive Committee