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

Ref. No. MCS 015/2018
November 12,2018

Subject : Management Discussion and Analysis of Q3/2018

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 3/2018 periods ended 30 September 2018 that reviewed by the Independent Auditor , details are as followings ;

1. In Q3/2018, the company's Profit was 43.598 Million Baht , a decrease of 110.24 Million Baht or 71.66% from same period of last year. (The profit in the separate financial statements was 41.071 Million Baht).
2. In Q3/2018, the company's gross profit in the separate financial statements was 188.427 Million Baht , a decrease of 150.549 Million Baht or 44.41% from same period of last year . if included the gross profit from subsidiary companies it will be 219.60 Million Baht ,a decrease of 122.626 Million Baht or 35.83% from same period of last year.
3. In Q3/2018, the company's sale revenue was 1,018.399 Million Baht, a increase 125.421 Million Baht or 14.05% from same period of last year which was the sale revenue in the separate financial statements 947.549 Million Baht ,a increase of 83.024 Million Baht or 9.63%.

Management Discussion and Analysis of Q3/2018

- 1) In Q3/2018, the export work which included subsidiary company in China were around 11,471 Tons and domestic work was around 2,158 Tons. As a result, the sales revenue increased 83.024 Million Baht or 9.63%.

If included the sale revenue from subsidiary companies, it will be 1,018.399 Million Baht ,a increase of 125.421 Million Baht.

- 2) In Q3/2018, Cost for sales of goods from MCS (Thai) increased by 233.753 Million Baht or 44.49% which was due to increased export work in Q3/2018 and the company has booked a potential lost for domestic project (AOT) in Q4/2018 around 35.285 Million Baht.

And if included the subsidiary companies ,cost for sales of goods was 798.799 Million Baht ,a increase of 248.047 Million Baht or 45.04%.

- 3) In Q3/2018, the Selling expenses increased by 4.159 Million Baht which was due to increased the export work.



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The Administrative expenses decreased by 2.305 Million Baht.

- 4) At 30 September 2018, Inventories was 899.861 Million Baht ,a increased by 94.158 Million Baht from 31 December 2017 which was the work in process that was waiting to delivery in Q4/2018.
- 5) At 30 September 2018, Property, plant and equipment decreased by 68.672 Million Baht from 31 December 2017 due to the depreciation.
- 6) In Q3/2018, Finance costs decreased by 0.725 Million Baht.

As stated as above No.1 - 3 , In Q3/2018, the. company's profit in Consolidated financial statements was 43.598 Million Baht.

Yours Sincerely


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(Dr.Naiyuan Chi)
Chairman of Executive Committee