

( Translation )

Ref. No. MCS 003/2022  
February 28,2022

Subject : Management Discussion and Analysis Yearly Ending 31 Dec 2021

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 2021 periods ended 31 December 2021 that audited by the Independent Auditor , details are as followings ;

1. In Year 2021, the company's Profit in the owners ended 31 December 2021 has reached record high of over 1,400 billion , was 1,415.77 Million Baht ,increased of 461.69 Million Baht or 48.39% from Year 2020 that the company's Profit (separate financial statements) was 1,202.52 Million Baht ,increased of 354.80 Million Baht or 41.85% from Year 2020.

The operation of subsidiary companies were as ;

- 1) M.C.S. Steel Xiamen Co., Ltd. 's profit was 35.18 Million Yuan (CNY) or 167.52 Million Baht
- 2) M.C.S.- Japan Co., Ltd. 's profit was 73.87Million Yen (JPY) or 28.83 Million Baht.
- 3) Tanaka Welding Center Co., Ltd. 's profit was 0.69 Million Baht.

However , the company took the profit by the percentage of share holding in subsidiary companies so the company's Profit in the owners was 1,415.77 Million Baht.

2. In Year 2021, the company's gross profit ended was 2,938.22 Million Baht, increased of 1,335.47 Million Baht or 83.32% from year 2020.
3. In Year 2021, the company's sale revenue has break 20 billion yen (JPY) at 23 billion yen (JPY) or 6,906.60 Million Baht ,increased of 2,654.81 Million Baht or 62.44% from year 2020.

#### Management Discussion and Analysis of previous year

1. In Year 2021, our total output has break 80,000 tons at 83,740 tons for the first time which included subsidiary companies.

As a result, the sales revenue was 6,906.60 Million Baht ,increased 2,564.81 Million Baht or 62.44%.

2. In Year 2021, Cost for sales of goods were 3,968.37 Million Baht ,increased 1,319.34 Million Baht or 49.80%
3. In Year 2021, the distribution costs were 888.84 Million Baht ,increased 682.15 Million Baht or 330.05% due to increase of delivery work and Freight cost.
4. In Year 2021, the Administrative expenses were 417.92 Million Baht ,increased 159.36 Million Baht or 0.99% which including special expense for handing Covid-19 of 24.77 Million Baht.

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](mailto:info@mcssteel.co.th) [www.mcssteel.com](http://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](mailto:info@mcssteel.co.th) [www.mcssteel.com](http://www.mcssteel.com)

5. In Year 2021, the other income was 37.32 Million Baht ,increased 5.22 Million Baht from 2020.
6. In Year 2021, the net foreign exchange loss was 28.99 Million Baht , decreased of 18.02 from 2020.
7. In Year 2021, the financial was 17.02 Million Baht ,decreased 8.99 Million Baht from 2020.
8. In Year 2021, Tax expense was 163.44 Million Baht ,increased 55.99 Million Baht from 2020 because company profit increased.
9. At 31 December 2021, Inventories were 1,990.93 Million Baht ,decreased 400.37 Million Baht or 16.74 compared with 31 December 2020.
10. At 31 December 2021, Property ,plant and equipment was 1,457.31 ,increased of 40.88 Million Baht compared with 31 December 2020.

As the reasons as above, In Year 2021, We were able to create an impressive result for 2021, the company's Profit in the owners ended 31 December 2021 was increased of 461.69 Million Baht or 48.39% from Year 2020 and our total profit since listed in SET has reached to 10 billion baht mark.

Yours Sincerely



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( Dr.Naiyuan Chi )  
Chief Executive Officer

Company Secretary : [kancharica@mcssteel.co.th](mailto:kancharica@mcssteel.co.th)  
Tel : 089-9001217-8 Ext.113