

(Translation)

Ref. No. MCS 004/2023
February 28,2023

Subject : Management Discussion and Analysis Yearly Ending 31 Dec 2022

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 2022 periods ended 31 December 2022 that audited by the Independent Auditor , details are as followings ;

1. In Year 2022, the company's Profit in the owners ended 31 December 2022 was 119.87 Million Baht ,decreased of 1,295.90 Million Baht or 91.53% from Year 2021 that the company's Profit (separate financial statements) was 8.84 Million Baht ,decreased of 1,193.69 Million Baht or 99.27% from Year 2021.

The operation of subsidiary companies were as ;

- 1) M.C.S. Steel Xiamen Co., Ltd. 's profit was 10.85 Million Yuan (CNY) or 56.52 Million Baht
- 2) M.C.S.- Japan Co., Ltd. 's profit was 34.44 Million Yen (JPY) or 9.40 Million Baht.
- 3) Tanaka Welding Center Co., Ltd. 's profit was 0.36 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 119.87 Million Baht.

2. In Year 2022, the company's gross profit ended was 932.99 Million Baht, decreased of 2,005.23 Million Baht or 68.25% from year 2021.
3. In Year 2022, the company's sale revenue was 3,988.03 Million Baht ,decreased of 2,918.56 Million Baht or 42.26% from year 2021.

Management Discussion and Analysis of previous year

1. In Year 2022, our total output was 54,605 tons including subsidiaries company in Japan and China

As a result, the sales revenue was 3,988.03 Million Baht ,which decreased 2,918.56 Million Baht or 42.26%.

2. In Year 2022, Cost for sales of goods and rendering of services were 3,055.04 Million Baht ,decreased 913.33 Million Baht or 23.02%
3. In Year 2022, the distribution costs were 481.53 Million Baht ,decreased 407.31 Million Baht or 45.82% due to decrease of delivery work.



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4. In Year 2022, the Administrative expenses were 303.58 Million Baht ,decreased 114.34 Million Baht or 27.36% which including special expense for handing Covid-19 of 12.49 Million Baht.
5. In Year 2022, the other income was 26.89 Million Baht ,decreased of 10.42 Million Baht from 2021.
6. In Year 2022, the net foreign exchange gain was 27.46 Million Baht
7. In Year 2022, the financial cost was 10.73 Million Baht ,decreased 6.29 Million Baht from 2021.
8. In Year 2022, Tax expense was 56.94 Million Baht ,decreased 106.50 Million Baht from 2021 because company profit decreased.
9. At 31 December 2022, Inventories were 3,883.49 Million Baht ,increased 1,892.57 Million Baht or 95.06% compared with 31 December 2021 which were finish good will delivery in 2023 and some raw materials were bought.
10. At 31 December 2022, Property ,plant and equipment was 1,379.48 Million Baht, decreased of 77.84 Million Baht compared with 31 December 2021 due to exchange rate changed.

As the reasons as above, In Year 2022 the company's Profit in the owners ended 31 December 2022 was decreased of 1,295.90 Million Baht or 91.53% from Year 2021.

Yours Sincerely

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Chairman of Board Director

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