

(Translation)

Ref. No. MCS 003/2024
February 26,2024

Subject : Management Discussion and Analysis Yearly Ending 31 Dec 2023

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 2023 periods ended 31 December 2023 that audited by the Independent Auditor , details are as followings ;

1. In Year 2023, the company's Profit in the owners ended 31 December 2023 was 164.61 Million Baht ,increased of 44.74 Million Baht or 37.33% from Year 2022 that the company's Profit (separate financial statements) was 232.65 Million Baht ,increased of 223.81 Million Baht or 2,532.45% from Year 2022. And if considered in Japanese yen, according to the details below.

Unit : Million Yen

(JPY)	2023	2022	increase (Decrease)	%
Profit in the owners	675.40	339.75	335.65	98.79

The operation of subsidiary companies were as ;

- 1) M.C.S. Steel Xiamen Co., Ltd. 's Loss was 15.54 Million Yuan (CNY) or 76.97 Million Baht
- 2) M.C.S.- Japan Co., Ltd. 's profit was 27.05 Million Yen (JPY) or 5.81 Million Baht.
- 3) Tanaka Welding Center Co., Ltd. 's Loss was 0.07 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 164.61 Million Baht.

2. In Year 2023, the company's gross profit ended was 1,053.10 Million Baht, increased of 120.11 Million Baht or 12.87% from year 2022. And if considered in Japanese yen, according to the details below.

Unit : Million Yen

(JPY)	2023	2022	increase (Decrease)	%
Gross profit	4,264.83	3,341.27	923.56	27.64

3. In Year 2023, the company's sale revenue was 5,777.16 Million Baht ,increased of 1,789.13 Million Baht or 44.86% from year 2022. And if considered in Japanese yen, according to the details below.

Unit : Million Yen

(JPY)	2023	2022	increase (Decrease)	%
Revenue from sales of goods and rendering of services	22,246.15	14,546.81	7,699.34	
Contract revenue (Domestic)	1,040.89	-	1,040.89	
Total	23,287.04	14,546.81	8,740.23	60.08

Management Discussion and Analysis of previous year (Consolidated Financial)

- In Year 2023, our total output was 79,352 tons including subsidiaries company in Japan and China as
 - Shipped from M.C.S. Thai: 53,231 tons
 - Shipped from M.C.S. Xiamen: 12,574 tons
 - Shipped from M.C.S. Japan: 10,705 tons
 - Domestic Work: 2,842 tons

As a result, the sales revenue was 5,777.16 Million Baht ,which increased 1,789.13 Million Baht or 44.86%.

- In Year 2023, Cost for sales of goods and rendering of services were 4,724.06 Million Baht ,increased 1,669.02 Million Baht or 54.63%
- In Year 2023, the distribution costs were 506.76 Million Baht ,increased 25.23 Million Baht or 5.24% due to decrease of delivery work.
- In Year 2023, the Administrative expenses were 312.79 Million Baht ,increased 9.21 Million Baht or 3.03% which including from subsidiaries in China during the period when there is no work
- In Year 2023, the other income was 41.92 Million Baht ,increased of 15.03 Million Baht from 2022.
- In Year 2023, the financial cost was 36.78 Million Baht ,increased 26.05 Million Baht from 2022 due to the deferment of LC payment for steel costs in the past year.
- In Year 2023, Tax expense was 8.73 Million Baht ,decreased 48.21 Million Baht from 2022 the fact that the majority of the operational results primarily arise from income generated by projects promoted by the Board of Investment (BOI), no tax is required to be paid.



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8. At 31 December 2023, Inventories were 2,386.88 Million Baht ,decreased 1,496.61 Million Baht or 38.54% compared with 31 December 2022 as some projects have gradually been delivered in the year 2023
9. At 31 December 2023, Property ,plant and equipment was 1,243.01 Million Baht, decreased of 136.47 Million Baht compared with 31 December 2022 due to depreciation and exchange rate changed.

As the reasons as above, In Year 2023 the company's Profit in the owners ended 31 December 2023 was decreased of 44.74 Million Baht or 37.33% from Year 2022.

Yours Sincerely


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(Dr.Naiyuan Chi)
Chairman of Board Director

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