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

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February 25,2020

Subject : Management Discussion and Analysis Yearly Ending 31 Dec 2019

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 2019 periods ended 31 December 2019 that audited by the Independent Auditor , details are as followings ;

1. In Year 2019, the company's Profit (separate financial statements) ended 31 December 2019 was 600.49 Million Baht ;increased of 149.37 Million Baht or 33.11% from Year 2018 which combined with subsidiary companies , the company's Profit in the owners was 608.54 Million Baht ,increased of 191.61 Million Baht or 45.96% from Year 2018.

The operation of subsidiary companies were as ;

- 1) M.C.S. Steel Xiamen Co., Ltd.'s operation had profit as 9.08 Million Yuan (CNY) or 41.29 Million Baht
- 2) M.C.S.- Japan Co., Ltd. 's loss was 86.23 Million Yen (JPY) or 25.21 Million Baht.
- 3) Tanaka Welding Center Co., Ltd. 's profit was 2.91 Million Baht.

However , the company took the profit by the % of share holding in subsidiary companies so the company's Profit in the owners was 608.54 Million Baht.

2. In Year 2019, the company's gross profit ended was 1,150.09 Million Baht, increased of 66.22 Million Baht or 6.11% from year 2018.
3. In Year 2019, the company's sale revenue was 3,300.34 Million Baht, increased of 52.08 Million Baht or 1.60% from year 2018.

Management Discussion and Analysis of previous year

1. In Year 2019, the total of delivered work was 51,088 tons which included
 - (1) the export work was 37,510 tons (included the company ' s export work from the subsidiary company in aboard)
 - (2) the domestic work was 13,578 tons.

As a result, the sales revenue was 3,300.34 Million Baht ,increased 52.08 Million Baht or 1.60%.

2. In Year 2019, Cost for sales of goods were 2,150.25 Million Baht ,decreased 14.13 Million Baht.
3. In Year 2019, the Selling expenses were 300.08 Million Baht ,decreased 38.22 Million Baht or 11.30%



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4. In Year 2019, the Administrative expenses were 220.28 Million Baht ,decreased 54.89 Million Baht or 19.95% due to the company and the subsidiary companies have controlled the budget.
5. At 31 December 2019, Inventories were 1,912.65 Million Baht ,increased 798.24 Million Baht compared with 31 December 2018 because we have purchased raw materials for 2020.
6. At 31 December 2019, Property ,plant and equipment decreased 65.70 Million Baht compared with 31 December 2018 due to the exchange rate in this period.

As the main reasons as above No.1-4 on, In Year 2019, the company's Profit in the owners ended 31 December 2019 was increased of 191.61 Million Baht or 45.96% from Year 2018.

Yours Sincerely

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(Dr.Naiyuan Chi)
Chief Executive Officer

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