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

Ref. No. MCS 019/2020
August 14,2020

Subject : Management Discussion and Analysis of Q2/2020

To : Director and Manager The Stock Exchange of Thailand

During the spread of the COVID-19 virus in the world ,We are delighted to have a pretty good result for the first half year (For 6 months of 2020 ,the company's Profit was 441.49 Million Baht which compare which the same period of last year the company's Profit was 187.52 Million Baht or increased 135.43%) and we expect to have even better profit on second half of this fiscal year throughout 2021, it should be contributed to establishment of our solely own M.C.S. Japan few years ago, which has enable us to conduct remote inspection and able to keep continuous shipment to Japan during this pandemic crisis period.

The pandemic has changed the priority of handling business, how to provide a secured safety environment for our visiting customer will be the utmost important issue for any business involving oversea clients in coming days, and we have engaged it in an urgent manner since last year.

The operating result for the consolidated financial statements of company and subsidiary of Quarter 2/2020 periods ended 30 June 2020 that reviewed by the Independent Auditor , details are as followings ;

1. In Q2/2020, the company's Profit was 225.49 Million Baht , an increase of 107.07 Million Baht from same period of last year. The profit in the separate financial statements was 224.06 Million Baht.
2. In Q2/2020, the company's gross profit in the separate financial statements was 385.31 Million Baht , an increase of 158.06 Million Baht from same period of last year . if included the gross profit from subsidiary companies it will be 404.89 Million Baht ,an increase of 158.06 Million Baht.
3. In Q2/2020, the company's sale revenue was 1,132.83 Million Baht, an increase 207.72 Million Baht or 22.45% from same period of last year which was the sale revenue in the separate financial statements 1,103.72 Million Baht ,an increase of 251.58 Million Baht or 29.52%.

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Management Discussion and Analysis of Q2/2020

- 1) In Q2/2020, the delivery work was 15,718 tons that included
 - a. Export works was 15,089 tons.(included from MCS Xiamen around 3,390 tons)
 - b. Domestic works (ONES project) was 629 tons.

Due to the delivery work of quarter 2/2020 increased around 3,463 tons or 24.99% from same period of last year. The sale revenue in the separate financial statements increased of 251.58 Million Baht or 29.52%.

If included the sale revenue from subsidiary companies, it will be 1,132.83 Million Baht ,an increase of 207.72 Million Baht.

- 2) In Q2/2020, Cost for sales of goods and rendering of services (separate financial statements) increased by 93.52 Million Baht from same period of last year due to quarter 2/2020, the delivery work increased by 3,463 tons.

And if included the subsidiary companies ,cost for sales of goods and rendering of services was 727.94 Million Baht ,an increase of 49.66 Million Baht.

- 3) In Q2/2020, the Distribution costs increased by 25.95 Million Baht due to the delivery work increased.

The Administrative expenses increased by 13.48 Million Baht which was due to protection of COVID expenses and the allowance for doubtful accounts of AOT project.

- 4) At 30 June 2020, Inventories was 2,027.71 Million Baht , a decreased by 38.33 Million Baht from 31 December 2019 which was the raw materials for year 2020-2021 and work in process for Q3/2020.
- 5) At 30 June 2020, Property, plant and equipment was 1,338.27 Million Baht ,an increased by 46.70 Million Baht from 31 December 2019 due to the machine was bought and different form translating of financial statements.
- 6) In Q2/2020, Finance costs increased by 2.28 Million Baht.

As stated as above No.1 - 3 , In Q2/2020, the. company's profit in Consolidated financial statements was 225.49 Million Baht.



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Yours Sincerely

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