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

Ref. No. MCS 012/2022
August 15,2022

Subject : Management Discussion and Analysis of Q2/2022

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 consolidated financial statements of company and subsidiary of Quarter 2/2022 periods ended 30 June 2022 that reviewed by the Independent Auditor, details are as followings ;

1. In Q2/2022, the company's Loss was 69.47 Million Baht that was the profit in the separate financial statements of 95.88 Million Baht and the operation result from subsidiaries company as
 - a. MCS-Xiamen 's Profit was 1.96 Million Yuan (CNY) or 10.17 Million Baht
 - b. MCS-Japan's Profit was 11.09 Million Yen (JPY) or 2.94 Million Baht
2. In Q2/2022, the company's gross profit in the separate financial statements was 72.49 Million Baht, decreased 573.31 Million Baht from same period of last year. If included the gross profit from subsidiary companies ,it will be 125.93 Million Baht, decreased 702.63 Million Baht from same period of last year.
3. In Q2/2022, the company's sale revenue of goods and rendering of services in the separate financial statements were 665.05 Million Baht, decreased 1,209.90 Million Baht or 64.53% from same period of last year. If included the sale revenue of goods and rendering of services from subsidiary companies it will be 665.53 Million Baht ,decreased of 1,213.90 Million Baht or 64.59%.

Management Discussion and Analysis of Q2/2022

1. The delivery works in Q2/2022 were around 9,301 tons which included work from subsidiary companies as 8,842 tons.

As a decreased of delivery works as 6,273 tons compared with same period of last year, the revenue from sales of goods and rendering of services were 665.53 decreased 1,213.90 Million Baht or 64.59% from same period of last year.

2. In Q2/2022, Cost for sales of goods and rendering of services in the separate financial statements were 592.56 Million Baht ,decreased by 636.60 Million Baht or 51.79 % from same period of last year.



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And if included the subsidiary companies ,cost for sales of goods and rendering of services after cut transaction were 539.60 Million Baht that decreased of 551.27 Million Baht or 48.65% from same period of last year.

3. In Q2/2022, the distribution costs decreased by 117.16 Million Baht or 49.48% which was due to delivery work decreased.

The cost of freight in this quarter increased in triplicate from same period of last year due to the Price of oils and freight fees increased.

The Administrative expenses was 68.85 Million Baht ,decreased by 15.79 Million Baht.

4. In Q2/2022 , Other income was 5.37 Million Baht
5. In Q2/2022, Finance costs was 1.61 Million Baht.
6. At 30 June 2022, Inventories were 2,173.64 Million Baht ,increased by 182.72 Million Baht or 9.18% from 31 December 2021.
7. At 30 June 2022, Property, plant and equipment decreased by 60.31 Million Baht from 31 December 2021 due to the conversion of financial statements in this period.

Due to seasonal factor as above No.1 - 5, In Q2/2022, the. company's loss in Consolidated financial statements was 69.47 Million Baht.

Yours Sincerely

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(Dr.Naiyuan Chi)
Chief Executive Officer