



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

No. MILL 029/2014

14 August 2014

Subject Explanation and analysis of the management team oppose to a financial statement for 6 months as of 30 June 2014

To Managing Director and Director
Stock Exchange of Thailand

Millcon Public Company Limited would like to send the consolidated financial statement for 6 months as of 30 June 2014 of Millcon Public Company Limited and subsidiary company which has been audited by certified public accountant and has been approved by board of directors. The details are as follows:

1. Analysis of profit and loss statement for 6 months as of 30 June 2014 compare with 30 June 2013

The Company had income from selling and service in the amount of 5,447.66 billion baht reducing from the same period of the previous year in the amount of 1,930.71 billion baht which have been caused from many factors such as stop the production for making an improvement of machinery and for testing of special goods in April 2014 so it caused the Company unable increasing a sale volume. In addition, the demand of steel was slow down caused from fluctuation of economy and political situation of Thailand. If comparison to the previous year, the demand of steel became lower 20% caused from the said factors so it affect and made the Company's sale volume reduced.

However, in the next half year, the trend of steel price will be better according to the recovery of economic world. In addition, the Company has opened a new product by used a construction steel for production of high-tensile steel for earthquake protection.

The gross margin of the company for this period is 6.42 reduced from a same period of previous year at the rate of 10% because the price of raw material, remnant of iron did not reduce according the trend of steel price. However, the Company has controlled the inventory as appropriate which did not affect with the gross margin.

For the period of the Company lose in the amount of 163.33 Million Baht which comparison with the same period of the previous year which had net profit total of 32.47 Million Baht, reducing total of 603.01% because the decrease of quantity of goods as the aforesaid mention.



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2. Analysis the financial statement as of 30 June 2014 comparison with as of 31 December 2013

Credit of the Company and subsidiary company as of 30 June 2014 comparison with as of 31 December 2013 are as follows:

The Company and subsidiary company had the total assets as of 30 June 2014 and 31 December 2013 be equal to 15,091.30 Million Baht and 13,858.45 Million Baht which has been increased of 1,232.85 billion baht or be equal to 8.89%. It caused from current assets have been increased from account receivable and purchased machinery and equipment for increasing the production.

When considered the current ratio for the period as of 30 June 2014 comparison with as of 31 December 2013 is 0.68 and 0.64 respectively which nearly same level and when considered D/E Ratio at the rate of 2.91 and 2.95 respectively which the good ration caused from long-term liabilities have been reduced and the Shareholders' equity have been increased.

Please be informed accordingly.

Yours truly

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(Mrs. Phatnaree Thitiariyakul)

Director