



15 August 2017

Subject: Management's Discussion and Analysis of quarter 2, 2017, Ending 30 June 2017

Attention: President

The Stock Exchange of Thailand

Millcon Steel Public Company Limited ("the Company") would like to notify the Company's and its affiliates' performance of quarter 2, 2017, Ending 30 June 2017, which are verified by auditors approved by the office of SEC, and which are also approved by the Board of Directors of the Company. The details are as follow;

Economics overview

In quarter 2/2017, Thai economic was slowly recovering. Government spending will be key economic driver, especially the construction of Infrastructure projects. While the exchange rate was volatility. The Baht was strengthens to higher than currency of countries in the same region.

For steel consumption in Thailand as of 30 June 2017, the finish steel consumption was at 8.40 million tons, decreased by 16% comparing to the same period of 2016. Divided into the consumption of long steel product was at 2.89 million tons and flat steel product consumption was at 5.51 million tons.

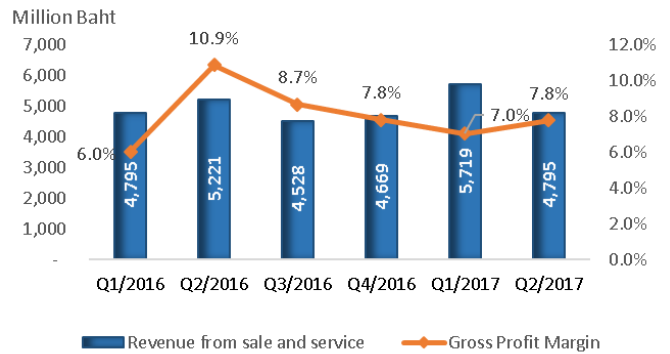
Performance summary in of quarter 2, 2017, ending 30 June 2017

Performance	Q2/2017	Q2/2016	(YoY)	
	Million Baht	Million Baht	+/- Million Baht	%
Total revenues	4,789	5,268	-479	-9%
Revenues from sale and services	4,795	5,221	-426	-8%
Cost of sales and services	4,422	4,653	-231	-5%
Gross profit	373	568	-195	-34%
Total expenses	167	173	-6	-4%
Financial cost	157	145	12	9%
Net Profit	28	298	-270	-90%
Net Profit from operating	46	319	-273	-86%
EBITDA from operating	261	513	-252	-49%



Management's Discussion and Analysis

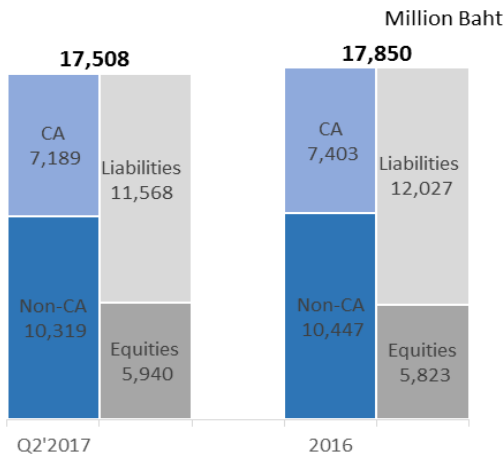
In quarter 2/2017, the Company had revenues from sales and services in the amount of 4,795 million baht, decreased by 8% compared with quarter 2/2016. As a result from decreasing of the steel price and steel consumption. In quarter 2/2017 total sale volume was at 303,793 tons, decreased by 18% compared with the same period of last year which decreased as the cyclical nature of the business.



In quarter 2/2017, Gross profit was at 7.78%, lower than the same period of last year. Due to raw materials cost was higher.

Total expenses decreased 4% compared with the same period of 2016. Due to the domestic transportation decreased as the sales volumes. For financial cost increased by 9% from working capital loan used for purchasing raw materials to produce steel products as per customers' orders.

As a result to, In quarter 2/2017 the Company had net profit in the amount of 28 million baht and net profit from operating of business in the amount of 46 million baht. EBITDA from operating of business was at 261 million baht.



As of quarter 2/2017, total asset was at 17,508 million bath, decreased by 2% from previous quarter. As a result from account receivable decreased 710 million baht from payment for goods that delivered. Inventories increased 535 million baht. Due to increasing of finished goods awaiting delivery and purchasing raw materials for production based on orders from customers. In quarter 2/2017 D/E ratio decreased due to shareholders' equity had retained earning increased 146 million baht. As a result to, D/E ratio decreased from 2.07 to 1.95.

Please be inform accordingly,

Yours sincerely,

(Ms. Jureerat Lapanavanich)

Director