

PERMSIN STEEL WORKS PUBLIC COMPANY LIMITED

4,95-96 Moo 6 Rama 2 Rd., Kokkam Muang – Samutsakorn, Samutsakorn 74000 Thailand

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Date August 11, 2017

Subject: Management Discussion and Analysis for the quarter 2 ended 30 June 2017

Attention: Director and Manager of the Stock Exchange of Thailand

Permsin steel works Public Company Limited (PERM) report financial performance for the three month ended 30 June 2017 show for the company's net loss was Baht 24.58 million baht in quarter 2 year 2016 decreased amount 82.87 million baht or the rate 142.18 % when compare in the same period last year due to

Operating Result	Quarter 2	Quarter 2	Million baht
	Year 2017	year 2016	△ %
Revenue from sale and services	1,552.68	999.88	55.29 %
Total revenue	1,572.62	1,119.10	56.37 %
Net Profit (loss)	(24.58)	58.28	142.18 %

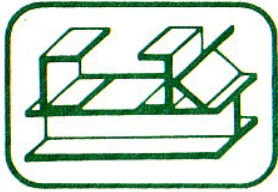
Analysis of the operating performance

Net profit

The company has to show the net loss for three month ended 30 June 2017 amount 24.58 million baht decreased by 82.86 million baht or the rate 142.18 % for six month has to show the net profit amount 46.13 million baht decreased amount 111.28 million baht or the rate 70.70 % due to the main reasons were as follows :

1. Revenue

Total revenue in the quarter 2 year 2017 was accounted for Baht 1,572.62 million when compare with the same period last year by Baht 1,005.72 million increased amount 566.89 million baht or the rate 56.37 % . Revenue from sale and services were accounted for Baht 1,552.68 million increasing by 552.80 million baht or the rate 55.29 % when compared to the same period last year and period six month was accounted for baht 2,567.78 million when compare with the same period last year increased amount 254.99 million baht or the rate 10.98 due to increasing form the trend of the price is slowdown in the industry steel



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2. Expenses

Cost of goods sold and services for 3 month Quarter 2 year 2017 were accounted for baht 1,527.98 million decreasing by baht 662.81 million or the rate 76.61 % when compared with the same period last year and for six month year 2017 cost of goods sold and services were accounted bath 2,387.03 million increasing by baht 370.60 million or the rate 18.38 % due to cost of goods sold were due to Sales cost increase variable of sales

Financial Cost

In quarter 2 year 2017 period 3 moth financial cost total amount 20.24 million baht compared with the same period last year 15.03 million baht increase amount 5.20 million baht or at a rate 34.62 % and for six month year 2017 finance cost total amount 38.16 million baht when compare with the same period last year 33.40 million baht increase amount 4.75 million baht or the rate 14.24 % because of the company have a big amount imported products

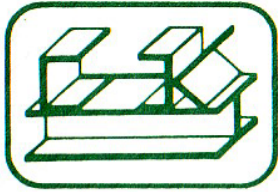
Analysis of the Financial Position

Assets

Company and its subsidiary's asset as follows:

Assets	Million baht		
	30 June 2017	31 December 2016	△ %
Trade Receivables	350.71	461.70	-24.03 %
Inventory Balance	1,914.70	1,669.53	14.69 %
Property, Plant and Equipment	1,089.68	1,076.67	1.21%
Other	302.52	796.97	-62.04 %
Total Assets	3,657.71	4,004.87	-8.67 %

At June 30 ,2017 company's assets were 3,657.71 million baht and decreased 347.16 million baht when compared to the year 2016 the decrease was mainly due the sale decrease and the current assets the receivables have decrease 110.94 million baht or the rate 24.03 % because almost sale for hot roll steel it is short term credit for receivables and the inventory balance have amount 1,914.74 million baht increased 245.21 million baht or the rate 14.69 % when compare in year 2016 due to the advance for the purchase order in the hot roll steel product to save for expense for transportation due the inventory increase



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The property, Plant and equipment amount 1,089.68 million baht increase amount 13.01 million baht or the rate 1.21 % because investment for the machine and asset

Liabilities and shareholders' Equity

Liabilities of company and shareholders can be summarized as follows

Liabilities and shareholders' Equity	30 June 2017	31 December 2016	Million baht
			△ %
Bank overdraft and short term loans from financial institutions	2,334.58	2,528.19	-7.26%
Trade payable	98.14	167.96	-41.57%
Long Term – Loans	121.16	149.71	-19.07%
Other Liabilities	132.18	168.49	-21.55 %
Shareholders 'Equity	961.64	990.51	-2.91 %
Total liabilities and shareholder's Equity	3,657.71	4,004.87	-8.67%

At June 30,2017 total liabilities was 2,696.07 million bath ,decrease of 318.08 million baht or at the rate 11.80 % due to the payment for the trade payables and payment for term loans from the financial intuition

The trade payable at June 30, 2017 was amount 98.15 million baht decrease amount 69.80 million baht or at the rate 41.5 % caused we pay the over sea creditor in term for payment

Shareholders' Equity

Shareholders equity at June 30, 2017 were 961.64 million baht decrease of 28.86 million baht or at the rate 22.91 % when compared to 2016 from the follows reasons

Decrease from the company performance loss in quarter 2 year 2017 amount 24.58 million baht

Thus a change in Shareholders' equity from year 2017

And thus, the above are main reasons for the lower operation reserved for quarter 2 ended June 30,2017 when compared to the same period in year 2016 more than 20%.

Please be informed accordingly

Sincerely Yours,

(Mrs.Chamaiporn Yongvongphaiboon)

Chief financial and accounting officer