



บริษัท ไทยแลนด์ไอออนเวิร์คส์ จำกัด (มหาชน)
THAILAND IRON WORKS PUBLIC COMPANY LIMITED

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No. CS 017/2017

August 15, 2017

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

Attention to Managing Director
The Stock Exchange of Thailand

Attachment First quarter Financial Statement ended 30 June 2017
(1 copy in Thai and 1 copy in English)

Thailand Iron Works Public Company Limited would like to submit the first quarter Financial Statement ended 30 June 2017, of which had been reviewed by the external auditor of the company, to The Stock Exchange of Thailand (SET) for your acknowledgement.

The Management Discussion and Analysis is made in comparison of the Statement of Financial Position and the Statement of Comprehensive Income between the first quarter which was ended 30 June 2017 and ended on 30 June 2016.

The Management Discussion and Analysis

Statement of Financial Position of the first quarter ended 30 June 2017 and ended 30 June 2016

Summarized of the achievement (Unit : Baht)	30 June 2017	30 June 2016
Revenue from sales	129,206,078	104,778,385
Revenue from services	4,753,000	6,661,309
Total revenues from sales and services	133,959,078	111,439,694
Costs of sales	(82,845,647)	(109,051,483)
Costs of services	(2,614,097)	(4,664,248)
Gross Profit (Loss)	48,499,334	(2,276,037)
Other income	1,298,242	2,317,420
Selling expenses	(2,226,166)	(4,079,440)
Administrative expenses	(8,792,358)	(6,810,443)
Net Loss Foreign Exchange	(250,172)	-

Management benefit expenses	(2,729,219)	(2,589,583)
(Loss) Profit before income tax expense	35,799,661	(13,438,083)
Income Tax	-	-
(Loss) profit for the year	35,799,661	(13,438,083)
Actuarial gain (losses)	-	-
Total comprehensive (expense) income for the year	35,799,661	(13,438,083)
Basic (Loss) Earnings per share	5.97	(2.24)

1. Total revenues from sales and services for the First quarter Financial Statement ended 30 June 2016 were Baht 133.96 million which was increased by Baht 22.52 million when compared with that of last year increasing in sales was Baht 24.43 million and decreasing in service was Baht 1.91 million. Cause of the increase in revenue from sales and services due to aggressive marketing planning, expanding our customer base and approval for increasing customer credit which the marketing team has strict supervision and efficiency. As a result, sales continue to increase.

2. Cost of sales of the first quarter ended 30 June 2016 was Baht 85.46 million which was 63.80 % of total revenues from sales and services and that of 2016 was Baht 113.72 million which was 102.04 % of total revenues from sales and services. Cost of sales and services for the quarter ended June 30, 2017, a decrease of 38.24% from the same period of 2016 due to cost control and reduction of administrative costs more effectively.

3. Other income amounted to Baht 1.30 million, a decrease of Baht 1.02 million from the same period of last year mainly due to a decrease in interest income of Baht 1.18 million due to the decrease in deposits and interest rates on deposits.

4. Selling expenses of Baht 2.23 million decreased by Baht 1.85 million, mainly due to the decrease in transportation cost of Baht 0.79 million and the gift expense which cannot be recorded as tax expense of Baht 0.97 million.

5. Administrative expenses amounted to Baht 8.79 million, an increase of Baht 1.98 million resulting from the revaluation of withholding tax as a tax deductible expense of Baht 3.16 million which the withholding tax was waived as of last year and was not applied, and the staff expenses decreased by Baht 1.19 million.

Statement of Financial Position

Assets

Total assets as at 30 June 2017 was Baht 870 million which was comprised of Cash and cash equivalent was Baht 608 million or 70% and Non-current assets were Baht 262 million or 30%. Current assets consist of Cash and cash equivalents were 14%, temporary investments were 20%, and inventories were 58%. Non-current assets consist of restricted financial institutions was 17% and land, buildings and equipment were 75%

Most of the increase or decrease of current assets is due to the cash and cash equivalents used to invest in the purchasing product to increase sales and support the

ongoing marketing plan. The decrease in other current assets of Baht 3.52 million resulted from the revaluation of withholding tax as a tax deductible expense of Baht 3.16 million.

Property, plant and equipment- net of Baht 196.76 million decreased by Baht 4.41 million, mainly due to a decrease from depreciation of Baht 4.41 million.

Liabilities

Trade and other payables amounting to Baht 42.50 million were increased by Baht 20.70 million due to purchase raw materials for production and marketing plans.

Other current liabilities were dropped by Baht 43.36 million, mainly due to a decrease of Trust Receipt (T/R) by Baht 62.41 million.

Executive Summary

The company's performance improved markedly from the same quarter of last year due to higher sales prices while the company has a good control of production costs as well as an increase in the number of sales. This is mainly due to the main product of the company had investigated antidumping duties by Ministry of Commerce leading to a slowdown in the import of the same products that the company produces. Moreover, the Company has continually controlled over expenses.

The trend of world steel prices is rising every day and good product cost management, which is expected to make the company, has a better long term performance.

Please kindly acknowledge.

Yours sincerely,



(Mr.Prasit Kanchannasakdichai)
Chief Executive Officer