



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

86 หมู่ 1 ถนนสุขสวัสดิ์-ป้อมพระจุล  
ตำบลแหลมฟ้าผ่า อำเภอพระสมุทรเจดีย์  
จังหวัดสมุทรปราการ 10290

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No. CS 004/2018

February 12, 2018

Subject Management Discussion and Analysis for the third quarter ended 31December 2017

Attention to Managing Director  
The Stock Exchange of Thailand

Attachment Third quarter Financial Statement ended 31December 2017  
(1 copy in Thai and 1 copy in English)

Thailand Iron Works Public Company Limited would like to submit the Third quarter Financial Statement ended 31December2017, 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 third quarter which was ended 31December 2017 and ended on 31December 2016.

**The Management Discussion and Analysis**

**Statement of Financial Position of the third quarter ended 31December2017 and ended31December 2016**

Summarized of the achievement (Unit : Baht)	31 December 2017	31 December 2016
Revenue from sales	338,089,055.00	212,892,504.00
Revenue from services	12,463,420.00	12,740,946.00
Total revenues from sales and services	350,552,475.00	225,633,450.00
Costs of sales	256,015,753.00	233,239,110.00
Costs of services	7,068,519.00	10,695,096.00
Gross Profit(Loss)	87,468,203.00	(18,300,756.00)
Other income	4,477,067.00	7,919,131.00
Selling expenses	6,581,024.00	8,927,003.00



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Administrative expenses	19,459,669.00	18,938,845.00
Management benefit expenses	7,727,175.00	8,434,379.00
Net loss on exchange rate	656,940.00	2,819,580.00
Finance costs	363,995.00	-
(Loss) Profit before income tax expense	57,156,467.00	(49,501,432.00)
Income Tax expense	-	-
Profit (Loss) for the period	57,156,467.00	(49,501,432.00)
Actuarial gain (losses)	-	-
Total comprehensive income (loss) for the period	57,156,467.00	(49,501,432.00)
Basic Earnings (Loss) per share	9.53	(8.25)

### 1. Total revenues

Total revenues from sales and services for the nine month period ended 31 December 2017 were Baht 351million which was increased by Baht125million when compared with that of last year increasing in sales was Baht 125 million and decreasing in service was Baht 0.28 million. Cause of the increase in revenue from sales 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 and a decreasing number of import products from China due to Anti-dumping policy, therefore the company can sell products in higher price.

### 2. Cost

Cost of sales of the for the nine month period ended 31 December 2017 was Baht 263million which was 75.05% of total revenues from sales and services and that of 2016 was Baht 244million which was 108.11% of total revenues from sales and services. Cost of sales and services for the nine month period ended 31 December 2017, a increased of 7.85% from the same period of 2016 due to increase in revenue from sales and cost control and reduction of administrative costs more effectively.

### 3. Other income

Other income for the nine month period ended 31 December 2017 amounted to Baht 4million, a decrease of Baht 3million from the same period of last year mainly due to a decrease in interest income of Baht 3million due to the decrease in deposits and interest rates on deposits.



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#### 4. Selling expenses and Administrative expenses

Selling expenses and Administrative expenses for the nine month period ended 31 December 2017 was Baht 26 million decreased by Baht 2 million from last year, mainly due to the decrease in salary expense by Baht 3 million and transportation expenses of Baht 1 million, but Electricity and water expenses has increased from last year due to last year has record in department factory 100%.

#### Statement of Financial Position

##### Assets

Total assets as at 31 December 2017 was Baht 898 million, Increased was Baht 21 million or was 2.41% from the same last year which was comprised of as follows:

1. Current assets is composed of 72% of total assets, increased 5% from the same period of last year. The details of current assets as follows:

- Cash and cash equivalents is composed of 5% of total assets, decreased 63% from the same period of last year. The increasing of purchasing raw material for production due to the expanding of sale and gaining market share.

- Temporary investment is composed of 9% of total assets, decreased 35% from the same period of last year due to the increasing of purchasing raw material and the expanding of sale.

- Trade and other receivables is composed of 3% of total assets, decreased 37% from the same period of last year. Average collection period is 26 days decreased from the same period of last year is 6 days.

- Inventory is composed of 54% of total assets, increased 50% from the same period of last year due to the increasing of purchasing raw material for sales to increase.

2. Non-current assets is composed of 28% of total assets, decreased 4% from the same period of last year. The details of non-current assets as follows:

- Restricted deposit at financial institutions is composed of 5% of total assets, using for back up loans from financial institutions.

- Property, plant and equipment is composed of 21% of total assets, decreased 6% from the same period of last year mainly due to the depreciation.

##### Liabilities

Total liability as at 31 December 2017 was Baht 79 million or was 9%, Which decreased 30 million Baht or 28% from the same period of last year. Composed of 9% of total liabilities and shareholders' equity.

1. Current liability amounting to Baht 58 million is composed of 6% of total liabilities and shareholders' equity, decreased was Baht 29 million or



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34% from the same period of last year. The details of current liability as follows:

- Short-term borrowing from a financial institution amounting to Baht 37 million is composed of 4% of total liabilities and shareholders' equity, decreased was Baht 25 million or 40% from the same period of last year due to the decreasing of trust receipt from financial institutions which is using for purchasing raw material from oversea.

- Trade and other payables amounting to Baht 20 million is composed of 2% of total liabilities and shareholders' equity decreased was Baht 2 million or 9% from the same period of last year due to the increasing payment to suppliers.

2. Non-current liabilities amounting to Baht 21 million is composed of 2% of total liabilities and shareholders' equity, decreased was Baht 1 million from the same period of last year, due to the decrease of employee benefit obligation.

**Shareholders' equity**

Shareholders' equity of company as at 31 December 2017 to Baht 819 million as 91%. Increase from last year Baht 51 million or 7% because by Net profit for the nine month period ended 31 December 2017 Baht 57 million and Dividend payment Baht 6 million.

**Executive Summary**

The company still has better performance, compared to the same period of last year. Total sale has been increased significantly due to the expansion of new customer. Furthermore, the company also has strictly control the expense.

However, market situation is still in competitiveness and also the high fluctuation of steel price. Anyway, It is expected that the company will still achieve better performance.

Please kindly acknowledge.

Yours sincerely,

(Mr. Prasit Kanchannasakdichai)  
Chief Executive Officer