



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

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No. CS 22/2018

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Subject Management Discussion and Analysis for fiscal year ended March 31, 2018
Attention to Managing Director
The Stock Exchange of Thailand
Attachment Financial Statement for fiscal year ended 31 March 2018 (Audited)
(1 original in Thai and 1 original in English)

Thailand Iron Works Public Company Limited would like to submit the Financial Statement for fiscal year ended 31 March 2018, of which had been audited 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 period which was ended on 31 March 2018 and ended on 31 March 2017.

The Management Discussion and Analysis

Statement of Financial Position of the fiscal year ended 31 March 2018 and ended 31 March 2017

Summarized of the achievement (Unit : Baht)	CONSOLIDATE	SEPARATE	
	2018	2018	2017
Revenues from sales, net	539,439,391	539,439,391	318,145,294
Revenues from services	13,771,220	13,771,220	19,937,426
Total revenues from sales and services	553,210,611	553,210,611	338,082,720
Costs of sales	(438,122,899)	(438,122,899)	(317,557,849)
Costs of services	(11,262,995)	(11,262,995)	(16,324,224)
Gross profit	103,824,717	103,824,717	4,200,647
Other income	5,042,096	5,042,096	7,283,370
Selling expenses	(9,326,007)	(9,326,007)	(10,903,668)

Summarized of the achievement (Unit : Baht)	CONSOLIDATE	SEPARATE	
	2018	2018	2017
Administrative expenses	(26,445,520)	(26,430,102)	(26,059,826)
Management benefit expenses	(10,383,712)	(10,383,712)	(11,157,436)
Net loss on exchange rate	(665,184)	(665,184)	(677,661)
Profit (Loss) before income tax expense and finance costs	62,046,390	62,061,808	(37,314,574)
Finance costs	(611,294)	(611,294)	-
Profit (Loss) before income tax expense	61,435,096	61,450,514	(37,314,574)
Income tax expense	-	-	-
Net Profit (Loss) for the year	61,435,096	61,450,514	(37,314,574)
Actuarial loss	(532,698)	(532,698)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	60,902,398	60,917,816	(37,314,574)
BASIC PROFIT (LOSS) PER SHARE	10.24	10.15	(6.22)

1.Total revenues from sales and services for the Financial Statement of the fiscal year ended 31 March 2018 was Baht 553.21 million, increased by Baht 215.31 million or increased by 63.63% when compared to the same period of last year. It was the increase in sales Baht 221.29 million or increased by 69.59% and the decrease in services Baht 6.16 million or decreased by 30.93%. The decline in service revenue due to slowing economy and price competition is a major obstacle for the service sector. Due to cost issues, the company is trying to find the ways to reduce costs in order to compete in the current economic situation.

2.Cost of sales for the fiscal year ended 31 March 2018 was Baht 438.12 million which was 81.22% of revenue from sales and that of 2017 was Baht 317.56 million which was 99.82% of revenue from sales. The cost of sale was increased by 37.97 % from the same period of last year due to the growth of sale and having more suppliers for price competition, resulting in reducing cost of sale.

3.Other income was Baht 5.04 million, decreased from the same period of last year by Baht 2.24 million or decreased by 30.77%. The decreasing of interest income was the major of decreasing of other income due to the reduction of deposit amount and lower interest rates payment. The money has mainly been used to invest in importing raw materials.

4. Selling expenses was Baht 9.33 million, decreased from the same period of last year by Baht 1.58 million or decreased by 14.47% due to a decreasing of transportation and travelling Expenses.



5. Administrative expenses in consolidate financial statement was Baht 26.45 million and separate financial statement was Baht 26.43 million. Compared with that of last year, It was increased by Baht 0.37 million.

Statement of Financial Position

Asset

Total assets as at 31 March 2018 was Baht 921.46 million, increased by Baht 44.18 million or increased by 5.04% when compared to the same period of last year. It was comprised of Cash and cash equivalent of 15.35%, Trade and other current receivables of 11.39%, Inventories of 44.92% and Property, plant and equipment of 20.49%

Cash and cash equivalents in consolidate financial statement was Baht 141.48 million, in separate financial statement was Baht 139.48 million, increased by Baht 30.66 million or increased by 27.66%. The company has changed from the holding of temporary investment no more than 3 months to purchase more raw materials in order to increase the sales.

Trade and other current receivables in consolidate financial statement was Baht 104.97 million, in separate financial statement was Baht 104.93 million which was 11.39% of total assets, increased by Baht 63.97 million or increased by 156.05% when compared to the same period of last year. The main reasons of increasing that amount is expanding its customer base and giving credit term to some customers. In the past, the company is mainly selling by cash.

Inventories-net amounting was Baht 414.00 million which was 44.93% of total assets, increased by Baht 92.13 million or increased by 28.63%. The company has invested more on raw materials. As a result, raw material and work in progress are increased.

Other current assets was Baht 4.80 million which was 1.30% of total asset, decreased by Baht 7.16 million, due to the increasing of prepaid input VAT by Baht 3.41 million.

Property, plant and equipment - net of consolidate financial statement was Baht 188.79 million and separate financial statement was Baht 188.77 million which was 20.49% of total assets. Compared with that of last year, it was decreased by Baht 12.38 million or decreased by 6.15% mainly due to an increasing of machine and equipment of Baht 3.20 million and construction work amounted to Baht 1.42 million and decreasing from depreciation of Baht 17.05 million.

Liabilities

The total liabilities as at 31 March 2018 in consolidate financial statement was Baht 98.49 million and in separate financial statement was Baht 98.40 million which was 10.68% of liabilities and shareholders' equity, decreased by Baht 10.72 million or decreased by 9.82% when compared with that of last year. The decreasing is mainly from pay off short-term loans.

Trade creditors and other payables of consolidate financial statement was Baht 73.24 million and separate financial statement was Baht 73.15 million increased by Baht 51.36



million or increased by 235.65%, due to the increase in creditors from purchasing of raw material.

Executive Summary

The Company's performance has significantly improved. It will be seen that the company has increased its profitability from the year 2017. The main reasons is composed of increasing revenue, reducing cost of sale and control of major expenses.

In the next year, the company expect a better long term performance from increased revenue due to expanding market and control of production costs and ongoing costs.

Please kindly acknowledge, thank you.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'Prasit Kanchannasakdichai', written in a cursive style.

(Mr.Prasit Kanchannasakdichai)
Chief Executive Officer