



# บริษัท ไทยแลนด์ไอออนเวิร์คส์ จำกัด (มหาชน)

## THAILAND IRON WORKS PUBLIC COMPANY LIMITED

86 หมู่ 1 ถนนสุขสวัสดิ์-ป้อมพระจุล

ตำบลแหลมฟ้าผ่า อำเภอบางปะอิน จังหวัดพระนครศรีอยุธยา

จังหวัดสมุทรปราการ 10290

ทะเบียนเลขที่ บมจ. 418

86 Moo 1 Suksawad Road

Tambol Laemphapa Phrasamutjedee District

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TEL. 0-2425-0011 (10 Lines)

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November 13, 2018

Subject Management Discussion and Analysis for Second quarter ended 30 September 2018 (Reviewed)

Attention to Managing Director  
The Stock Exchange of Thailand

Thailand Iron Works Public Company Limited would like to submit the Second quarter Financial Statement ended 30 September 2018, 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 Second quarter which was ended 30 September 2018 and ended on 30 September 2017.

### The Management Discussion and Analysis

#### **Statement of Financial Position of the Second quarter ended 30 September 2018 and ended 30 September 2017**

Summarized of the achievement (Unit : Baht)	CONSOLIDATE	SEPARATE	
	30 September 2018	30 September 2018	30 September 2017
Revenues from sales, net	98,108,729	97,105,496	115,713,958
Revenues from services	5,275,300	5,274,800	5,767,680
Total revenues from sales and services	103,384,029	102,380,296	121,481,638
Costs of sales	72,799,769	72,799,769	93,669,965
Costs of services	5,193,057	5,193,057	2,802,196
Total costs of sales and services	77,992,826	77,992,826	96,472,161
Gross profit	25,391,203	24,387,470	25,009,477
Other income	875,795	875,773	1,054,502



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Summarized of the achievement (Unit : Baht)	CONSOLIDATE	SEPARATE	
	30 September 2018	30 September 2018	30 September 2017
Selling expenses	2,632,019	2,499,585	2,047,146
Administrative expenses	12,210,617	7,895,963	5,258,298
Management benefit expenses	3,038,303	2,511,636	2,885,347
Net (gain) loss on exchange rate	(316,282)	(316,282)	402,848
Profit before income tax expense and finance costs	8,702,341	12,672,341	15,470,340
Finance costs	657,855	551,605	97,738
Profit before income tax expense	8,044,486	12,120,736	15,372,602
Income tax expense	153,497	-	-
Net Profit for the period	7,890,989	12,120,736	15,372,602
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,890,989	12,120,736	15,372,602
BASIC PROFIT PER SHARE	1.32	2.02	2.56

1. Total revenues from sales and services of the Second quarter of consolidate Financial Statement ended 30 September 2018 was Baht 103.38 million and separate amounted to Baht 102.38 million which was decreasing by Baht 19.10 million, compared to the same period of last year. Decreasing in sales was Baht 18.61 million and decreasing in service was Baht 0.49 million. The reasons of decreasing in revenue are mainly from the lower season, due to the harvesting season and market conditions in sluggish demand of galvanized steel.

2. Cost of sales and services of the Second quarter consolidate Financial Statement ended 30 September 2018 and separate were Baht 77.99 million which was 75 % of total revenues from sales and services. In the same period of 2017 was Baht 96.47 million which was 79 % of total revenues from sales and services. Cost of sales and services for the quarter ended September 30, 2018, was decreasing of 19% from the same period of 2017. The decreasing in cost of sales is coming from the variations of decreasing sale.



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3. Other income of the Second quarter consolidate Financial Statement ended 30 September 2018 and separate were Baht 0.88 million, decreased of Baht 0.18 million from the same period of last year. The mainly decreasing is coming from scrap sales.

4. Selling expenses of the Second quarter consolidate Financial Statement ended 30 September 2018 was Baht 2.63 million and separate was Baht 2.50 million, increase of Baht 0.45 million, mainly due to the increase of the salary.

5. Administrative expenses of the Second quarter consolidate Financial Statement ended 30 September 2018 was Baht 12.21 million and separate amounted to Baht 7.90 million, decreasing Baht 2.64 million. The increase was resulting from the cost of legal counsel, increased by Baht 4.35 million. However, deductible expense was decreased by Baht 3.16 million which the withholding tax for the same period of last year was not applied as a tax for this current period. Subsidiary company has increased the salary, and cost of legal counsel has been increased Baht 2.38 million, and audit fees increased Baht 0.39 million.

### Statement of Financial Position

#### Assets

Total assets as at 30 September 2018 was Baht 998.96 million which current assets was Baht 745.65 million, 75% of total assets. Non-current assets was Baht 253.31 million, 25% of total assets. Current assets comprised of Cash and cash equivalent was 22% and Trade and other current receivables was 4% and Inventories was 48%. Non-current assets consist of restricted financial institutions was 5% and land, buildings and equipment were 19%

Current assets was increased, mainly due to the cash and cash equivalents and inventories. The increasing was resulting from the received payment from trade accounts receivable and preparing more inventories for sufficient future sale. Decreasing of current assets is coming from Trade and other current receivables.

Property, plant and equipment- net of Baht 188.40 million decreased by Baht 0.40 million, mainly due to an increasing of depreciation.

#### Liabilities

Short-term borrowings from a financial institution was Baht 91.44 million, increased mainly by Trust Receipt (T/R).



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Trade and other payables was Baht 14.73 million, decreased by Baht 58.51 million due to purchase raw materials for production and marketing plans.

Short-term borrowing amounting was Baht 12 million. The subsidiary has opened a personal P/N loan with interest rate of 5% per annum.

**Executive Summary**

The company's performance has slightly dropped from the previous quarter because of the raining season effect. However, the company has significantly increased revenue from sales due to aggressive marketing planning and development of diversity products. Furthermore, the company has a management and investment plan to expand to the other markets.

Please kindly acknowledge.

Yours sincerely,

( Mr.Prasit Kanchannasakdichai )  
Chief Executive Officer