



บริษัท ไทยแลนด์ไอออนเวิร์คส์ จำกัด (มหาชน)

THAILAND IRON WORKS PUBLIC COMPANY LIMITED

86 หมู่ 1 ถนนสุขสวัสดิ์-ป้อมพระจุล
ตำบลแหลมฟ้าผ่า อำเภอพระสมุทรเจดีย์
จังหวัดสมุทรปราการ 10290

ทะเบียนเลขที่ บมจ. 418
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Samutprakarn Province 10290, Thailand

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May 14, 2019

Subject Management Discussion and Analysis for the first quarter ended 31 March 2019

Attention to Managing Director
The Stock Exchange of Thailand

Thailand Iron Works Public Company Limited would like to submit the first quarter Financial Statement ended 31 March 2019, 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 31 March 2019 and ended on 31 March 2018.

The Management Discussion and Analysis

Statement of Financial Position of the first quarter ended 31 March 2019 and ended 31 March 2018

Summarized of the achievement (Unit : Baht)	Consolidate		Separate	
	For the period from January 1, 2019 to March 31, 2019	For the period from January 1, 2018 to March 31, 2018	For the period from January 1, 2019 to March 31, 2019	For the period from January 1, 2018 to March 31, 2018
Revenues from sales, net	109,908,540	201,350,335	108,867,685	201,350,335
Revenues from services	7,129,000	1,307,800	7,057,710	1,307,800
Total revenues from sales and services	117,037,540	202,658,135	115,925,395	202,658,135
Costs of sales	96,418,131	182,107,146	96,420,444	182,107,146



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Summarized of the achievement (Unit : Baht)	Consolidate		Separate	
	For the period from January 1, 2019 to March 31, 2019	For the period from January 1, 2018 to March 31, 2018	For the period from January 1, 2019 to March 31, 2019	For the period from January 1, 2018 to March 31, 2018
Costs of services	5,642,235	4,194,475	5,642,235	4,194,475
Total costs of sales and services	102,060,366	186,301,621	102,062,679	186,301,621
Gross profit	14,977,175	16,356,514	13,862,716	16,356,514
Gain on sale of investments in subsidiaries	9,770,652	-	30	-
Other income	628,640	565,029	746,577	565,029
Selling expenses	2,879,553	2,744,983	2,863,174	2,744,983
Administrative expenses	5,461,572	6,985,852	5,300,055	6,970,434
Management benefit expenses	2,997,823	2,656,537	2,997,823	2,656,537
Net loss on exchange rate	(308,017)	8,244	(308,017)	8,244
Profit (Loss) before income tax expense and finance costs	14,345,536	4,525,927	3,756,288	4,541,345
Finance costs	569,431	247,299	569,431	247,299
Profit (Loss) before income tax expense	13,776,105	4,278,628	3,186,857	4,294,046
Income tax expense	163,725	-	-	-
Net Profit (Loss) for the year	13,612,380	4,278,628	3,186,857	4,294,046
Actuarial loss	-	532,697	-	532,697
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	13,612,380	3,745,931	3,186,857	3,761,349
BASIC PROFIT (LOSS) PER SHARE	2.27	0.71	0.53	0.72



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1. Revenue from sales and services for the quarter ended March 31, 2019, the consolidated financial statements amounted to Baht 117.04 million, decreased from the same period of the previous period by Baht 85.62 million, which decreased from the sales amount Baht 91.44 million and increased from the service of Baht 5.82 million. Decrease in revenue from sales because in the same period of last year, there was a slowdown in imports of products from China. The result of the government's anti-dumping measures as a result, the company has a competitive advantage. Because the company has enough raw material in stock In order to produce products, thus obtaining an increased market share but in the current year, there has been an end to the slowdown in imports of products from China. As a result, competitors can import products for sale to customers. Therefore resulting in the company losing market share and lower sales.

2. Cost of sales and services for the quarter ended March 31, 2019; the consolidated financial statements amounted to Baht 102.06 million or 87% of sales and service income. And in the same period for the quarter ended March 31, 2018, amounting to Baht 186.30 million or 92% of sales and service revenue by cost of sales and services for the quarter ended March 31, 2019, decreased by 45% from the same period of the year 2018 due to variable according to sales.

3. Gain on sales of investments in subsidiaries of the consolidated financial statements of Baht 9.77 million due to the current year the company sold the investment in Sun Power Corporation Company Limited (the subsidiary)

4. Selling expenses in the consolidated financial statements in the current year amounted to Baht 2.88 million, an increase of Baht 0.13 million from the previous year, mainly due to higher salary from the previous year.

5. Administrative expenses of the consolidated financial statements in the current year amounted to Baht 5.46 million, decreased from the previous year by Baht 1.52 million, mainly due to employee benefits expenses decreased by Baht 0.41 million, electricity costs decreased Baht 0.24 million. And legal consultant expenses decreased by Baht 0.23 million.



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Statement of Financial Position

Assets

Total assets as of March 31, 2019 were 985.59 million baht, divided into current assets of Baht 737.02 million or 75% of total assets. And non-current assets of Baht 248.57 million or 25% of total assets.

Most current assets consist of cash and cash equivalents 9%, temporary investments 8%, trade accounts receivable and other current receivables 6%, inventories 51%, decreased from the same period of last year Baht 12.24 million or 2%.

Most non-current assets consist of restricted deposit at financial institution on the use of 5% Property, plant and equipment 19% decreased from the same period of the previous year 4.97 million baht or equal to 2%

Liabilities

Short-term loans from financial institutions in the amount of Baht 85.62 million, an increase of Baht 22.03 million from the same period of the previous year due to the Trust Receipt-T/R loan to pay for the purchase of raw materials.

Trade and other payables amounted to Baht 14.37 million, a decrease of Baht 41.42 million from the same period of the previous year, resulting from a decrease in raw material purchases from the same period last year. And payment of accounts payable by trust receipt (T/R).



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Executive Summary

The company performance is declined due to the declining of agricultural product's price which affects to the farmers who are our main customer has not enough money to buy our materials.

Furthermore the investigation of the Anti- Dumping policy from the Ministry of Commerce was ended which the result was not favorable to us. Then, the import competitors are coming back to the competition again.

Please kindly acknowledge.

Yours sincerely,

(Dr. Prasit Kanchanasakdichai)

Chief Executive Officer