

CHOW.1136/2017

15 May 2017

Subject Management's Discussion and Analysis for three months periods ended 31 March 2017

Attention Director and Manager

The Stock Exchange of Thailand

Chow Steel Industries Public Company Limited ("the Company") would like to clarify the operation results of the Company and the Company's subsidiaries for the first quarter ended 31 March 2017 as follows;

Operating Results	2017	2016	Increased(Decreased)	
	Million baht	Million baht	Million baht	%
Total Revenues	652.50	1,292.52	(640.02)	(49.52)
Net profit (loss) attributable to equity holders of the parent	(36.73)	48.83	(85.56)	175.22
Earnings (loss) per share (Baht per share)	(0.05)	0.06	(0.10)	180.64

Net Profit (loss)

The Company and its subsidiaries realized net loss, during Jan 1 - Mar 31, 2017 of THB 36.73 million, decreased by THB 85.56 million or 175.22% comparing with the year 2016 net loss of THB 48.83 million.

Revenues

The Company (consolidated) realized THB 652.50 million of revenue during Jan 1 - Mar 31, 2017, decreased by 49.52% or THB 640.02 million compared with the year 2016 of THB 1,292.52 million the company has revenues from sales of steel billet, decreased by 34.82% or THB 229.67 million was mainly from postponed delivery.

However, its subsidiaries have recognized revenue of THB 181.31 million, consisting revenue from sale electricity of nine oversea projects and one domestic project with the capacity of 31.711 MW(DC) and revenue from trading business amount THB 117.02 million, a decreased of THB 392.08 million or 68.38% from the same period of last year which was THB 573.39 million. The same quarter of last year, there were revenue from one project development with capacity 15.64 MW (DC) and one project construction with capacity 27.22 MW (DC) in the total amount THB 546.97 million.

Cost of Sales and Services

The company realized cost of sales as of three-month period ended 31 March 2017 THB 537.40 million, decreased by 52.25% or THB 588.26 million compared with the same period of last year. This is due to the result decreasing of demand for steel billets and slows down of delivery. Its subsidiaries have recognized cost of services and construction of the project, decreased of THB 388.58 million, 77.19 % compared the same period of last year relating to lower revenue from service.

Selling expenses

The company's selling expenses as of three-month period ended 31 March 2017 was THB 8.22 million a decrease of 24.12% or THB 2.62 million compared with the same period of last year. This is due to the result in the decreasing of the cost for transportation and other expenses, which is related to the lower of sales volume.

Administrative expenses


The company has administrative expenses was THB 87.33 million, increased by 104.38 % or THB 44.60 million compared with the same period of last year. Its subsidiaries' administration expenses, increased by THB 38.09 million or 156.49% compared with the same period of last year due to expense of study the project development for support the expansion in renewable energy business.

Financial costs

The financial costs for the period as of 31st March 2017 recorded of THB 57.99 million compared with the same period of last year an increase of THB 29.72 million or 105.14% due to financing for the expansion in renewable energy business.

Please be informed accordingly.

Yours sincerely,



(Mr. Anavin Jiratonsiri)

Chairman of Executive Committee