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TMT-CP 024/2017

May 12, 2017

Subject : Management Discussion and Analysis for the first quarter of 2017

To : President

The Stock Exchange of Thailand

Enclosure : A copy of reviewed interim financial information and auditor's report for the first quarter of 2017

The Board of Directors' Meeting of Thai Metal Trade Public Company Limited ("the Company") No. 2/2017 held on May 12, 2017, approved the interim financial information ended March 31, 2017. The Company's first quarter's net profit was Baht 254.56 million, decreased by 8.82% compared to the same period last year. The changes in operating result were as follows,

1. Revenue from sales was Baht 3,675.26 million, increased by 16.18% compared to the same period last year. This increasing mainly resulted from increasing average selling price of 13.34% from the market conditions and price recovery from last year. The Company's selling quantity increased 2.58% compared to the same period last year.
2. Gross profit margin was 12.20% compared to the same period last year at 14.69%. This lower margin resulted from fast increasing of material cost than the selling price and both world and domestic steel price were slow down at the end of first quarter. However, with the effective and efficient inventory management and recovery of domestic economy, the Company's gross profit margin was at good level in the first quarter.
3. Selling expenses increased Baht 2.80 million or 6.82% compared to the same period last year. This increasing was mainly from marketing communication and transportation expenses as the growth of shipments and sales volume. Administrative expenses increased Baht 9.54 million or 12.05% compared to the same period last year. This increasing resulted from the increasing of staff expenses and consultant and professional fees.
4. Interest expenses increased Baht 3.18 million or 32.24% compared to the same period last year. This increasing resulted from the increase of short-term loans from financial institutions for purchasing of raw materials.

Please be informed accordingly.

Yours sincerely,

*-Signed-*

(Mr. Paisal Tarasansombat)

Chief Executive Officer