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TMT-CP 027/2017

August 10, 2017

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

To : President

The Stock Exchange of Thailand

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

The Board of Directors' Meeting of Thai Metal Trade Public Company Limited ("the Company") No. 3/2017 held on August 10, 2017, approved the interim financial information ended June 30, 2017. The Company's second quarter's net profit was Baht 36.59 million, decreased by 87.07% compared to the same period last year. The changes in operating result were as follows.

1. Revenue from sales was Baht 3,326.81 million, increased by 11.39% compared to the same period last year. This increasing mainly resulted from increasing sales quantity by 14.43% compared to the previous year from increasing of market share. However, average selling price decreased by 2.72% compared to the same period last year. This is because steel price was in an uptrend by market demand in last year while the market demand is quite weak in this year.
2. Gross profit margin was 4.52% compared to the same period last year at 16.68%. This lower margin resulted from a decrease of selling price faster than material cost change which was caused by weak demand and high competition in the market while the undersupply of selling products and uptrend of market price pull the higher gross margin last year.
3. Selling expenses decreased Baht 33.90 million or 47.74% compared to the same period last year. This decreasing was mainly from sale promotions. Administrative expenses decreased Baht 7.02 million or 9.08% compared to the same period last year. This decreasing resulted from the decreasing of staff expenses.
4. Interest expenses increased Baht 5.02 million or 42.85% compared to the same period last year. This increasing resulted from the increase of short-term loans from financial institutions for working capitals to support the growth of sales volumes.

Please be informed accordingly.

Yours sincerely,

*-Signed-*

(Mr. Paisal Tarasansombat)

Chief Executive Officer