

-Translation-

TMT-CP 023/2018

November 9, 2018

Subject : Management Discussion and Analysis for the third quarter of 2018

To : President

The Stock Exchange of Thailand

The Board of Directors' Meeting of Thai Metal Trade Public Company Limited ("the Company") No. 5/2018 held on November 9, 2018, approved the interim financial information ended September 30, 2018. The Company's third quarter's net profit was Baht 78.83 million, decreased by 61.88% compared to the same period last year. The changes in operating result were as follows:

1. Revenue from sales was Baht 4,565.45 million, increased by 26.59% from last year. This increasing resulted from increasing average selling price of 10.55% according to domestic and global market steel price, and increasing of selling quantity of 14.49% from capacity expansion and gaining more market shares from the existing and new customers.
2. Gross profit margin was 5.74% compared to 10.37% in last year which resulted from continuous increase of selling price which moved in line with the material price, but in this quarter, the average selling price has risen slower than the material price as its cost push whilst the weak domestic steel consumption and excess supply in the market created high market competition.
3. Selling expenses increased Baht 9.47 million or 23.25% mainly from transportation expenses as the growth of sales volume and shipments, and increasing of marketing expense. Administrative expenses increased Baht 7.57 million or 9.54% mainly from allowance for doubtful account.
4. Interest expenses increased Baht 11.56 million or 67.08% from long-term debenture which was just issued this year and short-term loans from financial institutions according to business expansion of the Company.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer