

*-Translation-*

TMT-CP 020/2019

May 10, 2019

Subject : Management Discussion and Analysis for the first quarter of 2019

To : President

The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 2/2019 held on May 10, 2019, approved the interim financial information ended March 31, 2019. The Company's first quarter's net profit was Baht 76.42 million, decreased by 46.14% compared to the same period last year. The changes in operating result were as follows:

1. Revenue from sales was Baht 4,439.46 million, increased by 0.95% compared to the same period last year. This increasing resulted from increasing in selling quantity of 5.45% from capacity expansion and gaining market share in many market segments. The average selling price decreased by 4.29% according to domestic and global market steel price from excess steel supply in the market.
2. Gross profit margin was 5.08% compared to the same period last year at 6.77%. This lower margin resulted from the high competition while the domestic and global market was slowdown and the excess supply in the market.
3. Selling expenses increased Baht 4.88 million or 10.45% mainly from transportation expenses and marketing expenses as the growth of sales volume and shipments. Administrative expenses decreased Baht 4.13 million or 5.23% from personnel expenses and reverse of doubtful debt allowance as the payment from doubtful debt.
4. Interest expenses increased Baht 11.47 million or 66.60% resulted from long-term debenture which was just issued in April, 2018 and the increase of short-term loans according to business expansion of the Company.

Please be informed accordingly.

Yours sincerely,

*-Signed-*

(Mr. Paisal Tarasansombat)

Chief Executive Officer