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TMT-CP 026/2019

November 8, 2019

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

To : President
The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 5/2019 held on November 8, 2019, approved the interim financial information ended September 30, 2019. The Company net profit was Baht 26.57 million, decreased by 66.30% compared to the same period last year. The changes in operating result were as follows:

1. Revenue from sales was Baht 4,184.30 million, decreased by 8.35% compared to the same period last year. This decreasing resulted from the average selling price of 9.07% down when compared to the same period last year; resulting from domestic and global steel price decline from weak demand with excess supply in the market from ending safeguard measure on imported hot rolled alloyed steel products which created a massive market competition. The selling quantity increased by 0.84% compared to the same period last year, resulted from strategy to maintain existing customer and gain more market share. As a result, the Company's gross profit margin decreased from 5.74% to 4.63% when compared to the same period last year.
2. Selling expenses increased Baht 0.99 million or 1.98%, mainly from increasing of sales promotion expenses. Administrative expenses increased Baht 1.28 million or 1.48%; resulting from office rental fee due to the expansion of office space as well as the amortization charge on intangible assets.
3. Interest expenses increased Baht 2.41 million or 8.36%; resulted from the higher average interest rate in the money market when compared with the same period last year.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)
Chief Executive Officer