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TMT-CP 006/2020

February 24, 2020

Subject : Management Discussion and Analysis for the year 2019

To : President

The Stock Exchange of Thailand

The Board of Directors' Meeting of TMT Steel Public Company Limited ("the Company") No. 1/2020 held on February 24, 2020 approved the financial statements for the year ended December 31, 2019. The Company's net profit was Baht 229.95 million, decreased by 43.35% compared to the last year. Major changes in operating results can be explained as follows;

1. Revenue from sales was Baht 16,483.41 million, decreased by 5.10% compared to the last year. This decreasing resulted from the average selling price of 7.75% down when compared to the last year; resulting from domestic and global steel price decline from weak demand with excess supply in the market from the dumping of some types of steel products which created a massive market competition and that caused the Department of Foreign Trade imposed the Anti-circumvention (AC) at the end of the year 2019. The selling quantity increased by 2.91% compared to the 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 6.01% to 5.45% when compared to the same period last year.
2. Selling expenses increased Baht 6.19 million or 3.19%, mainly from increasing of transportation and marketing expenses. Administrative expenses increased Baht 15.45 million or 4.55%; resulting from the provision of employee's retirement benefit according to the new Labour Law, office rental and professional and consultant fees.
3. Interest expenses increased Baht 13.01 million or 12.67%; resulted from the debenture interest which recorded as full year expenses in 2019, and increase of short-term interest rate in some period of the year and also an increase of short term loan in some period of the year according to business expansion of the Company.

Please be informed accordingly.

Yours sincerely,

-Signed-

(Mr. Paisal Tarasansombat)

Chief Executive Officer