

Ref. 2S\_BoD024/2017

August 9<sup>th</sup>, 2017

Subject: Clarification of the change in operating result more than 20%

To : The president  
The Stock Exchange of Thailand

2S Metal Public Company Limited (the "Company") would like to clarify in operating performance for the 2<sup>nd</sup> quarter (three months period) ended June 30, 2017. The Company's net profit was Baht 12.56 Million which decreased Baht 91.21 Million or decreased 87.9% when compared to the same period of 2016. The reasons of its profit decreased are as the following:

1. Revenue from Sales was Baht 1,041.65 Million, which increased Baht 112.82 million or increased 12.15% when compare to the same period of 2016, due to the increasing of the quantity of Sales.
2. Cost of goods sold was Baht 973.97 million, and the gross profit margin was decreased to 6.5% when compare to the same period of 2016 which gross profit margin was 19.01%. Due to the raw material in stock was higher than the average market price.
3. Selling expenses was Baht 27.64 million which increased Baht 8.13 Million or increased 41.70% when compared to the same period of 2016. The mainly increasing reasons were the quantity of sale and the export expenses.
4. Administrative expenses was Baht 26.81 million which increase Baht 4.99 Million or 22.89% when compared to the same period of 2016. Mainly reason was the adding of allowance for doubtful accounts in amount Baht 2.9 million.

Please be informed accordingly.

Sincerely yours,  
(Mr. Sombat Leeswadtrakul)  
Chief Executive Officer