

Ref. 2S_BoD001/2020

February 26th, 2020

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 of year 2019 ended December 31st 2019. The Company's net profit was Baht 133.38 Million which increased Baht 27.83 Million or 26.37% increased when compared to year 2018. The reasons of its changed operating are following:

1. Revenue from Sales was Baht 5,396.28 Million, which decreased Baht 52.23 million slightly changed from the previous year. The quantity of Sales was increased 9.8% while the average of selling price was down according to the decline of market steel price. Hereby, the cost of goods sold was Baht 4,989.97 million which decreased Baht 102.05 million – resulting to the gross profit margin was increased to 7.53% from 6.56% of year 2018.
2. Selling expenses was Baht 144.14 million which increased Baht 12.71 Million or increased 9.67% when compared to the same period of 2018. The mainly increasing reason was transportation cost as the quantity of sales increasing.
3. Administrative expenses increased Baht 5.94 Million or 6.34% when compared to the same period of 2018. Resulting from the employment benefit obligation.
4. Financial costs decreased Baht 4.41 Million or decreased 27.88% when compared to the same period of 2018, due to decreasing of the loan from financial institutions for working capital

Please be informed accordingly.

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