

Ref. 2S_BoD010/2022

May 12, 2022

Subject: Management Discussion and Analysis

To : The president
The Stock Exchange of Thailand

2S Metal Public Company Limited (the "Company") would like to clarify in operating performance of 1st quarter ended March 31st 2022. Which has net profit Baht 49.12 million, decreased 80.13% when compared to the same period of previous year. The Company would like to clarify the significant change in operating result as the following:

1. Revenue from Sales was Baht 1,860.59 million, which increased by Baht 178.80 million or 10.64% due to the average selling price was increased by 24.86% as steel price was higher than the same period of previous year.
2. Gross profit margin was decreased to 6.05%, when compared to same period of previous year which has gross profit margin 21.23% due to the decline in steel price at the early quarter resulting in decreased profitability.
3. Selling and Administrative Expenses was Baht 62.25 million increased by 4.74 million or 8.24% when compared to same period of year 2021 mainly of increasing was transportation expenses and the allowance for doubtful accounts.
4. Financial Cost was Baht 0.06 million, decreased Baht 0.96 million or 94.12% Due to decreasing of the loan from financial institutions for working capital when compare to the same period of previous year.
5. Loss on Exchange rate was Baht 4.07 million, increased 3.85 million or 1,750% when compared to the previous year. Due to Exchange of Subsidiaries' currency to pay off debt to the Company which has Bhat depreciated.

Please be informed accordingly.

Sincerely yours,
(Miss Boonsri Panyapiamsak)
Authorized Director