

Ref. 2S\_BoD013/2023

August 8, 2023

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 2<sup>nd</sup> quarter ended June 30<sup>th</sup>, 2023 . Which has net profit Baht 25.09 million, increased 147.24% 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 1,523.73 million, which decreased by Baht 114.08 million or 6.97% while the quantity of sales increased 16.92%. Cause of the average selling price was lower when compare to the Q2 of previous year about 20.43%
2. Gross profit margin was 4.41%, increased from the same period of previous year that gross profit margin was 0.46%, as the cost of raw materials and goods in the inventory was lower than market price and the fluctuation of steel price less than Q2 of 2023 which enable to make price spread.
3. Selling and Administrative Expenses were Baht 65.34 million increased by 3.68 million or 5.97% when compared to same period of last year, primarily due to transportation expenses which used gasoline as a result of quantity of sales.
4. Financial Cost was Baht 0.09 million, decreased Baht 0.33 million or 78.57% when compare to the same period. Due to decreasing of the loan from financial institutions for working capital when compare to the same period of previous year.
5. Adjustment of Income Tax which over reserved of Baht 21.16 million on Q1/2023 according to the tax loss carryforward Y2022 to use expenses in this period.

Please be informed accordingly.

Sincerely yours,

-Miss Boonsri Panyapiamsak-

Authorized Director