

Ref. 2S_BoD021/2022

11 August 2022

Subject : Notification of the Acquisition of assets and Entering into connected transaction and Calling for Extraordinary General Meeting no. 1/2022

Attn : The President
The Stock Exchange of Thailand

Attachment : Information Memorandum Concerning Acquisition of Assets and Connected Transaction (List 1)

The Board of Directors of 2S Metal Public Company Limited no. 3/2022 which held on 11 August 2022 has resolved as follows;

1. Proposed to the shareholders meeting to consider and approve the acquisition of 1,500,000 newly issued ordinary shares of United Steel Pipe Co., Ltd. (USP) with a par value of THB 100.00 each, representing 27.27 percent of USP's issued and paid-up share capital no more than THB 229.41 per share, not exceeding THB 344,115,000 in total.

The entry into the foregoing transaction constitutes the acquisition of assets according to the Notification of the Capital Market Supervisory Board no. 20/2551 re: Rules on Entering in Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) and the Notification of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition or Disposal of Assets, 2004 (collectively, the "**Notification on Acquisition or Disposal**") with the maximum transaction size is equal to 14.66 percent based on the consolidated financial statements of the Company for the period ending on 30 June 2022. Upon combining with the asset acquisition transactions in the past six months, the Company's highest value of the transaction will be 14.66 percent, which less than 15 percent without securities issuance as payment. The transaction can be approved by the Board of Directors and neither has to disclose information on the transaction to the Stock Exchange of Thailand (SET), nor proposes the agenda to the Shareholders' Meeting for approval. Anyhow, the Company have not any acquisition or disposition of Assets within the past six months prior of the date the Board of Director approved this transaction.

In addition, the acquisition of USP's common shares is considered a connected transaction, as it is a transaction between the Company and United Steel Pipe Co., Ltd., in which Mr. Sombat Leeswadtrakul holds 19.00 percent of USP's paid-up registered capital (USP's pre-capital increase shareholding) and also serves as an authorized director, executive director and shareholder of the Company in a 19.05 percent stake as at the closing date of shareholder's register book of 16 March 2022. Mr. Sombat Leeswadtrakul is thus considered to be connected to the Company as defined in the Notification of the Capital Market Supervisory Board TorJor. 21/2551 Re: Rules on the Connected Transaction and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed

Companies concerning the Connected Transaction 2003 (as amended) (collectively, the "**Notifications of the Connected Transaction**").

Therefore, the acquisition of assets is considered a connected transaction according to the Notifications of the Connected Transaction. Based on the consolidated financial statements of the Company for the year ended 30 June 2022, the transaction size is not exceeding THB 344.12 million or equal to 16.24 percent, which is more than 3.00 percent of the book value of the Company's net tangible assets (NTA) at THB 2,118.40 million and more than THB 20.00 million. As a result, the Company must immediately disclose the information on the transaction to SET, appoint an independent financial advisor to comment on the transaction, and arrange a shareholders' meeting to approve the transaction. The transaction must be approved by at least three-quarters of the total number of votes cast by shareholders who attend the meeting and have the right to vote, excluding Mr. Sombat Leeswadtrakul, who is an interested shareholder and thus is not eligible to vote.

In this regard, the Company's Executive Committee and/or the persons delegated by the Executive Committee shall have the power to take any actions pertaining to this acquisition of shares, including, without limitation, to (a) negotiate with and enter into any share purchase agreement and other related documents, including to execute or amend any relevant documents; (b) to borrow funds or enter into a credit facility agreement and/or make or provide any security relating to this acquisition; and (c) to take any actions which are necessary and/or relating to such acquisition transaction.

2. Appointment of KTBST Securities Public Company Limited as the Independent Financial Advisor to provide its opinions on the Acquisition transactions and Connected transaction for the Company's shareholders.
3. Approved the Extraordinary General Meeting of Shareholders no 1/2022 be called and held on Thursday, September 29th, 2022 at 10.30 a.m. via Electronic means only (E-EGM) pursuant to the criteria specified in the laws relating to teleconference meeting. as following agendas;
 - Agenda 1 To consider and certify the Minutes of the Annual General Meeting of shareholder 2022, which hold on April 21st, 2022
 - Agenda 2 To consider and approve the Investment into United Steel Pipe Co.,Ltd. by purchase newly issued ordinary common share, which is a material transaction deemed as Acquisition of Assets and a Connected transaction.
 - Agenda 3 To consider and other issues (if any).

Then set the record date on which the shareholders have the right to attend the Extraordinary General Meeting of Shareholders no. 1/2022 will be on August 29th, 2022.

Please be informed accordingly.

Yours sincerely,

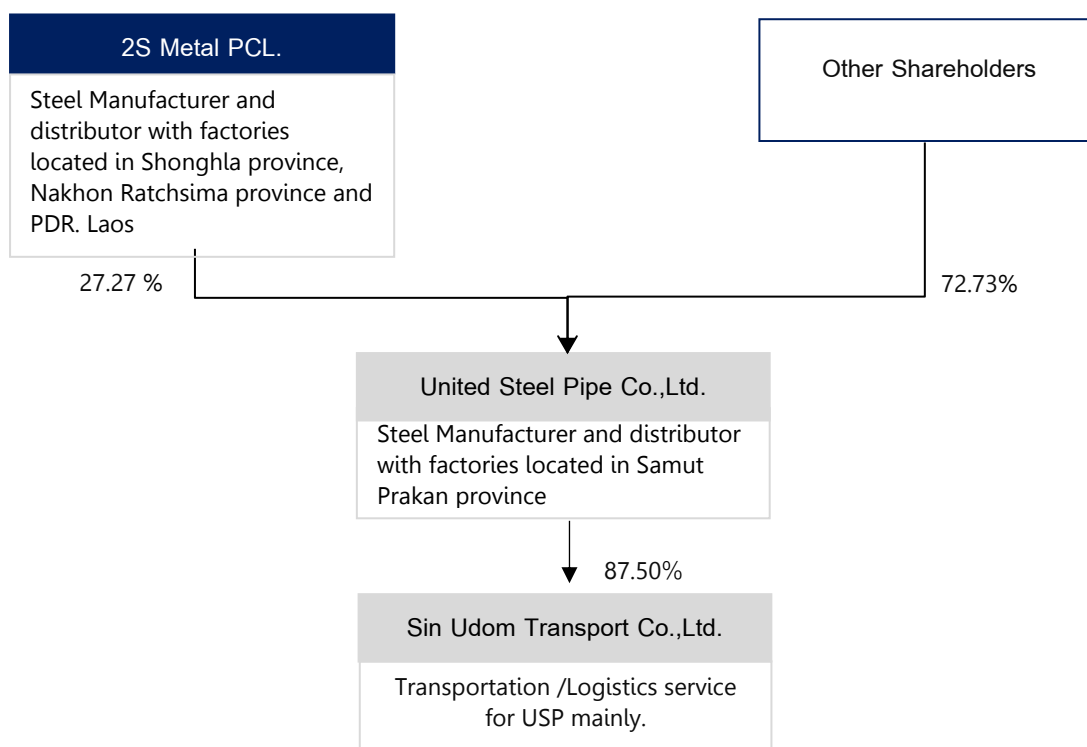
(Miss Boonsri Panyapiamsak)
Authorized Director

**Information Memorandum on
Acquisition of Assets and Connected Transactions of
2S Metal Public Company Limited**

The Board of Directors' meeting of 2S Metal Public Company Limited (the "**Company**") No. 3/2022, which was held on 11 August 2022, resolved to approve the acquisition of 1,500,000 newly issued ordinary shares of United Steel Pipe Co., Ltd. ("**USP**") with a par value of THB 100.00 each at no more than THB 229.41 per share, representing 27.27% of USP's issued and paid-up share capital, not exceeding THB 344,115,000 in total. The purpose of the investment in USP, which operates steel manufacturing and distributing business with its production base in Samut Prakan Province, is to expand the Company's customer base and production base, which are currently limited within the south and the northeast, to cover the central, the western, the eastern and the upper southern areas. The Company also aims to increase its product variety as well as storage and distribution capacity in Central Thailand; therefore, the Company can have higher bargaining power when purchasing raw materials and achieve economies of scale.

At present, the total paid-up capital of USP is THB 400,000,000, equivalent to 4,000,000 ordinary shares with a par value of THB 100.00 each. USP will issue and allocate 1,500,000 new ordinary shares to the Company with a par value of THB 100.00 each at the offering price of less than THB 229.41 per share, representing 27.27% of the total issued and paid-up shares in USP. The total payment for the acquisition of USP's shares will not exceed THB 344,115,000 and will be made in cash. The shareholding structure after the transaction is as follows:

Shareholding Structure Post-Acquisition



The transaction of the Company receiving USP's newly issued ordinary shares as aforementioned is considered an acquisition of assets according to the Notification of the Capital Market Supervisory Board TorJor. 20/2551 Re: Rules and Regulations on the Acquisition and Disposition of Assets, dated 31 August 2008 (as amended) and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets B.E. 2547, dated 29 October 2003 (as amended) (collectively referred to as the "**Notifications on Asset Acquisition or Disposal**").

The maximum transaction size on the basis of total value of consideration is equal to 14.66 percent based on the consolidated financial statements of the Company for the six-month period ending on 30 June 2022. Upon combining with the asset acquisition transactions in the past six months, the Company's highest value of the transaction under total value of consideration basis will be 14.66% in total. The transaction is therefore considered as an acquisition of assets with transaction size of less than 15% and without securities issuance as payment, which can be approved by the Board of Directors. The Company neither has to disclose information on the transaction to the Stock Exchange of Thailand (SET), nor proposes the agenda to the Shareholders' Meeting for approval. The Company did not have any acquisition or disposition of assets within the past six months prior to the date the Board of Directors approved the transaction.

In addition, the acquisition of USP's newly issued common shares is considered to be a transaction with connected persons of the Company, as Mr. Sombat Leeswadtrakul holds 19.00% of USP's paid-up registered capital (USP's pre-capital increase shareholding) and also serves as an authorized director, executive director and shareholder of the Company in a 19.05% stake as at the closing date of shareholder's register book of 16 March 2022. Mr. Sombat Leeswadtrakul is thus considered as connected to the Company as defined in the Notification of the Capital Market Supervisory Board TorJor. 21/2551 Re: Rules on the Connected Transaction and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transaction B.E. 2546 (as amended) (collectively referred to as the "**Notifications of the Connected Transaction**").

Therefore, the acquisition of assets is considered a connected transaction according to the Notifications of the Connected Transaction. Based on the consolidated financial statements of the Company for the six-month period ended 30 June 2022, the transaction size is not exceeding THB 344.12 million or equal to 16.24%, which is more than 3.00% of the book value of the Company's net tangible assets (NTA) at THB 2,118.40 million and more than THB 20.00 million. As a result, the Company must immediately disclose the information on the transaction to SET, appoint an independent financial advisor to comment on the transaction, and arrange a shareholders' meeting to approve the transaction. The transaction must be approved by at least three-quarters of the total number of votes cast by shareholders who attend the meeting and have the right to vote, excluding shareholders who have an interest or have no right to vote. (Please consider Clause 10. Details of connected persons and nature and scope of interests)

In this regard, the Board of Directors has appointed KTBST Securities Public Company Limited as the independent financial advisor who will prepare and express opinions to the

Company's shareholders regarding the Company's investment, which is considered as asset acquisition transactions and connected transactions of the Company.

The details regarding the Company's acquisition of assets and the connected transaction are as follows:

1. **Date of the transaction**

After the Company obtained approval from the shareholders' meeting No. 1/2022, which will be held on 29 September 2022, the transaction is expected to be completed within quarter 1 of 2023.

2. **Related parties and relationships between the parties**

2.1 **Share Subscription Agreement (Draft)**

Purchaser:	2S Metal Public Company Limited (the "Company")
Joint venture company:	United Steel Pipe Co., Ltd. (" USP ")
Relationship with the Company:	USP is a juristic person held by Mr. Sombat Leeswadtrakul at 19.00% of the paid-up registered capital of USP (USP's pre-capital increase shareholding). Mr. Sombat Leeswadtrakul is also an authorized director, executive director and major shareholder, who holds 19.05% of the Company's paid-up capital. (Shareholding information as of 16 March 2022)
Shareholders and shareholder representatives of USP:	Mr. Varuth Leeswadtrakul
Relationship with the Company:	Mr. Varuth Leeswadtrakul holds 0.12% of the Company's paid-up capital (Shareholding information as of 16 March 2022) and also holds 39.00% of USP's paid-up capital.

2.2 **Shareholder Agreement (Draft)**

Purchaser:	2S Metal Public Company Limited (the " Company ")
Shareholder representatives of USP:	Mr. Varuth Leeswadtrakul
Relationship with the Company:	Mr. Varuth Leeswadtrakul holds 0.12% of the Company's paid-up capital (Shareholding information as of 16 March 2022) and also holds 39.00% of USP's paid-up capital.

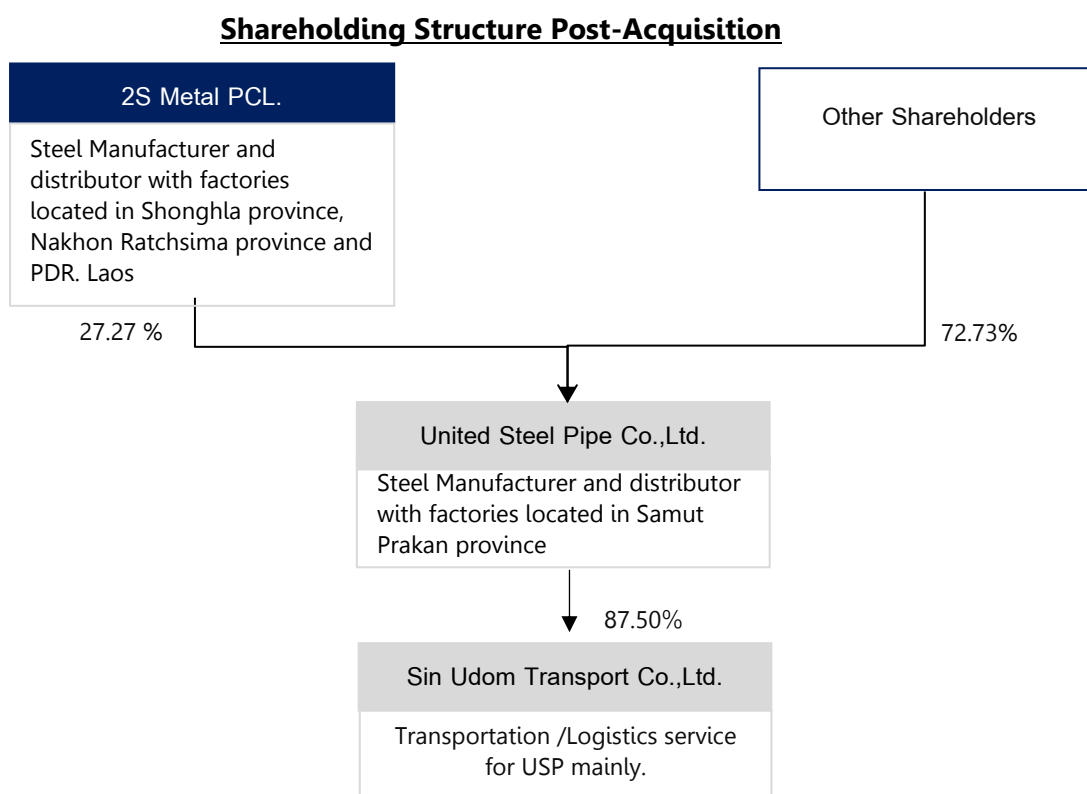
3. General description of the transaction and transaction size

3.1 General description of the transaction

The Board of Directors' meeting of 2S Metal Public Company Limited (the "**Company**") No. 3/2022, which was held on 11 August 2022, resolved to approve the acquisition of 1,500,000 ordinary shares of United Steel Pipe Co., Ltd. ("**USP**") with a par value of THB 100.00 each, representing 27.27% of USP's issued and paid-up share capital at no more than THB 229.41 per share, not exceeding THB 344,115,000 in total. The purpose of the investment in USP, which operates steel manufacturing and distributing business with its production base in Samut Prakan Province, is to expand the Company's customer base and production bases, which are currently limited within the south and northeast, to cover the central, the western, the eastern and the upper southern areas. The Company also aims to increase product variety as well as its storage and distribution capacity in Central Thailand; therefore, it can have higher bargaining power when purchasing raw materials and achieve economies of scale.

At present, the total paid-up capital of USP is THB 400,000,000, equivalent to 4,000,000 ordinary shares with a par value of THB 100.00 each. USP will issue and allocate a further 1,500,000 shares to the Company with a par value of THB 100.00 each at the offering price of less than THB 229.41 per share, representing 27.27% of the total issued and paid-up shares in USP. The total payment for the acquisition of USP's shares will not exceed THB 344,115,000 and will be made in cash. The shareholding structure after the transaction is as follows:

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List of shareholders of USP

List of Shareholders	Before Transaction		After Transaction	
	No. of shares held (shares)	Proportion (%)	No. of shares held (shares)	Proportion (%)
Existing shareholders and number of existing shares				
1. Mr. Varuth Leeswadtrakul	1,560,000	39.00	1,560,000	28.36
2. Miss Supassara Leeswadtrakul	800,000	20.00	800,000	14.55
3. Miss Varisa Leeswadtrakul	800,000	20.00	800,000	14.55
4. Mr. Sombat Leeswadtrakul	760,000	19.00	760,000	13.82
5. Miss Ariyachat Trikrutpan	80,000	2.00	80,000	1.45
New shares after USP's common share capital increase				
6. 2S Metal Public Company Limited	-	-	1,500,000	27.27
Total	4,000,000	100.00	5,500,000	100.00

The acquisition of USP's common shares will result in the Company's 27.27% stake in USP, which enables the Company to appoint one representative director to serve as an authorized director of USP. As a result, USP will have the status of an associate of the Company after entering into the transaction.

3.2 Calculation of transaction size

3.2.1 Size of the asset acquisition transaction

The transaction of the Company's acquiring USP's newly issued ordinary shares is considered an acquisition of assets in which the size of transaction can be calculated based on the Company's and USP's 6-month audited consolidated financial statements ended 30 June 2022 (Information retrieved from management accounts). The calculation details are as follows:

Financial information used in the calculation of the transaction size

Unit : THB million

Financial Information	The Company	USP
Total assets	2,346.85	1,219.86
Goodwill	15.09	

Financial Information	The Company	USP
Intangible assets	1.76	
Deferred tax assets	0.69	
Total liabilities	212.91	302.20
Non-controlling interests	(2.00)	
Net tangible asset value (NTA) ¹	2,118.40	917.65
Net profit (loss) ²	210.18	(11.67)

Remarks:

1. Net tangible asset value (NTA) is calculated as the total assets less related intangible assets, deferred tax assets, total liabilities and non-controlling interests (if any).
2. Net profit (loss) in the past 12 months

Basis of the calculation of the transaction size

Basis of Calculation	Formula	Calculation	Transaction Size (%)
1. Net Tangible Asset (NTA)	$\frac{(\text{NTA of company to be purchased} \times \text{Proportion to be acquired})}{\text{NTA of listed company}}$	$\frac{917.65 \times 27.27\%}{2,118.40}$	11.81
2. Net Operating Profit	$\frac{(\text{Net operating profits of company to be purchased} \times \text{Proportion to be acquired})}{\text{Net operating profits of listed company}}$	Cannot be calculated	Cannot be calculated
3. Total Value of Consideration basis	$\frac{\text{Value of transaction to be acquired}}{\text{Total assets of listed company}}$	$\frac{344.12}{2,346.85}$	14.66
4. Equity shares issued for the Payment of Assets	$\frac{\text{No. of shares issued by company to be purchased for the payment of assets}}{\text{No. of issued and paid-up shares of listed company}}$	No shares were issued.	No shares were issued.

Remark: The calculation based on net operating profit cannot be done, as USP has a four-quarter operating result with a loss of THB 11.67 million.

Based on the calculation basis above, the highest value from the calculation of the transaction size is equal to 14.66% on the basis of total value of consideration.

In this regard, the company did not have any acquisition or disposition of assets within the past six months prior to the date the Board of Directors approved the transaction.

The transaction is considered as an acquisition of assets with transaction size of less than 15 percent and without securities issuance as payment, which can be approved by the Board of Directors. The Company neither has to disclose information on the transaction to the Stock Exchange of Thailand (SET), nor proposes the agenda to the shareholders' meeting for approval. The company did not have any acquisition or disposition of assets within the past six months prior to the date the Board of Directors approved the transaction.

3.2.2 Size of the connected transaction

The acquisition of USP's newly issued common shares is considered a transaction with connected persons of the Company under the Notifications of the Connected Transaction, as Mr. Sombat Leeswadtrakul is a connected person of the Company, who holds 19.00% of USP's paid-up registered capital (USP's pre-capital increase shareholding) and also serves as an authorized director, executive director and major shareholder of the Company, representing 19.05% of the total issued and paid-up shares as at the closing date of shareholder's register book of 16 March 2022.

Based on the consolidated financial statements of the Company for the six-month period ended 30 June 2022, the transaction size is not exceeding THB 344.12 million or equal to 16.24%, which is more than 3.00% of the book value of the Company's net tangible assets (NTA) at THB 2,118.40 million and more than THB 20.00 million. As a result, the Company must immediately disclose the information on the transaction to SET, appoint an independent financial advisor to comment on the transaction, and arrange a shareholders' meeting to approve the transaction. The transaction must be approved by at least three-quarters of the total number of votes cast by shareholders who attend the meeting and have the right to vote, excluding shareholders who have an interest or have no right to vote. (Please consider Clause 10. Details of connected persons and nature and scope of interests)

4. Details of assets to be acquired

After the completion of the transaction, the Company will receive 1,500,000 common shares of USP with a par value of THB 100 each at the offering price of no more than THB 229.41 per share, equivalent to approximately 27.27% of the total issued and paid-up shares in USP. The general information of USP is as follows:

4.1 General Information of USP

Company name:	United Steel Pipe Co., Ltd.
Type of business:	Manufacturer and distributor of steel pipes and other steel products
Office address:	272 Moo 4, Soi Wat Laem Fa Pha, Suk Sawat Road, Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakarn 10290

Registered capital:	THB 400,000,000.00, equivalent to 4,000,000 ordinary shares with a par value of THB 100.00 each (as at 31 December 2021)
Issued and paid-up capital:	THB 400,000,000.00, equivalent to 4,000,000 ordinary shares with a par value of THB 100.00 each (as at 31 December 2021)

4.2 List of shareholders of USP as at 29 April 2022

No.	Shareholders	Shares	Proportion (%)
1.	Mr. Varuth Leeswadtrakul	1,560,000	39.00
2.	Miss Supassara Leeswadtrakul	800,000	20.00
3.	Miss Varisa Leeswadtrakul	800,000	20.00
4.	Mr. Sombat Leeswadtrakul	760,000	19.00
5.	Miss Ariyachat Trikrutpan	80,000	2.00
Total		4,000,000	100.00

4.3 List of directors of USP as at 27 December 2021

No.	Directors	Position
1.	Mr. Vira Jungjaroensuk	Director
2.	Mr. Suthep Siripittayakhunkij	Director
3.	Miss Ariyachat Trikrutpan	Director

Source : United Steel Pipe Co., Ltd. certificate as of 27 December 2021

4.4 Business Overview of USP

USP currently operates the business of manufacturing and selling steel pipes and other steel products, including both black and galvanized steel type. USP also manufactures made-to-order products for sale according to customers' specifications. Its factories and warehouses cover an area of 107 rai, located on Soi Wat Laem Fa Pha, Suk Sawat Road, Nai Khlong Bang Pla Kot Sub-district, Phra Samut Chedi District, Samut Prakarn Province. The total product capacity is 250,000 tons per year. USP's products meet TIS and ISO9001 standards and are distributed under the following brands:



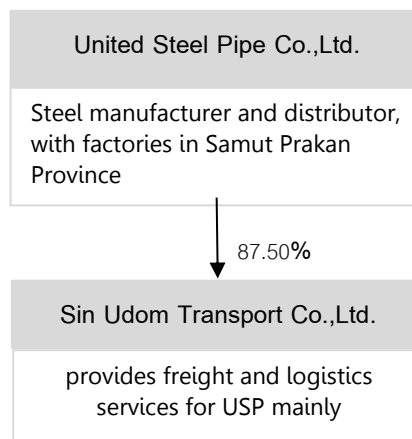
"FIRST"



"SSP"

Furthermore, USP can provide freight and logistics services through Sin Udom Transport Co., Ltd. ("SUT"), in which USP holds 87.50% of SUT's paid-up registered capital. SUT owns a fleet of vehicles of various sizes, such as ten-wheel trucks, six-wheeled tow trucks, and trailers to transport goods for USP based on orders suitable for transportation.

USP Group Shareholder Structure



4.5 Summary of financial position and operating results for 2019 – 2021 and as of 30 June 2022

The key financial figures based on the audited consolidated financial statements of USP for the accounting period ended 31 December 2019-2021 and internal income statements for the accounting period ended 30 June 2022 can be summarized as follows:

Financial position as of 31 December 2019-2021 and 30 June 2022

Consolidated Financial Statements	Financial Statements for the period ended							
	31 Dec 2019 (audited)		31 Dec 2020 (audited)		31 Dec 2021 (audited)		30 Jun 2022 (internal)	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Assets								
Current Assets								
Cash and cash equivalents	32.85	3.30	34.47	3.30	47.51	4.43	27.20	2.23
Trade and other receivables	133.59	13.40	155.53	14.89	184.24	17.20	215.16	17.64
Inventories	314.36	31.53	347.52	33.27	347.63	32.45	472.29	38.72
Other current assets	1.07	0.11	5.16	0.49	6.69	0.62	8.28	0.68
Total Current Assets	481.88	48.34	542.69	51.95	586.08	54.70	722.94	59.26
Non-current Assets								
Long-term investments	7.00	0.70	7.00	0.67	7.00	0.65	7.00	0.57
Property, plant and equipment	503.01	50.46	489.81	46.90	473.24	44.18	484.90	39.75

Consolidated Financial Statements	Financial Statements for the period ended							
	31 Dec 2019 (audited)		31 Dec 2020 (audited)		31 Dec 2021 (audited)		30 Jun 2022 (internal)	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Other non-current assets	5.02	0.50	5.02	0.48	5.02	0.47	5.02	0.41
Total non-current assets	515.03	51.66	501.83	48.05	485.25	45.30	496.92	40.74
Total assets	996.91	100.00	1,044.51	100.00	1,071.33	100.00	1,219.8	100.00
Current liabilities								
Overdrafts and short-term loans from financial institutions	84.82	8.51	118.23	11.32	60.88	5.68	-	-
Trade and other payables	81.62	8.19	52.68	5.04	95.60	8.92	64.98	5.33
Other short-term loans	30.00	3.01	-	-	-	-	200.00	16.40
Other current liabilities	17.00	1.71	31.08	2.98	19.07	1.78	22.74	1.86
Total current liabilities	213.44	21.42	201.98	19.34	175.55	16.38	287.73	23.59
Non-current liabilities								
Employee benefits obligation	16.83	1.69	16.36	1.57	14.48	1.35	14.48	1.19
Total non-current liabilities	16.83	1.69	16.36	1.57	14.48	1.35	14.48	1.19
Total liabilities	230.27	23.11	218.34	20.91	190.02	17.73	302.20	24.77
Shareholders' equity								
- Registered capital								
4,000,000 ordinary shares of THB 100 each	400.00		400.00		400.00		400.00	
- Issued and paid-up capital								
4,000,000 ordinary shares of THB 100 each	400.00	40.12	400.00	38.30	400.00	37.34	400.00	32.79
Retained earnings								
- Appropriated for legal reserve	40.00	4.01	40.00	3.83	40.00	3.73	40.00	3.28
- Unappropriated	326.63	32.76	386.17	36.96	441.30	41.20	477.65	39.16
Total shareholders' equity	766.63	76.89	826.17	79.09	881.30	82.27	917.65	75.23
Total liabilities and shareholders' equity	996.91	100.00	1,044.51	100.00	1,071.33	100.00	1,219.86	100.00

Operating results for 2019-2021 and six-month period 2022

Income Statement	Financial Statements for the period ended							
	31 Dec 2019 (audited)		31 Dec 2020 (audited)		31 Dec 2021 (audited)		30 Jun 2022 (internal)	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Revenue								
Revenue from sales	2,503.22	96.41	2,589.50	96.17	3,440.16	97.53	2,048.11	97.57
Revenue from services	36.11	1.39	34.53	1.28	9.38	0.27	0.15	0.01
Gain on sale of property	-	-	-	-	0.07	0.00	-	-
Revenue from employee benefit reversal	-	-	1.25	0.05	2.03	0.06	-	-
Other income	57.14	2.20	67.24	2.50	75.51	2.14	50.93	2.43
Total revenue	2,596.46	100.00	2,692.53	100.00	3,527.16	100.00	2,099.20	100.00

Income Statement	Financial Statements for the period ended							
	31 Dec 2019 (audited)		31 Dec 2020 (audited)		31 Dec 2021 (audited)		30 Jun 2022 (internal)	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Cost of sales	(2,455.75)	(94.58)	(2,530.38)	(93.98)	(3,378.16)	(95.78)	(2,021.69)	(96.31)
Cost of services	(30.74)	(1.18)	(26.09)	(0.97)	(7.83)	(0.22)	(0.17)	(0.01)
Total cost	(2,486.49)	(95.76)	(2,556.47)	(94.95)	(3,385.99)	(96.00)	(2,021.87)	(96.32)
Gross profit	109.98	4.24	136.05	5.05	141.18	4.00	77.33	3.68
Selling expenses	(21.22)	(0.82)	(23.16)	(0.86)	(20.63)	(0.58)	(9.62)	(0.46)
Administrative expenses	(22.37)	(0.86)	(25.83)	x (0.96)	(27.53)	(0.78)	(15.61)	(0.74)
Profit before financial costs	66.39	2.56	87.06	3.23	93.02	2.64	52.10	2.48
Financial costs	(17.05)	(0.66)	(12.94)	(0.48)	(12.15)	(0.34)	(6.67)	(0.32)
Profit (loss) before income tax expenses	49.34	1.90	74.12	2.75	80.87	2.30	45.43	2.16
Income tax expenses	(10.28)	(0.40)	(14.58)	(0.54)	(15.73)	(0.45)	9.09	(0.43)
Profit (loss) - net	39.05	1.50	59.53	2.21	65.14	1.85	36.35	1.73

5. Total value of consideration and payment

5.1 Value of consideration

The assets that the Company will acquire from this transaction include 1,500,000 newly issued ordinary shares of USP, representing 27.27% of the issued and paid-up shares after USP's capital increase, at the offering price of less than THB 229.41 per share, not exceeding THB 344,115,000 in total. The transaction will be fully paid in cash.

5.2 Payment and payment terms

Regarding the transaction to purchase newly issued ordinary shares of USP, the payment will be made after the Company and USP have received approval from the extraordinary general meeting of shareholders and after the two parties enter into any relevant agreement.

6. Criteria used to determine the value of consideration

The criteria used to determine the total value of consideration at a price of less than THB 229.41 per share are based on the agreed purchase price. The purchase price of the assets is not exceeding the appraised value of USP's book value method as of 30 June 2022, which is THB 917.65 million. Therefore, the Board of Directors considers THB 229.41 per share to be a reasonable price.

7. Benefits expected to be generated to the Company

The acquisition of USP's newly issued ordinary shares is a strategy to help expand the Company's steel business and enhance its potential in terms of product diversity, production

base, customer base as well as goods transportation and distribution in the central, the western, the eastern and the upper southern region of Thailand. The Company currently has factories only in Songkhla and Nakhon Ratchasima Province, which results in high transportation costs in the aforementioned areas. In addition, the asset acquisition is expected to help increase the Company and its subsidiaries' bargaining power for the purchase of raw materials and achieve greater economies of scale.

8. Sources of funds and adequacy of working capital

The Company's acquisition of 1,500,000 newly issued ordinary shares of USP at a price of no more than THB 229.41 per share with a total value of not exceeding THB 344,115,000 will be paid in cash. The Company will use cash flows and loans from financial institutions in which it currently has a credit limit as a source of funds.

9. Conditions of the transaction

This transaction can be performed only after the Company has received approval from the shareholders' meeting of the Company by the votes of not less than three-fourths of shareholders who attend the meeting and have the right to vote, excluding interested shareholders and shareholders who have no right to vote. The Company will also appoint an independent financial advisor to provide an opinion on the appropriateness of this transaction as a support for the shareholders' decision-making.

10. Details of connected persons and nature and scope of interests

USP is considered as a connected person of the Company according to the Notifications of the Connected Transaction, as Mr. Sombat Leeswadtrakul holds 19.00% of the paid-up registered capital of USP (USP's pre-capital increase shareholding) and also serves as an authorized director, executive director and major shareholder of the Company with 19.05% of voting rights as at the closing date of shareholder's register book of 16 March 2022.

Mr. Sombat Leeswadtrakul is therefore an interested person and has no right to vote on this agenda at the shareholders' meeting. In addition, shareholders and directors of USP who hold shares in the Company shall not be entitled to vote for this term. The summary of shareholding information as of March 16, 2022 is as follows:

Name	Position in USP	Shares held in 2S	Percentage of shareholding in 2S
1. Mr. Varuth Leeswadtrakul	Shareholder	600,000	0.12
2. Miss Supassara Leeswadtrakul	Shareholder	11,111,111	2.22
3. Miss Varisa Leeswadtrakul	Shareholder	-	-
4. Mr. Sombat Leeswadtrakul	Shareholder	95,234,050	19.05
5. Miss Ariyachat Trikrutpan	Director and Shareholder	993,235	0.20

Name	Position in USP	Shares held in 2S	Percentage of shareholding in 2S
6. Mr. Suthep Siripittayakhunkij	Director	8,006,632	1.60
7. Mr. Vira Jungjaroensuk	Director	100	0.00
Total		115,945,128	23.19

11. List of interested directors who have no rights to vote at the Board of Directors' meeting

Interested directors who do not have the right to vote at the Board of Directors' meeting include Mr. Sombat Leeswadtrakul, who holds 19.00% of the paid-up registered capital of USP (USP's pre-capital increase shareholding) and also serves as an authorized director, executive director and major shareholder of the Company with 19.05% of voting rights as at the closing date of shareholder's register book of 16 March 2022. Therefore, Mr. Sombat Leeswadtrakul is an interested person and has no right to vote on this agenda at the shareholders' meeting. Mr. Sombat Leeswadtrakul is therefore an interested person and has no right to vote on this agenda at the shareholders' meeting.

In this regard, the director who has an interest in the agreement to enter into the connected transaction as listed above will not attend the meeting and will not vote on this agenda.

12. Opinion of the Board of Directors regarding the agreement to enter into the transaction

The Board of Directors' meeting No. 3/2022, which was held on 11 August 2022, resolved to propose to the shareholders' meeting for consideration and approval of the Company's acquisition of newly issued ordinary shares of USP at the price of no more than THB 229.41 per share, which is considered a reasonable purchase price. The Board of Directors is of the opinion that the Company will benefit from such transaction with the expectation of reinforcing the Company's currently operating business in various aspects. These include expanding production base and customer base in the central, the western, the eastern and the upper southern region in addition to those of the Company in the south and the northeast, improving logistics efficiency and distribution capacity, as well as increasing the Company and its subsidiaries' bargaining power to purchase raw materials and achieving greater economies of scale.

13. Opinion of the Audit Committee and / or the Director's of the Company which is different from the Board of Directors' Opinion as specified in Clause 12

-None-