

# **INDEPENDENT AUDITOR’S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION**

## **To the Board of Directors and Shareholders of 2S Metal Public Company Limited**

I have reviewed the interim consolidated and separate financial information of 2S Metal Public Company Limited and its subsidiaries (The Group). These comprise the consolidated and separate statements of financial position as at as at 31 March 2024, the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

## **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

**Luxsamee Deetrakulwattanapol**

Certified Public Accountant

Registration No. 9056

Grant Thornton Limited

Bangkok

9 May 2024

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		274,132	341,893	263,703	320,720
Trade and other accounts receivable - general customers	6	489,585	335,995	483,315	331,202
- related companies	5, 6	-	2,796	17,404	19,214
Inventories - net		921,097	809,676	896,418	790,088
Deposits for purchase of goods		25,617	18,580	40,483	28,129
Short-term loans and accrued interest receivable					
- subsidiaries	5	-	-	87,423	69,421
Refundable value added tax		-	4,722	-	4,722
Refundable income tax		6,738	4,908	1,751	1,751
Other current assets		12,663	15,874	5,638	3,524
<b>Total current assets</b>		<b>1,729,832</b>	<b>1,534,444</b>	<b>1,796,135</b>	<b>1,568,771</b>
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	7	-	-	216,770	216,770
Long-term loans receivable - subsidiary	5	-	-	9,400	9,400
Property, plant and equipment - net	8	654,374	629,332	271,118	274,968
Rights-of-use assets - net	9	11,275	11,793	69,708	71,402
Investment property - net		512	596	-	-
Intangible assets - net		354	443	294	371
Deferred tax assets - net		1,400	1,389	-	-
Other non-current assets		2,288	2,288	1,484	1,484
<b>Total non-current assets</b>		<b>670,203</b>	<b>645,841</b>	<b>568,774</b>	<b>574,395</b>
<b>TOTAL ASSETS</b>		<b>2,400,035</b>	<b>2,180,285</b>	<b>2,364,909</b>	<b>2,143,166</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Trade and other accounts payable - general companies		201,864	65,306	196,315	61,463
- related companies	5	22,046	13,215	38,608	23,378
Current portion of liabilities liabilities		1,597	1,581	5,896	5,828
Current portion of employee benefits obligation		228	2,544	228	2,544
Deposits for sales of goods		17,161	-	17,161	-
Accrued income tax		18,290	6,880	18,289	6,880
Accrued expenses		28,577	36,473	23,128	28,911
Other current liabilities		14,179	8,026	10,128	5,156
<b>Total current liabilities</b>		<b>303,942</b>	<b>134,025</b>	<b>309,753</b>	<b>134,160</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits obligation		19,752	18,243	15,216	13,842
Long-term lease liabilities - net		5,545	5,950	69,489	70,988
Deferred tax liabilities - net		9,934	9,961	2,351	2,175
<b>Total non-current liabilities</b>		<b>35,231</b>	<b>34,154</b>	<b>87,056</b>	<b>87,005</b>
<b>TOTAL LIABILITIES</b>		<b>339,173</b>	<b>168,179</b>	<b>396,809</b>	<b>221,165</b>

2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2024 (Unaudited but Reviewed)	31 December 2023 (Audited)	31 March 2024 (Unaudited but Reviewed)	31 December 2023 (Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Share capital - common share at Baht 1 par value				
- Registered 549,997,741 shares	549,998	549,998	549,998	549,998
- Issued and paid - up 549,995,954 shares	549,996	549,996	549,996	549,996
Premium on share capital	121,762	121,762	121,762	121,762
Retained earnings				
- Appropriated for legal reserve	55,000	55,000	55,000	55,000
- Unappropriated	1,317,193	1,268,184	1,196,960	1,150,861
Other components of shareholder's equity	19,610	19,799	44,382	44,382
<b>Equity attributable to the Company's shareholders</b>	<b>2,063,561</b>	<b>2,014,741</b>	<b>1,968,100</b>	<b>1,922,001</b>
Non-controlling interests	(2,699)	(2,635)	-	-
<b>Shareholders' equity</b>	<b>2,060,862</b>	<b>2,012,106</b>	<b>1,968,100</b>	<b>1,922,001</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,400,035</b>	<b>2,180,285</b>	<b>2,364,909</b>	<b>2,143,166</b>

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<b>REVENUES</b>					
Revenue from sales		1,960,679	1,840,481	1,918,923	1,822,987
Revenue from sales of by-product		44,534	40,899	42,704	39,546
<b>Total revenues</b>	11	<b>2,005,213</b>	<b>1,881,380</b>	<b>1,961,627</b>	<b>1,862,533</b>
<b>COSTS OF SALES</b>					
Costs of sales		(1,875,154)	(1,711,727)	(1,842,040)	(1,698,610)
<b>Gross profit</b>		<b>130,059</b>	<b>169,653</b>	<b>119,587</b>	<b>163,923</b>
Interest income		1,439	493	2,790	1,445
Other income	11	11,937	11,075	13,142	13,093
<b>Profit before expenses</b>		<b>143,435</b>	<b>181,221</b>	<b>135,519</b>	<b>178,461</b>
Selling expenses		(50,682)	(42,345)	(49,648)	(40,818)
Administrative expenses		(27,895)	(30,437)	(24,590)	(26,167)
Loss from exchange rate		(4,454)	(4,182)	(2,642)	(4,568)
<b>Total expenses</b>		<b>(83,031)</b>	<b>(76,964)</b>	<b>(76,880)</b>	<b>(71,553)</b>
<b>Profit before finance cost</b>		<b>60,404</b>	<b>104,257</b>	<b>58,639</b>	<b>106,908</b>
Finance cost		(22)	(44)	(894)	(949)
<b>Profit before income tax</b>		<b>60,382</b>	<b>104,213</b>	<b>57,745</b>	<b>105,959</b>
Income tax expense	10	(11,431)	(20,812)	(11,646)	(20,989)
<b>Net profit for the period</b>		<b>48,951</b>	<b>83,401</b>	<b>46,099</b>	<b>84,970</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items to be not reclassified subsequently to profit or loss</b>					
Actuarial gain from remeasurments of post-employment benefit obligation - net of tax					
		-	638	-	1,961
<b>Items to be reclassified subsequently to profit or loss</b>					
Translation adjustment for foreign currency financial statements					
		(195)	672	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>48,756</b>	<b>84,711</b>	<b>46,099</b>	<b>86,931</b>

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<b>PROFIT ATTRIBUTABLE TO</b>				
Owners of the parent	49,009	83,411	46,099	84,970
Non-controlling interests	(58)	(10)	-	-
	<u>48,951</u>	<u>83,401</u>	<u>46,099</u>	<u>84,970</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
<b>FOR THE YEAR</b>				
Owners of the parent	48,820	84,701	46,099	86,931
Non-controlling interests	(64)	10	-	-
	<u>48,756</u>	<u>84,711</u>	<u>46,099</u>	<u>86,931</u>
<b>BASIC EARNINGS PER SHARE</b>				
Profit of the Company's shareholders (Baht : Share)	<u>0.089</u>	<u>0.152</u>	<u>0.084</u>	<u>0.154</u>
Weighted average number of common shares				
(Unit : Thousand Shares)	<u>549,996</u>	<u>549,996</u>	<u>549,996</u>	<u>549,996</u>

## STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated financial information											
	Retained earnings				Other components of equity							
	Paid - up Share Capital	Premium on Share capital	Legal Reserve	Unappropriated	Other comprehensive income				Total other components of equity	Shareholders' equity of the Company	Non-controlling interests	Total
					Surplus on revaluation of land - net of tax	Remeasurements of post-employment benefit obligarion	Translation adjustment for foreign currency financial statement	Discount on dilution of investment in subsidiaries company				
<b>Consolidated F/S</b>												
<b>Balance as at 1 January 2023</b>	549,996	121,762	55,000	1,272,462	59,322	-	(10,892)	(29,817)	18,613	2,017,833	(2,399)	2,015,434
Comprehensive income for the period	-	-	-	83,411	-	638	652	-	1,290	84,701	10	84,711
Transfer from gain on remeasurement of post - employment benefit obligation	-	-	-	638	-	(638)	-	-	(638)	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	84,049	-	-	652	-	652	84,701	10	84,711
<b>Balance as at 31 March 2023</b>	549,996	121,762	55,000	1,356,511	59,322	-	(10,240)	(29,817)	19,265	2,102,534	(2,389)	2,100,145
<b>Balance as at 1 January 2024</b>	549,996	121,762	55,000	1,268,184	59,322	-	(9,706)	(29,817)	19,799	2,014,741	(2,635)	2,012,106
Comprehensive income for the period	-	-	-	49,009	-	-	(189)	-	(189)	48,820	(64)	48,756
<b>Total comprehensive income for the period</b>	-	-	-	49,009	-	-	(189)	-	(189)	48,820	(64)	48,756
<b>Balance as at 31 March 2024</b>	549,996	121,762	55,000	1,317,193	59,322	-	(9,895)	(29,817)	19,610	2,063,561	(2,699)	2,060,862



## STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Separate financial information						Total
	Paid - up Share Capital	Premium on Share capital	Retained earnings		Other components of equity		
			Legal Reserve	Unappropriated	Other comprehensive income		
					Surplus on reveluation of land - net of tax	Remeasurements of post-employment benefit obligarion	
<b>Separate financial statements</b>							
<b>Balance as at 1 January 2023</b>	549,996	121,762	55,000	1,150,309	44,382	-	1,921,449
Comprehensive income for the period	-	-	-	84,970	-	1,961	86,931
Transfer from gain on remeasurement of post - employment benefit obligation	-	-	-	1,961	-	(1,961)	-
<b>Total comprehensive income for the period</b>	-	-	-	86,931	-	-	86,931
<b>Balance as at 31 March 2023</b>	549,996	121,762	55,000	1,237,240	44,382	-	2,008,380
<b>Balance as at 1 January 2024</b>	549,996	121,762	55,000	1,150,861	44,382	-	1,922,001
Comprehensive income for the period	-	-	-	46,099	-	-	46,099
<b>Total comprehensive income for the period</b>	-	-	-	46,099	-	-	46,099
<b>Balance as at 31 March 2024</b>	549,996	121,762	55,000	1,196,960	44,382	-	1,968,100

## STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<b>Cash flows from operating activities</b>				
Profit before income tax	60,382	104,213	57,745	105,959
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:</b>				
Provision for expected credit losses	6	1,664	28	1,664
Provision (reversal) of allowance for decline value of inventories		(9,832)	313	(9,139)
Depreciation □	8, 9	13,117	6,149	6,128
Gain on exchange rate		(151)	-	-
Loss (gain) on disposal fixed assets	8	(21)	38	(21)
Amortization		89	77	77
Interest income		(493)	(2,790)	(1,445)
Interest expense		44	894	949
Provision for employee benefits obligation		1,392	346	461
<b>Cash flows provided from operations before changes in operating assets and liabilities</b>				
	73,328	110,022	62,800	104,633
<b>Decrease (increase) in operating assets:</b>				
Trade and other accounts receivable	(150,822)	(95,944)	(150,331)	(105,329)
Inventories	(111,771)	(47,794)	(106,643)	(37,782)
Deposits for purchase of goods	(7,037)	15,076	(12,354)	15,076
Refundable value added tax	4,722	(3,771)	4,722	(2,229)
Refundable income tax	(1,830)	4,234	-	-
Other current assets	3,848	(1,606)	(2,114)	(344)
Other non-current assets	-	12	-	11
<b>Increase (decrease) in operating liabilities:</b>				
Trade and other accounts payable	145,389	58,923	150,082	64,177
Accrued expenses	(7,896)	(7,011)	(5,783)	(4,434)
Deposits for sales of goods	17,161	-	17,161	-
Other current liabilities	6,153	5,269	4,971	4,774
Employee benefit paid	(1,288)	-	(1,288)	-
<b>Cash received from operating activities</b>				
	(30,043)	37,410	(38,777)	38,553
Interest payment	(22)	(66)	(894)	(971)
Income tax paid	(696)	(974)	(60)	(33)
<b>Net cash received from (used in) operating activities</b>				
	(30,761)	36,370	(39,731)	37,549

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<b>Cash flows from investing activities</b>					
Interest received		1,439	493	2,788	1,445
Acquisition of building and equipment	8	(38,159)	(11,414)	(643)	(3,832)
Proceeds from sale of equipment		-	227	-	226
Payment short-term loans to subsidiary	5	-	-	(18,000)	(6,500)
<b>Net cash used in investing activities</b>		<b>(36,720)</b>	<b>(10,694)</b>	<b>(15,855)</b>	<b>(8,661)</b>
<b>Cash flows from financing activities</b>					
Repayment for short-term loans from financial institutions		-	(150,000)	-	(150,000)
Repayment for lease liabilities		(389)	(556)	(1,431)	(1,548)
<b>Net cash used in financing activities</b>		<b>(389)</b>	<b>(150,556)</b>	<b>(1,431)</b>	<b>(151,548)</b>
Exchange rate gain on cash and cash equivalents		109	823	-	-
<b>Net decrease in cash and cash equivalents</b>		<b>(67,761)</b>	<b>(124,057)</b>	<b>(57,017)</b>	<b>(122,660)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>341,893</b>	<b>595,294</b>	<b>320,720</b>	<b>587,359</b>
<b>Cash and cash equivalents at end of period</b>		<b>274,132</b>	<b>471,237</b>	<b>263,703</b>	<b>464,699</b>

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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**1. BASIS OF PREPARATION**

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

An English version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

**2. ACCOUNTING POLICIES**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2023, except for the adoption of the new and amended financial reporting standards as described in Note 3.

**3. NEW AND AMENDED FINANCIAL REPORTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES**

**3.1 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and the Group has not early adopted these standards.**

- a) **Amendment to TAS 1 - Presentation of financial statements** revises the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revises to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- c) **Amendment to TAS 12 - Income taxes** requires companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of this adjustment is recognized in retained earnings carried forward or in another component of equity, as appropriate.

Amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2024 do not have material impact on the Group.

**3.2 New Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective**

On 19 August 2022, Thai Financial Reporting Standard No.17 "Insurance Contracts" has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2025 onwards.

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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The Group did not early adopt this standard. The Group's management is currently assessing the impact of adoption of this standard.

**4. ESTIMATES AND JUDGEMENT**

When preparing the interim financial statements, management undertakes judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, are the same as those applied in the annual financial statements for the year ended 31 December 2023.

**5. RELATED PARTY TRANSACTIONS**

The Company has transactions with its related parties. These related parties are related through common shareholding and/or directorship or where, direct or indirect, control or significance influence exists. Thus, interim financial information reflect the effects of these transactions on the basis agreed upon between the Company and the related parties, where the basis might be different from the basis used for transactions with unrelated parties.

Related parties also include individuals having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Nature of relationship

Name of entities	Country of incorporation/ nationality	Nature of relationship
<i>Related parties</i>		
Nana Watsadu Furniture Co., Ltd.	Thailand	Co-shareholders
Panichsawad Co., Ltd.	Thailand	Co-related party
United Steel Pipe Co., Ltd.	Thailand	Co-shareholders
City Metal Co., Ltd.	Thailand	Co-shareholders
Kwangfha Lohakit	Thailand	Co-shareholders
<i>Key management</i>	Thailand	Directors and managements
<i>Related person</i>	Laos	Person who is a close member of the family of a director and management of a subsidiary

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sales, purchase of goods, and transportation service	Agree-upon basis based on market price
Rental of assets and other service income and expenses	Mutually agreed
Interest income and expenses	As specified in agreement
Manufacturing cost	Cost plus margin
Management compensation	According to the shareholders' meeting

Significant balances with related parties as of 31 March 2024 and 31 December 2023 are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial information		Separate financial information	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
<b>Trade and other accounts receivable</b>				
Subsidiary companies	-	-	17,404	16,418
Related companies	-	2,796	-	2,796
<b>Total</b>	-	2,796	17,404	19,214
<b>Deposits for purchase of goods</b>				
Subsidiary companies	-	-	14,867	9,549
<b>Short-term loans and Interest receivable</b>				
Subsidiary companies	-	-	87,423	69,421
<b>Long-term loans receivable</b>				
Subsidiary company	-	-	9,400	9,400
<b>Total loans and interest receivable</b>	-	-	96,823	78,821

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

Significant movements in loans to subsidiary and accrued interest receivable for the three-month period ended 31 March 2024 are as follows:

	(Unit : Thousand Baht)			
	1 January	During the period		31 March
	2024	Increase	Decrease	2024
Subsidiary companies	78,821	18,025	(23)	96,823

Short-term loans to subsidiaries in Thailand have been granted without collateral and bear interest at MRR per annum and are repayable on demand.

Long-term loans to the subsidiary in Thailand have been granted without collateral and bear interest at 4% per annum. The interest is payable monthly while the principal amount is due at the end of year 2026.

	(Unit : Thousand Baht)			
	Consolidated financial information		Separate financial information	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
<b>Trade and other accounts payable</b>				
Subsidiary companies	-	-	16,562	10,163
Related companies	22,046	13,215	22,046	13,215
Total	22,046	13,215	38,608	23,378
<b>Long-term lease liabilities</b>				
Subsidiary companies	-	-	68,243	69,285
Related company	2,016	2,291	2,016	2,291
Total	2,016	2,291	70,259	71,576
<b>Employee benefits obligation</b>				
Key management personnel				
- Post-employment benefits	16,081	15,896	13,223	13,080



**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

Significant transactions with related parties for the three-month periods ended 31 March 2024 and 2023 are as follows:

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated financial information		Separate financial information	
	For the three-month period ended 31 March			
	2024	2023	2024	2023
<b>Sales</b>				
Related companies	105,481	112,205	105,481	112,205
Subsidiary companies	-	-	3,370	14,618
Total	<u>105,481</u>	<u>112,205</u>	<u>108,851</u>	<u>126,823</u>
<b>Asset rental and other service income</b>				
Subsidiary company	-	-	95	555
<b>Interest income</b>				
Subsidiary company	-	-	1,351	952
<b>Purchase of goods and service</b>				
Related parties	183,875	244,877	183,875	244,877
Subsidiary companies	-	-	21,693	-
Total	<u>183,875</u>	<u>244,877</u>	<u>205,568</u>	<u>244,877</u>
<b>Manufacturing costs</b>				
Subsidiary company	-	-	36,627	28,077
<b>Transportation service</b>				
Subsidiary company	-	-	20,032	20,517
<b>Assets rental and other service expense</b>				
Related company	300	300	300	300
Subsidiary companies	-	-	2,430	2,445
Total	<u>300</u>	<u>300</u>	<u>2,730</u>	<u>2,745</u>

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

Transaction with related parties	(Unit : Thousand Baht)			
	Consolidated financial information		Separate financial information	
	For the three-month period ended 31 March			
	2024	2023	2024	2023
<b>Key management personnel compensation</b>				
Short-term employee benefits	6,379	6,209	4,487	4,351
Post-employment benefits	186	322	143	268
Total	6,565	6,531	4,630	4,619

As of 31 March 2024 and 31 December 2023, the Company's credit facilities granted by a financial institution totaling Baht 690 million has been jointly guaranteed by a subsidiary company by mortgaging land valuing Baht 6 million as a secondary guarantee.

**6. TRADE AND OTHER ACCOUNTS RECEIVABLE – NET**

	(Unit : Thousand Baht)			
	Consolidated financial information		Separate financial information	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Trade accounts receivable - general customers	489,576	335,987	483,315	331,202
Trade accounts receivable - subsidiary companies	-	-	17,404	16,418
Trade accounts receivable - related companies	-	2,796	-	2,796
Total	489,576	338,783	500,719	350,416
Other accounts receivable – general customers	9	8	-	-
Total trade and other accounts receivable	489,585	338,791	500,719	350,416

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

Aging analysis of the trade accounts receivable - general customers and related companies as of 31 March 2024 and 31 December 2023 are as follow:

	(Unit : Thousand Baht)			
	Consolidated financial information		Separate financial information	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
<u>Trade accounts receivable - general customers and related companies</u>				
Not yet due	435,468	285,730	431,504	283,589
Past due:				
Less than 3 months	50,947	50,957	49,983	50,002
More than 3 months – 6 months	2,106	2,099	2,106	14,679
More than 6 months – 12 months	2,929	917	16,335	3,634
Over 12 months	12,216	13,142	29,037	26,730
Total	503,666	352,845	528,965	378,634
<u>Less</u> Allowance for expected credit losses	(14,090)	(14,062)	(28,246)	(28,218)
Trade accounts receivable - general customers and related companies – net	489,576	338,783	500,719	350,416

The movements in allowance for expected credit losses during the period are as follows:

	(Unit : Thousand Baht)	
	Consolidated financial information	Separate financial information
Balance as of 1 January 2024	(14,062)	(28,218)
<u>Add</u> Allowance for expected credit losses	(963)	(963)
<u>Less</u> Reversal of allowance for expected credit losses	935	935
Balance as of 31 March 2024	(14,090)	(28,246)

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

**7. INVESTMENTS IN SUBSIDIARIES**

(Unit : Thousand Baht)

	Paid-up capital		Percentage of shareholding		Separate financial information			
					31 March 2024		31 December 2023	
					Investment		Investment	
	2024	2023	2024	2023	At cost	Dividend income	At cost	Dividend income
Neastern Steel Co., Ltd.	90,000	90,000	99.99	99.99	99,000	-	99,000	-
Mega Trans and Logis Co., Ltd.	30,000	30,000	99.99	99.99	30,000	-	30,000	-
Grand Steel Pipe Industry Co., Ltd.	121,970	121,970	97.11	97.11	87,770	-	87,770	-
Total					216,770	-	216,770	-

**8. PROPERTY, PLANT AND EQUIPMENT – NET**

During the three-month period ended 31 March 2024, the Company and subsidiaries have the following condensed movements in property, plant, and equipment:

(Unit : Thousand Baht)

	Consolidated financial information	Separate financial information
Net book value as of 1 January 2024	629,332	274,968
Addition to fixed assets during the period	38,159	643
Disposal during the period	(223)	(223)
Accumulated depreciation on – disposed items	185	185
Depreciation for the period	(13,079)	(4,455)
Net book value as of 31 March 2024	654,374	271,118

As at 31 March 2024 and 31 December 2023, the Company's and subsidiary's land and construction thereon, and machinery used for manufacturing products with net book values amounting to Baht 46.88 million and Baht 47.23 million, respectively, in the consolidated financial statements, and Baht 38.69 million and Baht 38.87 million, respectively, in the separate financial statements, are under mortgages as collaterals for bank overdrafts, loans and other credit facilities with financial institutions.

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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**9. RIGHTS-OF-USE ASSETS - NET**

During the three-month period ended 31 March 2024, the movement in rights-of-use assets are as follows:

	(Unit : Thousand Baht)	
	Consolidated financial information	Separate financial information
Net book value as of 1 January 2023	11,793	71,402
Depreciation for the period	(518)	(1,694)
Net book value as of 31 March 2024	<u>11,275</u>	<u>69,708</u>

**10. INCOME TAX**

For the three-month periods ended 31 March 2024, the interim income tax expense is accrued based on the best estimate using the weighted-average of annual tax rate which is 18.93% per annum for the Group and 20.17% per annum for the Company.

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

**11. SEGMENT REPORTING**

Segment reporting for the three-month periods ended 31 March 2024 and 2023 are as follows:

(Unit : Million Baht)

	Consolidated financial information							
	For the three-month period ended 31 March							
	Trading (Including raw material)		Manufacture and distribution of steel products		Eliminated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues from external customers	738.95	705.69	1,290.94	1,175.69	(24.68)	-	2,005.21	1,881.38
Revenues from inter-segments	1.13	12.28	37.03	28.13	(38.16)	(40.41)	-	-
<b>Total revenues</b>	<b>740.08</b>	<b>717.97</b>	<b>1,327.97</b>	<b>1,203.82</b>	<b>(62.84)</b>	<b>(40.41)</b>	<b>2,005.21</b>	<b>1,881.38</b>
Interest income	1.00	0.54	1.79	0.90	(1.35)	(0.95)	1.44	0.49
Interest expense	(0.79)	(0.70)	(1.42)	(1.18)	2.18	1.84	(0.02)	(0.04)
Depreciation and amortization expenses	-	-	(14.94)	(14.55)	1.42	1.34	(13.52)	(13.21)
<b>Segment net profits (loss)</b>	<b>18.60</b>	<b>35.58</b>	<b>33.40</b>	<b>48.08</b>	<b>(3.05)</b>	<b>(0.26)</b>	<b>48.95</b>	<b>83.40</b>
Segment assets	858.89	858.87	1,541.15	1,440.06	-	-	2,400.04	2,298.93
Increase (Decrease) in segment non-current assets	8.72	(0.65)	15.64	(1.10)	-	-	24.36	(1.75)
Segment liabilities	121.38	74.27	217.79	124.52	-	-	339.17	198.79
At point in time	740.08	717.97	1,327.97	1,203.82	(62.84)	(40.41)	2,005.21	1,881.38
Over time	-	-	-	-	-	-	-	-
<b>Total</b>	<b>740.08</b>	<b>717.97</b>	<b>1,327.97</b>	<b>1,203.82</b>	<b>(62.84)</b>	<b>(40.41)</b>	<b>2,005.21</b>	<b>1,881.38</b>

The Group discloses the revenue disaggregating by primary geographical area as follows:

(Unit : Million Baht)

	Consolidated financial information							
	For the three-month periods ended 31 March							
	Trading (Include raw materials)		Manufacture and distribution of steel products		Eliminated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Local	740.00	716.47	1,258.26	1,174.14	(38.16)	(40.41)	1,960.10	1,850.20
Lao People's Democratic Republic	0.08	1.50	69.71	29.68	(24.68)	-	45.11	31.18
<b>Total</b>	<b>740.08</b>	<b>717.97</b>	<b>1,327.97</b>	<b>1,203.82</b>	<b>(62.84)</b>	<b>(40.41)</b>	<b>2,005.21</b>	<b>1,881.38</b>

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

**12. COMMITMENTS AND CONTINGENT LIABILITIES**

As of 31 March 2024, the Company has no changes in significant commitments and contingent liabilities that had changed from 31 December 2023, except the following:

12.1 The Company has purchase orders for raw materials and finished goods which products have not yet been received for Baht 509.07 million and Baht 162.28 million, respectively, in the consolidated and separate financial statements.

12.2 The letter of guarantee and credit facilities of the Company and subsidiary are as follows:

(Unit : Million Baht)

		Consolidated financial information					
		31 March 2024			31 December 2023		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Letters of guarantee	Baht	1.56	1.56	-	1.56	1.56	-
Bank overdrafts	Baht	15.00	-	15.00	15.00	-	15.00
Promissory note and trust receipt agreement	Baht	690.00	365.99	324.01	690.00	321.01	368.99

(Unit : Million Baht)

		Separate financial information					
		31 March 2024			31 December 2023		
Currency		Total	Utilised	Remained	Total	Utilised	Remained
Bank overdrafts	Baht	10.00	-	10.00	10.00	-	10.00
Promissory note and trust receipt agreement	Baht	690.00	365.99	324.01	690.00	321.01	368.99

The above obligations are collateralized by same assets as for the credit facilities received from the financial institution as mentioned in Note 8.

**2S METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (Unaudited but reviewed)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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**13. EVENTS AFTER THE REPORTING PERIOD**

At the Annual General Meeting for the year 2024 on 23 April 2024, the shareholders passed the resolution to propose to for approval to pay dividend from operating results of the year 2023, from non-promoted income, which was considered to pay dividends at the rate of Baht 0.12 per share for 550 million common shares, amounting to Baht 66 million. The list of shareholders to receive the dividend appear on the shareholder register on 8 March 2024 and dividend will be paid on 21 May 2024.

**14. AUTHORISATION OF FINANCIAL INFORMATION**

The interim consolidated financial information were authorized for issue by the board of directors on 9 May 2024.