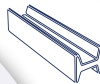




ANNUAL REPORT 2022

(FORM 56-1 ONE REPORT)



GREEN
TRANSFORMING
TOWARDS
GLOBAL
SUSTAINABILITY

STP&I Public Company Limited



VISION

To be a leader in steel construction module for export especially in energy sector and to continue sustainability growth which create value added to all parties

MISSION

STP&I strongly engages in mega steel construction for construction business including machinery and equipment for construction business



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2 Good Corporate Governance

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/ Message from Managing Director

During the past year 2022, it was the first year that the situation of the COVID-19 epidemic had subsided. However, there are still many factors that pressure the global economy especially the issue of the Russo-Ukrainian war that leads to trade sanctions and a protracted energy crisis. Chinese economic slowdown and an increase in energy prices, oil prices, construction materials prices which causes production costs to rise. As a result, it affects the overall economy that is still unable to grow as it should. However, the decision to invest in large-scale projects of target customers has clearly started to return after being postponed earlier, with the company starting to be contacted to bid for various projects, including oil and natural gas projects and many petrochemical industry projects, oil platform decommissioning project and domestic and international infrastructure projects related to the work of the electric train system and equipment, etc. As of December 31, 2022, the company has a backlog of approximately 3,000 million baht and projects that the company in the process of participating in the bidding, it continues in 2023, which will begin to know the results of the bidding in mid-2023.

The world economy has not fully recovered. Hyperinflation around the world and using a high interest rate policy in 2022-2023 that has affected production costs, causing the company to adjust its work plan, production process and work process to be fast and in line with the current competition by focusing on maintaining the quality and standard of project work and safety, delivery of work according to the contract, and be able to control the cost as much as possible. In 2022, the Company is fully dedicated to overcome these obstacles in order to maintain the continuous growth of the Group's business. Along with the importance of oversee of business stakeholders throughout the supply chain, the company also places importance on energy and environmental management. The statistical data related to energy and environmental management are required to be collected more clearly in order to analyze and plan the energy consumption to a minimum and to achieve maximum efficiency as well.

In addition to the main business of the company in steel structure fabrication that has been in business for more than 48 years, the company has continued to expand the business of the STPI group of companies in order to achieve the goal of increasing the proportion of recurring income that has been undertaken by throughout the past 3 years. In 2022, the company has expanded its business and conducted additional investment studies as follows:

- 1) Expansion of property development business by acquiring 90% of shares in Growth Warehouse Co., Ltd. to increase warehouse rental space in the Northeast of Thailand.
- 2) Entering the renewable energy business by investing in SinoPower Co., Ltd. in the proportion of 60 percent to operate a solar energy business such as Solar Roof, Solar Farm and Floating Solar both in the form of a power purchase agreement (PPA) and a contractor contract (EPC).
- 3) Study investment in clean energy business for long-term investments such as wind power both domestically and internationally, etc., which is considered a stable and sustainable development to meet a huge demand on energy.

On behalf of the Board of Directors and Executives, I would like to thank all stakeholders for their continued trust and support for the Company's operations and may everyone to be confident that all directors, executives and employees will be dedicated to building business growth on the basis of sustainability and adhering to the principles of good governance for the group to grow steadily and continue to create added value for shareholders in the long run.



Mr. Masthawin Charnviraku

Director, Executive Director,
Managing Director

/Company Information

Company name	: STP&I Public Company Limited
Types of Business	: Steel Structure Fabrication Piping Fabrication Process Module
Address	: 32/24, Sino-Thai Tower, 3 rd Floor, Sukhumvit 21 Road (Asoke), Klongtoey-Nua, Wattana, Bangkok 10110 Thailand
Company registration number	: 0107538000452 (Bor Mor Jor 568)
Telephone	: +66 (0) 2260 1181
Facsimile	: +66 (0) 2260 1182
e-mail	: contact@stpi.co.th
website	: www.stpi.co.th
Registered Capital	: 406,209,600 Baht including 1,624,838,400 common shares at 0.25 Baht Par Value (as of 31 Dec. 2022)
Paid-up Capital	: 406,207,869.50 Baht including 1,624,831,478 common shares at 0.25 Baht Par Value (as of 31 Dec. 2022)

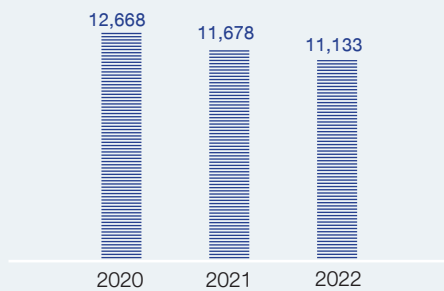
Financial Highlight

		For the year ended 31 December		
		2020	2021	2022
Financial Position				
Total assets	(Mil.Baht)	12,668	11,678	11,133
Total liabilities	(Mil.Baht)	4,997	3,721	3,384
Total shareholders' equity	(Mil.Baht)	7,671	7,957	7,749
Equity attributable to owners of the Company	(Mil.Baht)	7,383	7,715	7,548
Operating Result				
Revenues from Fabrication Work, Sales and Services, Rental of Property	(Mil.Baht)	1,763	2,259	3,756
Cost of Fabrication Work, Sales and Services, Rental of Property	(Mil.Baht)	1,686	1,746	3,383
Gross Earnings	(Mil.Baht)	77	513	373
Factory overhead expenses not allocate to cost of fabrication work	(Mil.Baht)	222	172	190
Other income	(Mil.Baht)	76	110	58
Gain (Loss) on foreign exchange	(Mil.Baht)	62	187	(93)
Gain on sales of investment properties	(Mil.Baht)	-	136	-
Damages from litigation	(Mil.Baht)	89	-	-
Impairment loss on rights to produce and sell electricity	(Mil.Baht)	500	-	-
Impairment loss on equipment and intellectual property, Loss on sales of petty patent	(Mil.Baht)	140	-	-
Selling, Administrative and Other expenses	(Mil.Baht)	432	347	392
Operating profit (loss)	(Mil.Baht)	(1,168)	427	(244)
Share of profit from investments in associate	(Mil.Baht)	-	4	28
Finance income	(Mil.Baht)	81	62	69
Finance cost	(Mil.Baht)	(91)	(78)	(38)
Income tax benefit (expenses)	(Mil.Baht)	78	(142)	(6)
Loss attributable to Non-controlling interests of the subsidiaries	(Mil.Baht)	(263)	(47)	(46)
Profit (Loss) attributable to Equity holders of the Company	(Mil.Baht)	(837)	320	(145)
Financial Ratio				
Gross Profit	(%)	4.38	22.72	9.94
Net Profit (Loss) Margin	(%)	(42.21)	11.63	(3.73)
Return on Asset	(%)	(8.63)	2.25	(1.67)
Return on Equity	(%)	(10.56)	4.24	(1.90)
Debt/Equity Ratio	(Times)	0.68	0.48	0.45
Share Information				
Earnings (Loss) per Share ¹⁾	(Baht)	(0.52)	0.20	(0.09)
Book Value per Share ²⁾	(Baht)	4.59	4.83	4.72
Dividend per Share	(Baht)	N/A	N/A	N/A

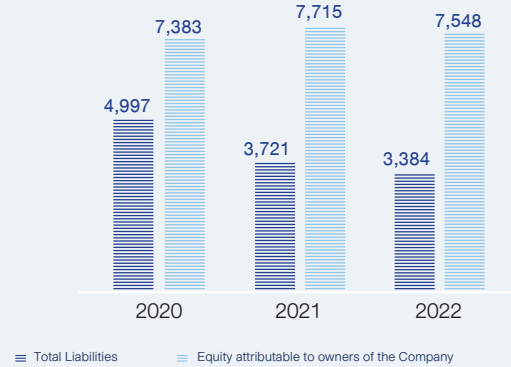
Remark :

1. Earnings (loss) per Share = Profit (loss) for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year, net of the treasury shares held by the Company.
2. Book Value per Share = Equity attributable to owners of the Company divided by weighted average of number of ordinary shares as described in 1) above

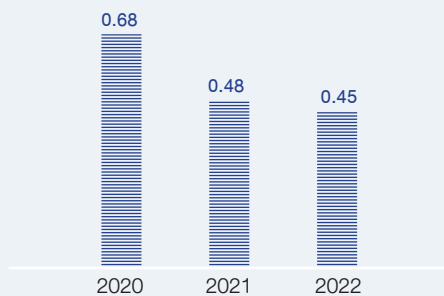
Total Assets (Mil.Baht)



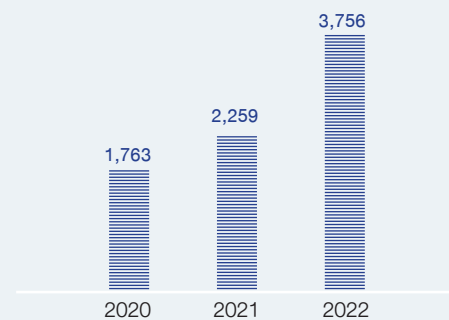
Total Liabilities and Equity attributable to owners of the Company (Mil.Baht)



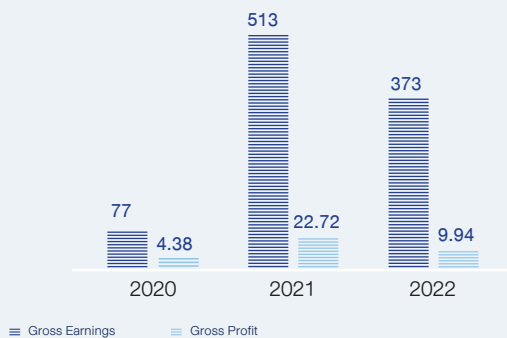
Debt/Equity Ratio (Times)



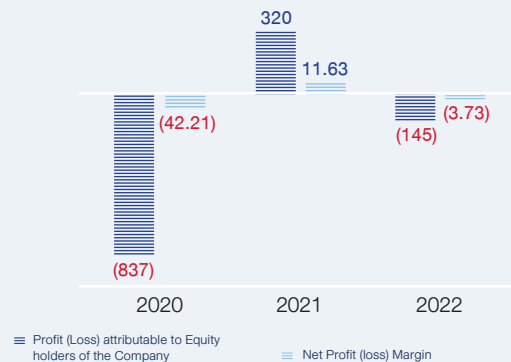
Revenues from Fabrication Work, Sales and Services, Rental of Property (Mil.Baht)



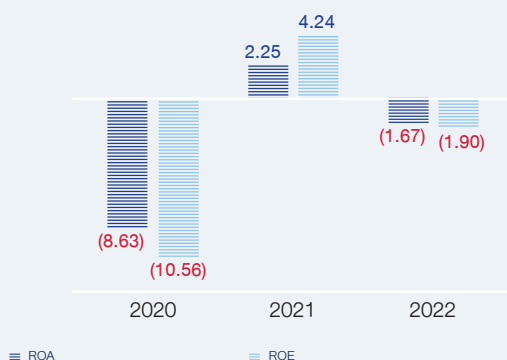
Gross Earnings (Mil.Baht) & Gross Profit (%)



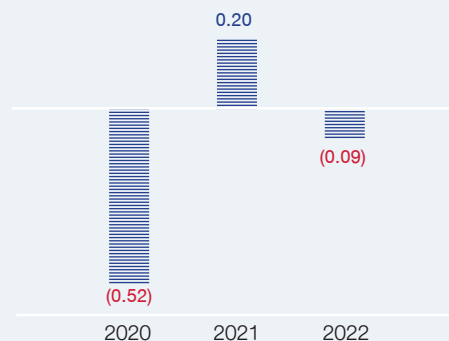
Profit (Loss) attributable to Equity holders of the Company (Mil.Baht) & Net Profit (loss) Margin (%)



ROA & ROE (%)



Net Earnings (loss) per Share (Baht)





/ Board of Directors



**1. Mr. Chavarat
Charnvirakul**
Chairman of the Board



**2. Dr. Wicha
Jiwalai**
Independent Director
and Chairman of the Audit
Committee



**3. Police General Jate
Mongkolhutthi**
Independent Director and
Member of Audit Committee



**4. Miss Sirangrong
Chowiwatana**
Independent Director and
Member of Audit Committee



**5. Mr. Chamni
Janchai**
Director



**6. Mr. Masthawin
Charnvirakul**
Director, Executive Director,
Managing Director



**7. Mr. Suwat
Riensiriwan**
Director



**8. Mr. Choavalit
Limpanich**
Director, Executive Director,
Deputy Managing Director

/ Executive Committee and Managements



**1. Mr. Masthawin
Charnvirakul**

Director, Executive Director,
Managing Director



**2. Mr. Choavalit
Limpanich**

Director, Executive Director,
Deputy Managing Director



**3. LT. JG. Kitt
Junsangsri**

Executive Director,
Marketing and Estimation
Department Manager



**4. Mrs. Atitaya
Charnvirakul**

Executive Director,
Administrative Department
Manager and Corporate
Secretary



**5. Ms. Supattra
Yangtrong**

Executive Director,
Finance and Accounting
Department Manager



**6. Mrs. Anilrat
Nitisoroj**

Executive Director,
Business Development and
Legal Department Manager



**7. Mr. Thammanoon
Narind**

Fabrication Department Manager
(Chonburi and Sriracha)



**8. Mr. Supot
Pongtong**

Fabrication Department Manager
(Rayong and Leamchabang
Assembly Yard)



**9. Mr. Tawan
Chaisomtip**

Project Control and Contract
Administrative
Department Manager

/ Profile Board of Directors and Executive Committee and Managements

Mr. Chavarat Charnvirakul

Chairman of the Board

Age 86 Years



Directorship

- Induction on 15 December 2018
- 2 Directorship period

2022 Meeting Attendance

- 6/6 Board of Director Meetings

Stock Holding

- 56,906,765 shares, 3.50%
(as of 31 Dec. 2022)

Qualification

- Honorary Doctorate Degree in Management at Ramkhamhaeng University
- Bachelor of Science in Economics, Thammasat University
- Diploma, National Defence College, The Joint State – Private Sector (Course Class 3rd)
- Certificate of Role of the Chairman Program (RCP)
- Class 3rd, Thai Institute of Directors (IOD)
- Certificate of Director Certification Program (DCP)
- Class 17th, Thai Institute of Directors (IOD)
- Certificate of Finance for Non-Finance Director (FND)
- Class 22nd, Thai Institute of Directors (IOD)

Experience

- Minister of Interior
- Act on behalf of Prime Minister
- Deputy of Prime Minister
- Deputy Minister of Public Health
- Minister of Social Development and Human Security
- Deputy Minister of Finance
- Party Leader of Phoom Jai Thai

- Vice Chairman of the Listed Companies Sub-Committee
* The Stock Exchange of Thailand
- Chairman of the Board of Advisors
* Iron and Steel Institute of Thailand
- Chairman of the Board
* South East Asia Iron and Steel Institute (SEAISI)
* STP&I Public Company Limited
- Advisory Board
* The Federation of Thai Industries
- Director
* Krung Thai Bank Public Company Limited
* United Motor Works (Siam) Public Company Limited
* Phoenix Pulp & Paper Public Company Limited
* Thai Glass Industries Public Company Limited
* Thai Industrial Gases Public Company Limited
* DHL Express International (Thailand) Limited

Other position in listed company in SET:

- None

Other position in non-listed companies

- Honorary Consul General of Papua New Guinea to Thailand

Relationship with other Executives

- Father of Mr. Masthawin Charnvirakul (Director, Executive Director and Managing Director)
- Father of Mrs. Anilrat Nitisaroj (Executive Director)

Prohibited Qualifications/Committed an Offence

- None

Dr. Wicha Jiwalai

Independent Director and Chairman of the Audit Committee

Age 78 Years



Directorship

- Induction on 9 April 1999
- 8 consecutive directorship periods

2022 Meeting Attendance

- 6/6 Board of Director Meetings and
5/5 Audit Committee Meetings

Stock Holding

- None

Qualification

- Ph.D. (Geodetic Science), The Ohio State University, USA.
- Master Degree of Geodetic Science, The Ohio State University, USA.
- Master Degree of Photogrammetric, Engineering, ITC, The Netherlands
- B.Eng (Civil Engineering), Chulalongkorn University
- Certificate of Director Accreditation Program (DAP) Class 8th, Thai Institute of Directors (IOD)
- Certificate of Director Certification Program (DCP) Class 14th, Thai Institute of Directors (IOD)
- Certificate of Chairman 2000 (RCP) Class 13th, Thai Institute of Directors (IOD)
- Certificate of Audit Committee Program (ACP) Class 14th, Thai Institute of Directors (IOD)
- Certificate of Finance for Non-Finance Director (FND) Class 10th, Thai Institute of Directors (IOD)

Experience

- Associated Professor and Head of Department of Survey Engineering, Faculty of Engineering, Chulalongkorn University
- Associated Governor of Bangkok Metropolitan
- Chairman of Director * Geo-Information and Space Technology Development Agency (Public Organization)

Other position in listed company in SET:

- Chairman of the Audit Committee,
Chairman of Nomination and Remuneration Committee
* Thai Nondestructive Testing Plc.
- Audit Committee, Member of Nomination and Remuneration Committee
* Thai Optical Group Plc.

Other position in non-listed companies

- Chairman of the Board
* Salintara Co., Ltd.
- Director
* World Resort Co., Ltd.

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Police General Jate Mongkolhutthi

Independent Director
and Member of Audit Committee

Age 70 Years



Directorship

- Induction on 9 April 1999
- 8 consecutive directorship periods

2022 Meeting Attendance

- 6/6 Board of Director Meetings and
5/5 Audit Committee Meetings

Stock Holding

- None

Qualification

- Bachelor of Civil Law, Ramkhamhaeng University
- Master of Law, Chulalongkorn University
- Certificate of Advanced courses Police Administration Class 16th
- Certificate of Advanced Development Management Course Class 7th (NIDA)
- Certificate of The National Defence College (NDC 45)
- Certificate of Program on judicial administration for the director general public prosecutor 6th Training, Office of The Attorney General
- Certificate of Director Accreditation Program (DAP) Class 8th, Thai Institute of Directors (IOD)
- Certificate of Audit Committee Program (ACP) Class 14th, Thai Institute of Directors (IOD)
- Certificate of Finance for Non - Finance Directors (FND) Class 30th, Thai Institute of Directors (IOD)
- Certificate of Director Certificate Program (DCP) Class 117th, Thai Institute of Directors (IOD)
- Certificate of Board Nomination and Compensation Program (BNCP) Class 15th, Thai Institute of Directors (IOD)

Experience

- Advisor (Sor.Bor.10) in Law and Investigation, Office of Commissioner General, Royal Thai Police
- Director (Independent Director)
 - * Government Housing Bank

- Director (Independent Director)
 - * Liquor Distillery Organization Excise Department
- Director (Independent Director)
 - * The Market Organization under the Ministry of Interior
- Member of University Council
 - * Valaya Alongkorn Rajabhat University
- Director (Independent Director)
 - * Government Housing Bank
- Commission official information
 - * Board Information Act Official 2540
- Consultants
 - * National Credit Bureau Co., Ltd.
- Independent Director and Member of the Audit Committee
 - * Southeast Insurance Plc.
- Chairman of the Board
 - * One Power Plc.

Other position in listed company in SET:

- Independent Director and Member of the Audit Committee
 - * Sino-Thai Engineering and Construction Plc.
- Independent Director and Chairman of Risk Management Committee
 - * Thai Group Holdings Public Company Limited
- Chairman of the Board
 - * Lease It Plc.

Other position in non-listed companies

- Independent Director and Member of the Audit Committee
 - * Southeast Life Insurance Plc.
- Chairman of the Board
 - * Prestige 2015 Company Limited

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Miss Sirangrong Chowiwatana

Independent Director and Member of Audit Committee

Age 45 Years



Directorship

- Induction on 10 August 2017
- 2 consecutive directorship periods

2022 Meeting Attendance

- 6/6 Board of Director Meetings and
5/5 Audit Committee Meetings

Stock Holding

- None

Qualification

- Master Degree of MBA (Summa Cum Laude) California State University, USA.
- B.A. (Accounting), Second Class Honors, Thammasat University
- Bachelor of Public Health Program (Occupational Health and Safety) Sukhothai Thammathirat Open University
- C.P.A. License No. 6406
- The safety officer in professional level
- Certificate of Director Accreditation Program (DAP) Class 142/2017, Thai Institute of Directors (IOD)
- Certificate of Director Certification Program (DCP) Class 252/2018, Thai Institute of Directors (IOD)
- Certificate of Advanced Audit Committee Program (AACP) Class 28/2018, Thai Institute of Directors (IOD)
- Senior executive program justice Class 24th, Judicial Training Institute
- Intermediate Certificate Courses - Good Governance for Medical Executives Class 9th, King Prajadhipok's Institute
- Top Executive Program on China Business Insights and Network (T E P C I A N) Class 1st, Thai Chamber of Commerce And University of the Thai Chamber of Commerce

- TISCO Wealth Enhancement Program Class 1st, TISCO Bank Public Company Limited
- Ultra Wealth 2nd The Faculty of Economic Chulalongkorn University
- Digital Edge Fusion (DEF) Class 2nd Sripatum University
- Academy of Business Creativity (ABC) Class 8th, Sripatum University

Experience

- Assistant Manager Investment Banking, KT ZMICO Securities Company Limited
- Senior Officer Strategic Planning, Pantavanij Co., Ltd.
- Senior Inspector, SGV-NA Thalang Office Co., Ltd. (Andersen)

Other position in listed company in SET:

- None

Other position in non-listed companies

- Executive Vice President
* Ch. Thawee Construction Co., Ltd.
- Managing Director
* Donmuang Karnchang Co., Ltd.
* Development Plus Co., Ltd.
- Secretary of the Transport Commission
* House of Parliament
- Advisor to the Energy Commission
* House of Parliament

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Mr. Chamni Janchai

Director

Age 66 Years



Directorship

- Induction on 9 April 1999
- 7 consecutive directorship periods

2022 Meeting Attendance

- 6/6 Board of Director Meetings

Stock Holding

- 21,892,433 shares, 1.35%
(as of 31 Dec. 2022)

Qualification

- Advance Certificate - Public Economic Management, Prajadhipok's Institute
- Master of Business Administration, Thammasat University
- B.A. (Accounting), Thammasat University
- Certificate of Director Accreditation Program (DAP), Class 30th, Thai Institute of Directors (IOD)
- Certificate of Role of the Chairman Program (RCP), Class 21st, Thai Institute of Directors (IOD)
- Certificate of Risk Management Program for Corporate Laeder (RCL), Class 17th, Thai Institute of Directors (IOD)

Experience

- Director and Deputy of Managing Director
* NTS Steel Group Plc.
- Vice President
* Nakorn Thai Strip Mill Plc.
- Qualified Director and Executive Director
* Iron and Steel Institute of Thailand
- Advisor to the Chairman of the Committee of Communications and Telecommunications
* House of Representatives
- Advisor to the Board of Directors
* Iron and Steel Institute of Thailand
- Chairman
* Burapa Steel Industries Co., Ltd.
* Thai Capital Corporation Plc.

- Advisor to the Board of Directors
* National Housing Authority
- Advisor to the Chairman of the Provincial Electricity Authority
* Provincial Electricity Authority
- Director and Audit Committee
* Thai Theparos Food Products Plc.
- Chairman of the Board
* Max Metal Corporation Plc.
- President
* CJ Morgan Co., Ltd.
- Director
* Betong Green Power Co., Ltd.
* Betong Biofuel Co., Ltd.
* Chumphon Biofuel Co., Ltd.
- Director and Chief Executive
* BMP Energy Pcl.
- President
* CJM Consult Co., Ltd.
- Independent Director and Member of Audit Committee
* RPCG Public Company Limited

Other position in listed company in SET:

- Director and Chairman of Audit Committee
* Sino-Thai Engineering & Construction Plc.

Other position in non-listed companies

- Chairman of the Board
* Cannatory Co., Ltd.

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Mr. Masthawin Charnvirakul

Director, Executive Director, Managing Director

Age 51 Years



Directorships

- Induction since 1996
- 8 consecutive directorship periods

2022 Meeting Attendance

- 6/6 Board of Director Meetings

Stock Holding

- None

Qualification

- MBA, University of Southern California, USA
- B.A. (Marketing), Chulalongkorn University
- Certificate of Director Accreditation Program (DAP), Class 1st, Thai Institute of Directors (IOD)
- Capital Market Academy No. 11th
- Ultra Wealth 2nd The Faculty of Economic, Chulalongkorn University
- Top Executive Program in Commerce and Trade : TEPCoT Class 11th, Commerce Academy
- Advanced Master of Management Program Class 4th, Graduate School of Public Administration, National Institute of Development Administration
- Top Executive Program for Creative & Amazing Thai Services (ToPCATS) Class 1st, University of the Thai Chamber of Commerce

Experience

- Marketing Manager, SCC - Dow Chemical Joint Venture

Other position in listed company in SET:

- Director
 - * Sino-Thai Engineering and Construction Plc.
 - * Thai Solar Energy Public Company Limited

Other position in non-listed companies

- Director/ Managing Director
 - * STIT Co., Ltd.
- Chairman of the Board
 - * Fill Up Network Co., Ltd.
 - * ST Property & Logistics Co., Ltd.
- Director
 - * Cannatory Co., Ltd.

Relationship with other Executives

- Son of Mr. Chavarat Charnvirakul (Chairman of the Board)
- Spouse of Mrs. Atitaya Charnvirakul (Executive Director)
- Sibling of Mrs. Anilrat Nitisaroj (Executive Director)

Prohibited Qualifications/Committed an Offence

- None

Mr. Suwat Riensiriwan

Director

Age 69 Years



Directorship

- Induction on 28 April 2006
- 6 consecutive directorship periods

2022 Meeting Attendance

- 6/6 Board of Director Meetings

Stock Holding

- None

Qualification

- B.Eng (Mechanical), Chulalongkorn University
- Mini MBA, Thammasat University, Class 17th
- Certificate of Director Accreditation Program (DAP), Class 55th, Thai Institute of Directors (IOD)
- Certificate of Understanding the Fundamental of Finance Statement, Class 3rd, Thai Institute of Directors (IOD)
- Certificate of Director Certification Program (DCP), Class 140th, Thai Institute of Directors (IOD)

Experience

- Associated General Manager
* Sino-Thai Pressure Vessel and Iron Works Co., Ltd.
- Director and Managing Director
* STIT Co., Ltd.
- Director/ Executive Director
* STIT Co., Ltd.
- Director
* STP&I Services Co., Ltd.
- Deputy Managing Director
* STP&I Public Company Limited

Other position in listed company in SET:

- None

Other position in non-listed companies

- None

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

8. Mr. Choavalit Limpanich

Director, Executive Director, Deputy Managing Director

Age 63 Years



Directorship

- Induction on 23 April 2010
- 4 consecutive directorship periods

2022 Meeting Attendance

- 6/6 Board of Director Meetings

Stock Holding

- 64,899,995 shares, 3.99%
(as of 31 Dec. 2022)

Qualification

- MBA, National Institute of Development Administration (NIDA)
- B.Eng. (Mechanical), Prince of Songkla University
- Certificate of Director Accreditation Program (DAP), Class 99th, Thai Institute of Directors (IOD)

Experience

- Plant Engineer
 - * Kao Industrial (Thailand) Co., Ltd.
- Mechanical Engineer
 - * Sino-Thai Engineering and Construction Public Co., Ltd.
- Technical Manager
 - * Sino-Thai Pressure Vessel and Iron Works Co., Ltd.
- Director of Operations/ Plant Management (Chonburi)
 - * STP&I Public Company Limited

Other position in listed company in SET:

- None

Other position in non-listed companies

- Director
 - * Thai Maintenance Contracting Co., Ltd.
 - * STP&I Services Co., Ltd.
 - * WPGE Phetchaburi Co., Ltd.
 - * STIT Co., Ltd.
 - * ST Property & Logistics Co., Ltd.
 - * Cannatory Co., Ltd.
- President
 - * Fill Up Network Co., Ltd.
- Chairman of the Board
 - * SinoPower Co., Ltd.

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

LT. JG. Kitti Junsangsri

Executive Director, Marketing &
Estimation Department Manager

Age 59 Years



Stock Holding

- 16,224,995 shares, 1%
(as of 31 Dec. 2022)

Qualification

- MBA, Chulalongkorn University
- Master of Engineering, King Mongkut Institute of Technology
- B.Eng (Mechanical), Chiang Mai University

Experience

- Designing and Planning Engineer
 - * King Rama 5 Naval Dock Yard, Naval Dock Yard Bureau, Royal Thai Navy
- Engineer
 - * Sino-Thai Pressure Vessel and Iron Works Co., Ltd.

Other position in listed company in SET:

- None

Other position in non-listed companies

- Director
 - * STP&I Services Co., Ltd.
 - * WPGE Phetchaburi Co., Ltd.
- Deputy Managing Director
 - * STIT Co., Ltd.

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Mrs. Atitaya Charnvirakul

Executive Director, Administrative Department
Manager and Corporate Secretary

Age 50 Years



Stock Holding

- None

Qualification

- MBA, University of Southern California, USA
- B.A. (Accounting), Chulalongkorn University

ExperienceU

- Finance and Accounting Manager/ Auditing and Controlling
Cost Manager
* STP&I Public Company Limited
- Director
* STIT Co., Ltd.

Other position in listed company in SET:

- None

Other position in non-listed companies

- Director
 - * WPGE Phetchaburi Co., Ltd.
 - * ST Hill Co., Ltd.
 - * ST Hub Co., Ltd.
 - * SinoPower Co., Ltd.
 - * Growth Warehouse Co., Ltd.
- Executive Vice President
 - * Fill Up Network Co., Ltd.
- Director and Chief Executive Officer
 - * ST Property & Logistics Co., Ltd.

Relationship with other Executives

- Spouse of Mr. Masthawin Charnvirakul,
(Director, Executive Director and Managing Director)

Prohibited Qualifications/Committed an Offence

- None

Ms. Supattra Yangtrong

Executive Director, Finance & Accounting
Department Manager and Person who has been
assigned the highest responsibility in accounting
and finance

Age 47 Years



Stock Holding

- 2,000 shares, 0.00012%
(as of 31 Dec. 2022)

Qualification

- Master of Accountancy, Chulalongkorn University
- B.A. (Accounting), Thammasat University
- Tax Auditor
- Strategic CFO in Capital Markets

Experience

- Finance & Accounting Section Manager
* STP&I Public Company Limited
- Revenue Officer
* The Revenue Department

Other position in listed company in SET:

- None

Other position in non-listed companies

- Director
 - * WPGE Phetchaburi Co., Ltd.
 - * Fill Up Network Co., Ltd.
 - * STIT Co., Ltd.
 - * ST Property & Logistics Co., Ltd.
 - * Growth Warehouse Co., Ltd.
- Chief Financial Officer
 - * SinoPower Co., Ltd.

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Mrs. Anilrat Nitisaroj

Executive Director,
Business Development & Legal Department Manager

Age 47 Years



Stock Holding

- 67,486,724 shares, 4.15%
(as of 31 Dec. 2022)

Qualification

- MBA Finance & Strategy Sloan School of Management
Massachusetts Institute of Technology USA.
- B.A. (Accounting), Chulalongkorn University

Experience

- Commercial Manager
* Clough Sino-Thai Co., Ltd.

Other position in listed company in SET:

- Director and Executive Director
* Sino-Thai Engineering and Construction Public Co., Ltd.

Other position in non-listed companies

- Director
* WPGE Phetchaburi Co., Ltd.
* ST Property & Logistics Co., Ltd.
* ST Hill Co., Ltd.
* ST Hub Co., Ltd.
* Growth Warehouse Co., Ltd.
- Managing Director
* Cannatory Co., Ltd.
- Director and Chief Executive Officer
* SinoPower Co., Ltd.

Relationship with other Executives

- Daughter of Mr. Chavarat Charnvirakul (Chairman of the Board)
- Sibling of Mr. Masthawin Charnvirakul
(Director, Executive Director and Managing Director)

Prohibited Qualifications/Committed an Offence

- None

Mr. Thammanoon Narind

Fabrication Department Manager
(Chonburi and Sriracha)

Age 54 Years



Stock Holding

- None

Qualification

- MBA, National Institute of Development Administration (NIDA)
- B.Eng (Industrial), Prince of Songkla University

ExperienceU

- Engineer
 - * Sino-Thai Pressure Vessel and Iron Works Co., Ltd.
- Administrative Manager/ Engineering Manager/ QA/ QC Manager
 - * STP&I Public Company Limited
- Windsurf Production Manager/ Production section Manager 6
 - * Cobra International Co., Ltd.

Other position in listed company in SET:

- None

Other position in non-listed companies

- ไม่มี

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Mr. Supot Pongtong

Fabrication Department Manager
(Rayong and Leamchabang Assembly Yard)

Age 56 Years



Stock Holding

- None

Qualification

- Bachelor of Industrial Engineering,
Prince of Songkla University

Experience

- Construction Section Manager
* STP&I Public Company Limited

Other position in listed company in SET:

- None

Other position in non-listed companies

- None

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

Mr. Tawan Chaisomtip

Project Control & Contract Administrative
Department Manager

Age 50 Years



Stock Holding

- None

Qualification

- Master of Engineering, Chiang Mai University King Mongkut's University of Technology North Bangkok

Experience

- Project Controls Manager (Asia Pacific) Global Industries Offshore (Thailand) Ltd.
- Senior Project Controls Engineer Clough Thailand Co., Ltd.
- Technical Engineer Thai Nippon Steel & Sumikin Engineering & Construction Corp., Ltd.

Other position in listed company in SET:

- None

Other position in non-listed companies

- None

Relationship with other Executives

- None

Prohibited Qualifications/Committed an Offence

- None

A construction site under a clear sky. In the foreground, a dense grid of steel reinforcement bars (rebar) is laid out. In the background, a large yellow tower crane stands tall, and several construction workers in safety gear are visible on the site.

Part 1

Business and Results of Operations

/ 1. Business and results of operations

1. Structure and operation of the company group

1.1 Policy and business overview

STP&I Public Company Limited was established in 1975, with over 48 years of experience, the Company has provided customers with professional manufacturing of customized quality steel fabrication including Steel Structure, Piping Fabrication and Process Module such as Modules, Tank, Pressure Vessel, and Boiler. One of STP&I's strengths is its capability to fabricate large built-up beam steel for huge infrastructure and heavy industry projects such as power plants, refineries, high-rise buildings, roof structures, bridges, elevated highways, and airports.

STP&I operates four production plants include Steel Structure fabrication plants in Chonburi and Rayong, Piping fabrication shop in Sriracha and Assembly yard at Laem Chabang Port. With a total capacity of 115,000 ton /year, STP&I has used its capacity at 45% in year 2022.

1.1.1 Mission

STP&I strongly engages in mega steel construction for construction business including machinery and equipment for construction business

Vision

To be a leader in steel construction module for export especially in energy sector and to continue sustainability growth which create value added to all parties

Corporate Objective / Long Term Goal

To be a leader in hi-technology steel construction for mega project around the world with all-time competitiveness and development

1. To satisfy customer on production aspect;
 - (a) Standardized quality of products
 - (b) On time delivery
 - (c) Budget control
 - (d) Without loss time injury
 - (e) Strong and continued relationship with the old customer

-
- (d) Without loss time injury
 - (e) Strong and continued relationship with the old customer
2. Sustainable growth by seeking new opportunities that has strong growth and continuously generated income.
 3. Maintain liquidity By managing short-term investments and effective long-term investment as well as using various financial tools together with risk management to increase revenue or reduce financial costs appropriately.

Strategy

The Company's strategy for sustainable growth are as follows:

1. Concentrated on customer satisfaction, on-time delivery, and no Loss Time Injury
2. Efficient management and people
3. Maintain strong financial position and management
4. Seeking new businesses that continuously generated income growth business in renewable energy industry and property development and logistics. And businesses that provide investment returns suitable for the current competitive environment

Business Goal, Environmental and Social Goal

The company is aware of the operation for revenue growth as well as expansion of investment in new businesses to diversify business risks and safety, environment and society. There is a policy, practice, follow up and development in safety. Environment and Society by providing e knowledge and training on safety and environment. Campaign for everyone to participate in reducing the impact on the environment.

1.1.2 Major changes and developments

- **History**

1975 The company was established for the business of manufacturing boilers and pressure vessels. The Company was a subsidiary of Sino-Thai Engineering and Construction Public Company Limited with a registered capital of 3 million baht.

1990 The company had a major shareholder of 98% was Sino-Thai Engineering and Construction Public Company Limited and expanded the business of manufacturing of steel structure products for construction and installation with capacity of 20,000 tons per year. The Company name was changed to Sino-Thai Pressure Vessel and Iron Works (STP&I).

1994 The company had moved its location to a new plant in Chonburi with a total capacity of 30,000 ton / year. In addition, the company has received privilege of location in zone 2 from the Board of Investment.

1995 The Company has an important business alliance, Tomoe Corporation (Japan) and Mitsui and Company (Thailand) Co., Ltd., holding 7.14% and 3.32% of shares, respectively. Tomoe Corporation (Japan) has disposed of all its shares in 2005. The company also has expanded its capacity to 50,000 tons per year.

1999 The Company expanded its production capacity by investing in the construction of a new factory in Rayong which had a capacity of 20,000 tons per year. The company has received privilege from the Board of Investment.

2001 The Company has increased its operations in production, distribution, import and export of raw materials, pipes, plumbing pipes, tanks, tanks containing LPG, oil tank, equipment and tools used in construction of all kinds. As well as materials to repair such equipment. The Company also provide the services of assembly equipment, machinery, and all types of mechanic parts and electrical appliances

2004 The Company has jointly established Clough Sino-Thai Company Limited by holding 50% of the total to support the expansion of construction work in the exploration in oil and natural gas and to support large industries. Clough Sino-Thai was registered to dissolve the business on November 1, 2007, which is now completely liquidation.

2008 The Company expanded its production capacity by investing in the construction of a new factory in Sriracha which has a capacity of 25,000 tons per year. And also, the new facility of assembly yard at Laem Chabang Port to support future businesses. The Company has received benefits from Thailand Board of Investment for both facilities

2009 The Company was awarded a quality management system certificate. Have passed the assessment by AJA Registrars Company Limited and registered in accordance with the requirements of the standard ISO 9001: 2015 - The Manufacture of Structural Steel and Piping Work (Excluding Design) for sites registered Chonburi, Rayong, Sriracha and Laem Chabang Assembly Yard by AJA Europe Ltd. (now changed to Socotec Certification (UK) Ltd, which both AJA and SOCOTEC is a wholly owned subsidiary of SOCOTEC Group) under the accreditation of UKAS.

2012 The Company has invested in a new piece of land at Plutaluang Sub-District Sattahip District Chonburi total 387 Million Baht approximate area of 932 Rai for the expansion of the company's business.

2013 The Company was awarded a quality management system certificate of the standard ISO 3834-2 Pipe Welding for sites registered Sriracha plant by Inspecta Sweden AB PPC.

2016 The Company expanded the business of renewable energy, municipal waste power plants by STP&I Services Co., Ltd. (a wholly owned subsidiary of the Company) has acquired 42,000,000 common shares (60% of total ordinary shares) of WPGC Petchaburi Company Limited (“WPP”) to operate a municipal waste power plant (waste to energy) for 7.9 megawatt (MW)

The company has received certificate of OHSAS 18001 : 2007 Occupational Health and Safety (The current standard is ISO 45001 : 2018) and ISO 14001 : 2015 Environmental Management by AJA Europe Limited under the accreditation of UKAS and IAF for both Sriracha Plant and Leam Chabang Assembly Yard

2017 The company was granted a factory operation license type of plant No. 106 Factory business of de-commissioning of petroleum wellhead at Leam Chabang Assembly Yard

The company expanded its business in property development and logistics by ST Property and Logistics Co., Ltd. (“STPL”) to operate property development and logistics.

2018 The Company has jointly invested in establishing for Fill Up Network Co., Ltd. by holding 70% with Central Oil Group Co.,Ltd. (Not related to the Company), holding 30% of the to operate the trading business of fuel oil thru automated gas station.

2019 The company expanded its business in property development and logistics by ST Property and Logistics Co., Ltd. (“STPL”) on the acquisition of the ordinary shares from existing shareholders of Boutique Prakhanong 1 Limited (“BPKN1”) and Boutique Prakhanong 2 Limited (“BPKN2”) in portion of 100% of total ordinary shares, with total investment 957 million Baht to operate property development and for diversifying operational risk. The registration of a new company name was changes to ST Hill Co., Ltd. and ST Hub Co., Ltd, respectively.

The Company has received certificate ISO 14001:2015 Environmental Management and ISO 45001:2018 Occupational Health and Safety from AJA Europe Limited under the accreditation of UKAS and IAF covering all plants and assembly Yard.

2020 The company on the acquisition 30%of the ordinary shares of Fill Up Network Co., Ltd. from existing shareholders of Central Oil Group Co., Ltd. (CTG). Therefore, the Company own 100% shares in Fill Up Network Co., Ltd.

2021 The company expands its business with long-term continuous returns to establishing a subsidiary by Cannatory Co., Ltd.on June 22, 2021 in portion of 100% of total ordinary shares to study the investment in the hemp business

ST Property & Logistics Co., Ltd. (“STPL”), a wholly-owned subsidiary of STP&I Public Company Limited with 100% shareholding, and ST Hill Co., Ltd. and ST Hub Co., Ltd., a wholly-owned

subsidiary of STP&L have registered the following 3 projects with KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (KTBSTMR) leasehold rights assets (Previous name: KTBST Mixed Leasehold Real Estate Investment Trust) in the following 3 projects on the day of the REIT establishment which are 1. ST Bang Bo Warehouse and Factory with office project, 2. ST Bang Pa-in Warehouse and Factory with office project, and 3. Summer Hill Shopping Center building and Summer Hub Office Building Project successfully with a real estate leasehold investment trust received money in the amount of 2,325 million baht.

2022 The Company has jointly invested in establishing for SinoPower Co., Ltd. by holding 60% with PowerVault (Thailand) Co., Ltd. (Not related to the Company), holding 40% of percent of the total shares. To support the growth of the renewable energy-related market such as PPA of Solar Roof and Solar Farm. ST Property & Logistics Co., Ltd. ("STP&L") acquired on the acquisition of the ordinary shares from existing shareholders of Growth Warehouse Co., Ltd. in portion of 90% of total ordinary shares in order to support the expansion of warehousing and logistics business by investing in the Built to Suit warehouse. building for rent project.

1.2 Nature of business

1.2.1 Revenue Structure

The revenue structure of STP&L and its subsidiaries in 2020 to 2022 are provided in the table below:

(Unit: Million Baht)

Revenue	By	2020		2021		2022	
		Amount	%	Amount	%	Amount	%
1. Structural Steel Fabrication	STP&L	327.73	17.24	726.38	26.98	1,060.31	27.73
2. Process Module	STP&L	667.25	35.09	543.32	20.18	2,268.47	59.33
3. Sales and Services income ¹⁾	STP&L / STIT/ WPP / FILL UP	477.16	25.10	770.31	28.61	328.78	8.60
4. Revenue from rental of property	STP&L / ST HILL/ ST HUB	291.25	15.32	219.34	8.15	108.38	2.83
5. Other Income ²⁾	All companies	137.96	7.25	296.34	11.01	57.58	1.51
6. Gain on sale of investment properties	ST HILL / ST HUB	-	-	136.43	5.07	-	-
Total		1,901.35	100.00	2,692.12	100.00	3,823.52	100.00

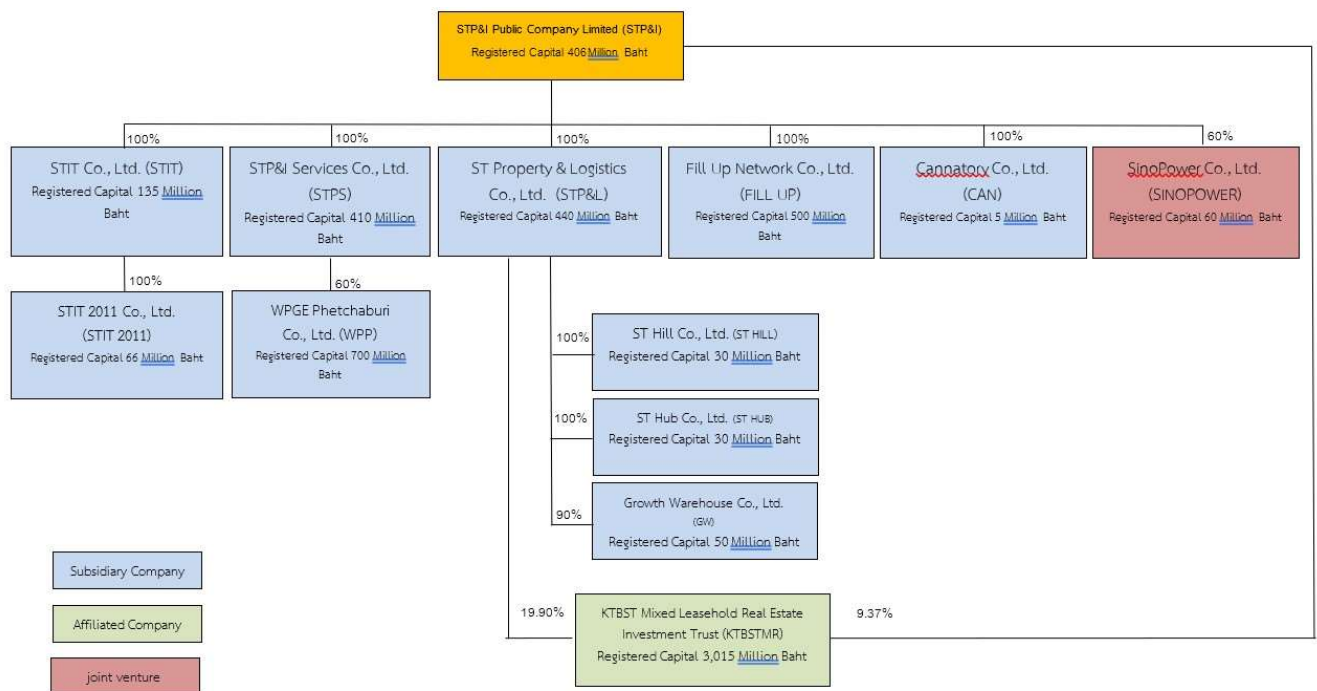
Remarks: 1) Sales and Services income derived from manufacturing, sales and rental Machinery, Construction Material and Equipment, Oil rig decommissioning service and selling oil from automated gas station.

2) Others incomes consist of gain on sales of investments, dividend received from investments in available-for sale securities, gain on sale of land and equipment, scrap sales, and gain on exchange.

- **Business Overview And subsidiaries**

STP&I Public Company Limited operates a variety of businesses with the main businesses in steel structure fabrication, piping fabrication, module and other fabrication steel products (Other Fabrication steel), including the dismantling of all types of buildings related to the oil industry natural gas and petroleum industry. It also operates other businesses such as being a sales agent for construction and industrial machinery and real estate development, etc. has provided customers with professional manufacturing of customized quality steel fabrication including Steel Structure, Piping Fabrication and Module. Subsidiaries The group of Company has operated a distributor of equipment and machinery for construction business and industrial sector. The Company also involve in property development and logistics.

- **Investment Structure of the Company Subsidiaries and Joint Venture**



STP&I Public Company Limited (The Company)

The Company operate the business of steel fabrication by cutting welding and assembling of steel section, steel pipe and steel plate. The products of company are Steel Structure, Piping, and Module for large industrial plants such as energy, oil and gas industry, petrochemical sector, refinery and power plant etc. which export to foreign countries as specified by the customer and also domestic which including the infrastructure for mass transit system such as monorail. The main customers are owner of the project and main contractor (EPC Company).

Additionally, the Company still continue to focus on De-commissioning of Offshore Platform relating to oil & gas and petrochemical business.

STIT Co., Ltd. (“STIT”)

STIT established in 1999 as a distribution and service agent to import mechanical equipment used in construction for civil work, mechanical work, electrical work and general engineering workindustries. The construction equipment products which are related to construction business such as PUTZMEISTER - concrete pumps and mortar machines from Gremany , JOHN DEERE - earth moving equipment from USA, LIEBHERR -tower crane from Germany, KATO - mobile crane from Japan, Dyna Jet – water jetting equipment, and ATLAS - special towed air compressor, towed generator and mobile lighting tower, etc. The industrial equipment products are IHI - boiler from Japan.

STIT is a leader in technology for construction work, petrochemical, and industrial. STIT is recognized from world major machine manufacturers and appoint to be a distributor. STIT expertise in training on practical knowledge to customer in Thailand and nearby countries and special expertise on construction service. In addition, STIT also provides equipment rental, after sale service and spare parts.

STIT 2011 Co., Ltd. (“STIT2011”)

On 17 September 2010, STIT Co., Ltd. on the acquisition 100% of the ordinary shares of STIT 2011 Co., Ltd. (Formerly named “Marvel (FT) Holding Co., Ltd.”) from existing shareholders. The main purpose in expanding the scope of business to distribute new types of products and services and increasing the source of income.

Currently, STIT2011 has no business operation due to the combine business of STIT2011 to STIT business in order to managethre operation efficiently and improve cost control.

STP&I Services Co., Ltd. (“STPS”)

On 4 February 2013 The Company on the acquisition 100% of STP&I Services Co., Ltd. (Formerly named “LGR (Thailand) Co., Ltd.”) from existing shareholders. The main objective was to operate a business that

supports construction and property development and increase the flexibility in management. Therefore, The Company added the objective to operate in the renewable energy business in various forms to engage in the production and distribution of electricity power plant construction contractor and consultant on all types of renewable energy business. The current focus on investments in WPP.

WPGE Petchaburi Co., Ltd. (“WPP”)

On 5th November 2016 STP&I Services Co., Ltd (a wholly owned subsidiary of the Company) on the acquisition of 42,000,000 ordinary shares (60% of total ordinary shares) of WPGE Phetchaburi Company Limited (“WPP”) from existing shareholders to operate a municipal waste power plant (waste to energy) for 7.9 megawatt (MW) power generation in Petchaburi Province, Thailand for the Provincial Electricity Authority convert waste into electrical energy, fuel oil and fertilizer as well as providing business advice related to electricity generation and distribution and municipal waste disposal. Currently, the construction was stopped temporarily during the year 2019 due to a dispute with the contractor to design and construct the power plant. As a result, the schedule for electricity generation and distribution has to be postponed from the original plan and the plant has to be improved in order to use it as intended.

ST Property & Logistics Co., Ltd. (“STP&L”)

On 16th October 2017 The company expanded its business in property development and logistics under ST Property and Logistics Co., Ltd. (“STP&L”) (a wholly owned subsidiary of the Company) to operate property development and logistics. Currently, there are 5 real estate investment projects, which are Lamlukka District Pathumthani Province, Bang Pa-In District Phranakorn Sri Ayuthaya Province, Bang Bo District Samutprakan Province, These 3 warehouses with office for to store products and carry out logistics activities. In year 2019 has invested in office buildings and community mall at Prakhonong Sub-District Klongtoey District Bangkok. The company has also expanded its investment to land on Bangna-Trad road for expanding to built-to-suit project for customers in the logistics in particular.

Fill Up Network Co., Ltd. (“FILL UP”)

On 9 November 2018, the company has jointly invested in establishing for Fill Up Network Co., Ltd. by holding 70% with Central Oil Group Co.,Ltd. (Not related to the Company), holding 30%. Fill Up Network Co., Ltd. operates the trading business of fuel oil thru automated gas station.

On 28 December 2020, the Company acquired 30% of the ordinary shares of Fill Up Network Co., Ltd. from existing shareholders of Central Oil Group Co., Ltd. (CTG). Therefore, the Company own 100% shares in Fill Up Network Co., Ltd.

The Company now decides to stop more investment in Fill Up as the operation and marketing performance could not be meet the target.

ST Hill Co., Ltd. (“ST HILL”)

On 28 June 2019 ST Property & Logistics Co., Ltd. (a wholly owned subsidiary of the Company) acquired 6,000,000 shares of the ordinary shares from existing shareholders of Boutique Prakanong 1 Limited (“BPKN1”) which are 100% of total ordinary to operate community mall for rent under the project named "Summer Hill"

ST Hub Co., Ltd. (“ST HUB”)

On 28 June 2019 ST Property & Logistics Co., Ltd. (a wholly owned subsidiary of the Company) acquired 6,000,000 shares of the ordinary shares from existing shareholders of Boutique Prakanong 2 Limited (“BPKN2”) which are 100% of total ordinary to operate office buildings for rent under the project named "Summer Hub"

Cannatory Co., Ltd. (“CAN”)

On 22 June 2021, Cannatory Co., Ltd. (“CAN”) (a wholly owned subsidiary of the Company) was established to conduct a study on investment in hemp business. Currently, the subsidiary considers postponing stop the study and the investment because the plantation area would require significant capital expenditure in order to generate yields at an acceptable level.

KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (“KTBSTMR”)

On 29 October 2021, the Company and STP&L invested in KTBST Mixed Freehold and Leasehold Real Estate Investment Trust representing 8.15% interest and 19.90% interest, respectively. As a result, the Company’s shareholding in KTBSTMR is totaling 28.05%, and KTBSTMR is treated as an associated company.

During November and December 2021, the Company invested addition 1.03%, and the Company invested addition 0.19% in 2022. As a result, as of December 31, 2022, the Group held 29.27% of the total trust units sold.

Growth Warehouse Co., Ltd. (“GW”)

On 22 April 2022, STP&L acquired 90% of the ordinary shares from existing shareholders of Growth Warehouse Co., Ltd. (“GW”) for expansion of property development and warehousing development as Built to Suit for logistics business.

SinoPower Co., Ltd. (“SP”)

On 27 May 2022, the Company and PowerVault (Thailand) Co., Ltd. (“PV”) have established SinoPower Co., Ltd. (“SP”) to operate renewable energy business, including Solar Roof and Solar

Farm PPA. The Company invested 60% of its ordinary shares and determined that this investment is investment in a joint venture since the Company and PV have joint control in SP.

1.2.2 Information on products and services

Core Business of STP&I can be categorized into 4 main areas:

1. Engineering Service: The Company provides engineering services for detail design of steel-to-steel connection, shop drawing for steel structure, spool drawing, and erection drawings by various specialsoftwares. All the engineering works are performed by the in-house professional and experienced engineers.
2. Fabrication: The Company provides fabrication services and has the capability to fabricate steel structure and pipe spool in workshop which equipped with state of the art equipment and CNC machines to ensure the high quality & efficiency of fabrication processes, including the cost effective.
3. Construction: STP&I's construction works include Steel Structure, Piping and mechanical equipment installation and erection for various manufacturing plants. The Company performs constructionworks at the client's project site and also module construction at the Company's facilities prior transportation to the client's project site.
4. Dismantling: The Company provides service of dismantling all kinds of heavy structures and equipment in the oil & gas industry particularly offshore structures such as offshore platform, offshore pipelines, offshore petroleum storage facilities,including equipment used for exploring, manufacturing, maintaining, transporting, selling or distributing petroleum. The Company's dismantling yard is located within the are of Laem Chabang Port.

Company's Products can be categorized into 3 groups.

1. Steel Structure

Company provides the fabrication and erection of Steel Structure made from steel plates and steel sections which procured from both domestic mills and import from overseas. Main products are the heavy fabricated structure such as.

- 1.1 Steel structures for the medium-sclae and large-scale industrial plants such as gas separation plant, power plant, oil refinery and petrochemical plant,etc.
- 1.2 Steel Structure for building such as high-rise building, airport terminal and roof structure.
- 1.3 Steel Structure for infrastructure such as bridge, elevated road, railway, etc.

2. **Piping:** STP&I has expertise in piping fabrication which are essential parts in the production process of industrial plants such as power plants, oil refineries, petrochemical plants, offshore process plants, etc.. The pipe spool fabrication is carried out at the Company's facilities, then the semi-completed products will be transported to the project sites for installation. Company supply pipe spool for various projects both in Thailand and overseas.
3. **Module:** STP&I expands its business to Process Module assembly. The Company's assembly yard location is nearby the sea port which is convenient for the transportation by sea of the large module to the project site in both domestic and overseas. Module is a large-unit structure comprises steel structure, piping system, equipment such as boiler, pressure vessels, machinery, includes electrical and controlling system for various industries. Module mostly used in both onshore and offshore construction such as oil and gas platform or large projects that have limitation on working area or high labor cost or time constraint.

Market and Competition

Competitive Strategy

In order to compete in domestic market and international market, Company has invested in modern technology equipment to increase production capabilities and capacity to be in line with the current competitive situation and in order to maintain the Company's performance to meet international standard. Since most of the projects tend to be high-value projects, the design for each project is unique and most importantly it has to comply with the International Standard requirements. Therefore, the Company's production process must be constantly adjusted according to the project's design and specification. The Company's personnel must have skills with high expertise and experience in field of steel fabrication and construction until their works in many past projects are proofed as evidence in the market.

For more than 48 years of experience in the Steel Fabrication business, Company has strengthened its competitiveness as follows:

1. Products with high standard quality and safety

Most of the Company's products are used as key construction components of the large projects for such a power plant, oil refinery, gas separation plant, petrochemical plant, bridge, terminal building, railway system and industrial factory etc, Therefore, the quality of product is essential and very important.

Not only the quality of products, the Company realizes the importance of social responsibility and also pays attention to the safety health and environment conditions during work process

and oil around which may affected to either the company's persons and the third parties. This is in line with the needs of most domestic and international customers in currently who concern and give precedence to the health, safety and environment. The Company aims to improve the workplace environment in order to less the accidents during the work process. The Company has tried the best to maintain good safety records for the working hours without loss time injuring accident and to satisfy and acceptance by the customer.

The Company's products have been recognized by many well-known international institutions and customers as follows:

1. ISO 9001:2015 Certificate for Fabrication of Steel Structure and Piping (since 2009).
2. JSA Grade "H" Certificate from Japan Steel Structure Appraisal Center for export the steel structure to Japan
3. ISO 45001:2018 Certificate for the Occupational Health and Safety Management system
4. ISO 14001:2015 Certificate for the Environmental Management systems
5. Certificate of Appreciation for the exceptional safety record of 49 Million and 60 Million Man-Hours without any Lost Time Injury (LTI) for Pluto LNG Project and Ichthys Project respectively.

With the above certificates and recognition the Company gain the trust of customers, helping to raise the level for the Company to be able to compete more internationally which could be realized from the achieved projects all over the world by company.

2. High Capacity

Company is able to design and manufacture various types of steel fabrication work according to customer needs with a high production capacity of approximately 100,000 – 115,000 ton per year and having sufficient and appropriate facilities equipment and machinery enable Company the ability to undertake large-scale projects. The current facilities of Company are as follows:-

- 1) Chonburi Plant, located at 69 Moo 3, Khwaeng Klong Tamru, Amphure Muang, Chonburi. Total area 56 rai.
- 2) Rayong Plant, located at 45/10 Moo 4, Banlang-Nhongbon Road, Khwaeng Nikhom Phattana, Amphur Nikhom Phattana, Rayong. Total area 48 rai.

- 3) Sriracha Plant, located at 389/34 Moo 4, Tambon Nhong Kham, Amphur Sriracha, Chonburi. Total area 51 rai.
- 4) Laem Chabang Assembly Yard, located at 48/1 Moo3, Tambon Tungsukhla, Amphur Sriracha, Chonburi. Total area 308 rai.

3. Good Location

Since the company's facilities are located nearby the industrial zone and deep sea port in Chonburi and Rayong province, this is an advantage for the Company that has a low cost of transporting workpieces from Company's facilities to the project site in Chonburi or Rayong zone, Also the Company's Module Assembly Yard is located at the Laem Chabang port and able to carry out large structure module for export by ship effeincely. The location of all facilities are also in the source of skilled labor that will support the Company's large-scale projects as well.

4. Technology

Company has modern tools, equipments and machines which included the new CNC (Computer Numerical Control) machine for the structural steel fabrication. These machines have been installed at Chonburi and Rayong Plant i.e. Beam Cutting and Drilling machine, Plate Auto Cutting machine, Band Saw machine and Fiber Laser Cutting machine etc. Company also has the Auto-Line Process of Pipe Spool Fabrication and the new Pipe Cutting shop equipped with CNC Pipe Auto-Cutting machine at Sriracha shop. Company has periodical maintenance plan for those tools, equipments and machine to always have good performance.

Company utilizes the engineering software in the design, shop drawing, planning and production process to achieve the high efficiency of working process starting from design, shop drawing, measuring, cutting, drilling, and welding. Company also continue improve of inhouse-software for production control system for the control of the entire production process start from the engineering database, material control and all processes of fabrication, erection and assembly work as well as quality control until the delivery to customer. This makes it possible to coordinate and follow-up both internally and externally according to the Company's complete database system and can be used to report or to make decision effectively.

5. Existing Customers Base

The Company has the customer base who are the most leading main contractors and wellknown companies and has been doing business together continuously from the past untill the present. This is one of the most important marketing support that the company able to receive a good chance to continuously receive the enquiries and orders. Those customers are such as Chiyoda Corporation, JGC Corporation, Kellogg Brown & Root (KBR), Bechtel International, Wood (Foster Wheeler), Mitsubishi Heavy Industries, Taisei Corporation, Nippon Steel Engineering , JFE

Engineering, Alstom (Bombardier Transportation), Técnicas Reunidas, Chevron, etc. In addition to the projects which contacted by the existing customer , as well as by the past record of projects that has been exported to various foreign countries, enable Company to be known and contacted by new customers. This is an opportunity for the Company's core business expanding to the new customers such as Petrofac, Saipem Engineering, TechnipFMC, Fluor, Samsung, McDermott, PTREP etc.

Customer Characteristics and the Target Customer

Company's customer can be categorised into 2 groups who located in either Thailand or overseas. The proportion of those two groups vary year to year depended on projects on hand which executing during that period. Those 2 groups of customers are :-

1) The customers who are the main contractor and private company which both domestic and overseas. This customer group directly receive the contract from owner and then partially subcontract to the subcontractors. STP&I is one of their subcontractors. This group of customer is the Company's major customers which includes Chiyoda Corporation, JGC Corporation, Kellogg Brown & Root (KBR), Bechtel International Inc, Wood (Foster Wheeler International Corporation), JFE Engineering, Nippon Steel Engineering, Técnicas Reunidas etc.

2) The customers who are the owners includes the private company such as the entrepreneur of the power plant, airport terminal, oil refinery, petrochemical and industrial plant such as Chevron, Woodside Burrup, etc.

Sales and Distribution Channels

The Marketing and Estimation Department of Company is responsible to serve and contact customer directly for the enquiry of the project that under bidding and also request for the bidding documents such as drawing and project specification for estimation and submission of proposal to the customer.

Following above, the contact channels from those customers can be summarized as follows;

1) From the existing customers base who trust the reputation and quality of the Company. The contacts that received from these group customers shows that the customer is satisfied with the performance of the Company which helps the Company to get orders continuously. They also introduce Company to other new customers as well. The existing companies includes the owner of refinery , gas separation plant, petrochemical plant and energy business.

2) From the new customers who were introduced by the existing customers or those who participated or involved in the Company's past projects, consulting company or entering through the Company's web site.

3) From subsidiary, associated and related Company, partner or jointventure that conducts continuous business with the Company, therefore contributing to supporting in finding customers for the Company

4) Via Company's Agencies in overseas who has a network of relations with the main contractor or the owners.

5) Via Representatives of government agencies in both domestic and overseas introduce to the investors of those countries.

Proportion of Sales (Domestic - Export)

The Company received contracts for both domestic and export projects. In 2021, the proportion of export project was 58% and domestic project was 42%. In year 2022, there was a the main propotion of 74% export project and 26% domestic project. As for the existing oversea project, it is long-term project that continue into 2023 and also Company is expected to have the opportunity to receive more new overseas projects during the year. Therefore, it is expected that in year 2023, the proportion of projects executed by the Company will be mainly export projects same as before.

Competitive Review

Industrial Competition

1. Local Competition: Competitors for the projects that Company is focusing are quite limited because of the size of these projects are large and demand high standard of quality and safety. Espicially for module fabrication, there are four companies in Thailand who have module assembly facility. Two of four companies focus on the offshore platform fabrication whereas STP&I focus on onshore module fabrication.
2. International Competition: For the international market, Company will compete with Fabricators who have fabrication and yard facilities in the country where the project is located and compete with Asain countries such as Malaysia, Indonesia, Vietnam and China. Most of the competition focuses mainly on the production capacity, quality, price and delivery time.

STP&I's Company Status and its Potential

With an annual steel fabrication capacity of 100,000 – 115,000 tones of per year, STP&I is one of the largest steel fabricators in Thailand. Company is able to support both domestic and overseas markets In medium-scale to large-scale projects. STP&I has obtained Quality Management Certificate of ISO 9001 : 2015, and JSA Grade “H” increasing confidence in the Compnay’s quality control and customer’s satisfaction. The Company has also been certified ISO 14001:2015 and ISO 45001:2018 in Occupational Health and Safety Management and the Environmental Management system standards. The Company’s past major projects have been successful, completed on time and in accordance with customer’s requirements. The professional services with international standard is therefore considered a strength that makes the Company recognized from both domestic and overseas customers.

Additionally, STP&I is the leader in exporting modules and fabricated steel structure & piping to customers worldwide. The Company received various support and privilege from government such as the Board of Investment (BOI)’s privilege which allows STP&I the benefits of corporate exemption STP&I also gets exemptions on VAT and Import Duty of Imported raw materials. These privileges have contributed to the competitive advantages for STP&I to effectively compete with other steel fabricators within the region.

Number and Name of Competitors

The competition in fabrication business at present is moderate due to the investment in energy industry, petrochemical industry and offshore work are mostly large size and high value. The quantity of steel structure has a large amount and need many fabricators to execute for project. The competition in terms of price, quality, safety and on-time delivery therefore the subcontractors who have potential to meet the project requirments and qualified is limited and may not be sufficients to meet the demand in some periods when the new projects being executed at the same time.

In the steel fabrication industry which used for construction , Company has domestics compettitors that engage in the same business such as Thai Heerick, MCS Steel, Vissawakij Pattana and Vattana Paisan Engineering, etc.

For module fabrication, there are companies in Thailand operating similar businesses including CUEL Ltd, Tha-Nippon Steel Ltd, BJC Heavy Industry Public Company Ltd, and Bestech and Engineering Public Company Ltd, However, the Company’s major compettitors are overseas fabricators in Asia such as China, Korea, Malaysia, Indonesia, Phillipins and the countries in middle-east.

For piping pre-fabrication, most of Thai fabricators focus on the domestic project while Company's focus is mainly on overseas projects which are larger project or the module projects which piping are major components of modules.

Industrial Outlook and Competition in the Future

During Year 2022, oil & gas prices in the world market still fluctuate due to many factors such as the impact of the Ukraine-Russia war, the outbreak of Coronavirus 2019 (COVID 2019) remains high in many countries especially in USA, Europe and China, including the depreciation of foreign currencies and the oil & gas prices in the world market rising to the highest level in middle of 2022.

However, due to the slowdown of the investment of new projects during the past 1-2 years as well as the demand of energy in Europe and America, the decision to invest in new large projects in Oil & Gas and Petrochemical Plant on 2022 have been brought up again for consideration, in gradual way in order to view the world market trend.

In the beginning of the year 2022, there is a trend of the new investment of many projects, the Company has the opportunity to participate in biddings for the LNG and Petrochemical Plant project in USA, Canada, Belgium and Middle-East which is a good sign and Company has already submitted bids for those projects, both large-scale and medium-scale projects. The results will be known in 2023 onwards.

The Company will continue to focus on the De-commissioning of Offshore Platform especially the concession platform in the Gulf of Thailand, which must begin decommissioning according to the concessionaire's plan and the Department of Mineral Fuels' plans from year 2023 onwards. The Company is the first licensed factory operator in Thailand who has facilities to support this type of work and there are few competitors compared to the number of platforms in the decommissioning plan. In the beginning and middle of 2022, Company has been awarded the contracts for dismantling of topside, jackets and subsea components and has already commenced in Q3/2022. Company has also participated in bidding for additional platforms which Company has opportunity to receive additional order for this type of work continuously. The bid result will be known around beginning of 2023.

In 2022, the Company still has the opportunity to receive the infrastructure project for both local and export such as the extension of monorail system which is another type of work that is a good opportunities together with the expansion of the future development of public infrastructure.

In addition, the Company is also looking for other business opportunities, beneficial to society and able to generate recurring income for Company in the long term.

1. Investment in SinoPower Co., Ltd. in the proportion of 60% with PowerVault (Thailand) Co., Ltd. holds 40% of shares to operate renewable energy business, including Solar Roof and Solar Farm.
2. Purchase of shares of Growth Warehouse Co., Ltd. (“GW”) in proportion of 90% to support the expansion of warehousing and logistics business Investment in SinoPower Co., Ltd.
3. Study investment in renewable energy business for long term, such as solar energy, wind energy, etc., both domestically and internationally.

Supply of products or services

Production Capacity

Since year 2009 onward the Company has production base at 4 locations included Chonburi Fabrication Shop, Sriracha Fabrication Shop, Rayong Fabrication Shop and Laemchabang Assembly Yard. The maximum production capacity of steel structural fabrication, pipe fabrication and prefabricated factory (Module) is approximately 115,000 tons / year (depending on the size of work pieces and working area). The Company utilized 45% of the company's total production capacity in year 2021.

Production Process

Once the customer has awarded the project to the company by received the signed contract. The company will starting work from engineering work by received design drawing from the customer to generate detailed drawings from the engineering computer program. The production department will carry out production planning, including procurement of main raw materials, such as steel, welding rods, paint and other consumables, etc., and coordinating with the customer to receive free issued materials provided by the customer. The production department will prepare cost budget for cost control and execute labor sourcing in order to the manage production smoothly according to the plan and always make good coordination with customers.

The production process start from steel raw materials cutting, drilling, assembling, welding and the final step in coating the workpieces respectively, including the assembly of various workpieces and necessary equipment. Each step of work is required the experience of skilled worker to complete the work on time and least amount of errors. This production process is under quality control by production section and quality control section that must be coordinated all the time and the quality of the products must be managed according to various standards which address details in the topic of Market and Competition.

Production Policy

The company has a policy to produce products that meet the quality standards specified by the customer and must deliver them in accordance with the schedule promised to the customer as well as taking into account the safety, health and working environment of employees, which is important, along with efficient production. The engineer team who manage the project must also control production costs within the estimated budget.

Material Sourcing

The Company's business is steel structure fabrication, therefore 85% of the total raw material is steel, which is steel plate, steel section, and pipe & fitting. Other important components of 15% of all raw materials are electric cable and electrical equipment, insulation work, grilles, fasteners such as screws and nuts, etc.

In considering procurement of raw materials, the Company and customer will mutually identify the scope of materials supply during the bidding process and before the contract signing into 2 cases as follows;

1. In the case where the customer is supply the raw material such as steel plate, section steel, and steel pipe and equipment, etc.,. The company will carry out the process of material receive by checking quantities and qualities, using in production and reconcile balance to customers including comply with process of the Board of Investment (BOI).
2. In case the company is supply the raw materials, the company will conduct preliminary price checks from the suppliers to determine the selling price of each project. When the contract is signed and the operation starts the company will generate a plan for raw materials supply by preparing a project budget which contains budget items for purchasing raw materials. To select vendors and issue the purchase orders (PO) to each supplier, there are comparison of price and term, quality, delivery as per project specification with at least 3 suppliers from manufacturers or distributors both local and outside the country. Since the beginning of the project, the procurement department will periodically assess the situation of the raw materials price and the price trend in order to monitor with the budget of the project. The Company will negotiate with sellers to fix the price for the whole project or at least 6 months. In some cases, the company may consider 1-2 supplier/vendors for each material in order to reduce the price risk that might be fluctuated and continuously supply (no shortage).

Material Suppliers

The main raw material use in the company have detailed as followings.

1. Hot Rolled Steel Plate is steel with chemical composition according to industrial standards and rolled into a plate or sheet during heating process. Use of steel structure fabrication are for buildings,

bridges, ships, oil storage tanks, pressure vessels and other structural work. The material are divided into 4 types: steel coil, steel plate, steel strip, and steel sheet., there are approximately seven (7) main local producers with a combined annual production capacity of approximately 10 million tons and the abroad producers including Japan, Korea, China Indonesia Malaysia and the European countries.

2. Steel section is steel that is produced with different shapes for use in construction work. It can be divided according to the production process into 2 types: Hot Rolled Section Steel, namely I, H, T, U, L, shape etc. and Cold Rolled Section Steel mainly produce as C shape. There are approximately eight (8) domestic producers of this type of steel with a combined annual production capacity of approximately 2.0 million tons. Some items have been import from oversea manufacturers such as Japan, Korea, China Turkey United States and the Middle East and Europe countries.

3. The Steel Pipe & Fitting such as round pipe and square pipe, as well as various fitting such as elbow, three-way joint, reducer, flange, etc. are manufactured from abroad because the domestic suppliers are not able supply such type, grade and quality in accordance with the requirements of project specification. It is imported from oversea manufacturers or sellers such as Japan, Korea, China and European countries as well as import through a local agent.

The company have been purchased the main raw materials from manufacturers or distributors both at domestically supply and import from oversea. The major manufacturers or distributors of the Company in the past year are as follows;

Name	Country	Raw material type at distribution	Period of the contact with the company (Year)
1. Mitsui & Co., Ltd. and Mitsui And Company (Thailand) Co.,Ltd.	Thai / Japan	Hot Rolled Steel Plate Steel Section and Steel Pipe	Over 15 Years
2. LPN Plate Mill Co., Ltd.	Thai	Hot Rolled Steel Plate	Over 15 Years
3. Sahaviriya Plate Mill Plc.	Thai	Hot Rolled Steel Plate	Over 15 Years
4. Siam Yamato Steel	Thai	Steel Section	Over 15 Years
5. Best Steel Co., Ltd.	Thai	Hot Rolled Steel Plate Steel Section	3 Year
6. Eternus Global Pte Ltd.	Singapore	Hot Rolled Steel Plate Steel Section	4 Years
7. Thai Metal Import Co., Ltd.	Thai	Hot Rolled Steel Plate Steel Section and Steel Pipe	Over 15 Years
8. Karl International	Malaysia	Hot Rolled Steel Plate	4 Years
9. Sirikul Steel Co., Ltd.	Thai	Hot Rolled Steel Plate Steel Section and Steel Pipe	Over 15 Years

Name	Country	Raw material type at distribution	Period of the contact with the company (Year)
10. Other dealers are Udom Metal Trade (1975) Co., Ltd., Taweechoke Panich Co., Ltd., Chua Phaibul Steel Co., Ltd. etc.	Thai	Hot Rolled Steel Plate Steel Section and Steel Pipe	Over 10 Years

Proportion of raw materials purchased from local and import

The purchase order (PO) have been order both directly from the manufacturer and through distributors from domestically supply and overseas. The ratio of raw material supply from domestic supply and oversea of each project or each year are uncertain depending on material grade, specification of materials which specified by the customer, pricing, delivery time and availability of raw materials in each time. In the past, the raw material used to supply from domestic supplier and from other countries such as Japan, Korea, Middle East countries and European countries such as England and Germany etc. In year 2022 the raw material had purchased from domestic manufacturer and distributor is approximately 34% and import from oversea supplier is approximately 66% which majority was imported from the Middle East, United States of America, Korea, China and Japan.

The proportion of the raw material (Steel Only) of the company in the last 3 years are as follows.

Raw material	Year 2020			Year 2021			Year 2022		
	Amount (Ton)	Mil. Baht	%	Amount (Ton)	Mil. Baht	%	Amount (Ton)	Mil. Baht	%
Local	5,733	141	71	10,328	281	54	5,873	130	34
Foreign country	1,158	59	29	8,725	276	46	3,486	258	66
Total	6,891	200	100	19,053	557	100	9,559	388	100

In the future, if the fabrication projects of the Company are for export, the Company potentially required the order of main materials which are steel plate steel section, steel pipe and fittings from oversea rather than from local. Most of requirement from customer are high grade standard of materials which must be imported from oversea suppliers because domestic manufacturers are not able to produce the steel to meet the requirements or are not able to make competitive prices. The Company has to rely on importation to obtain sufficient raw materials and meet customer requirements. There are many oversea manufacturers and distributors who are able to supply imported raw materials to us which meet the material grade and desired quality which are from Japan, Korea, the Middle East, China and Europe, etc. Likewise, if the domestically project which mostly referred to the Thai industry standard, requiring the

use of Thai standard steel. The procurement proportion of raw materials is mainly supply from domestic manufacturer or from local distributor.

Operating Assets

(1) Key operating assets of the Company and its subsidiaries

As at 31 December 2022, the Company and its subsidiaries used key operating assets as follows;

Property, plant and equipment

Unit: Million baht

Location	Description	Ownership	Obligation	Net book value
<u>Chonburi Plant</u> 69 Moo 3, Klong-Tamru, Muang, Chonburi	3 plots of Land & Land improvements Title Deed No. 30800, 88862 and 88880 Approximate total area 56 Rais	Own	No obligation	116.7
	6 Plant buildings Total usable area 16,688 Sq.m.	Own	No obligation	11.0
	1 Office building Total usable area 2,610 Sq.m.	Own	No obligation	3.2
	2 plots of Land Title Deed No. 106936 and 7417 Total area 9 Rais	Own	No obligation	11.5
<u>Rayong Plant*</u> 45/10 Moo 4, Banlang-Nongbond Rd., Nikhom Phattana, Amphur Nikhom Phattana, Rayong	7 plots of Land & Land improvement Title Deed No. 1001, 1018 and 32938-32942 Approximate total area 48 Rais	Own	Mortgage with financial institute	41.8
	21 Plant buildings Total usable area 23,562 Sq.m.	Own	Mortgage with financial institute	19.6
	2 Office buildings Total usable area 1,176 Sq.m.	Own	Mortgage with financial institute	1.8
<u>Sriracha Plant*</u> 389/34 Moo 4, Nongkham, Sriracha, Chonburi	1 plot of Land & Land improvement Title Deed No. 7510 Approximate area 51 Rais	Own	Mortgage with financial institute	29.3

	3 Plant buildings Total usable area 10,500 Sq.m., including office building usable area 600 Sq.m.	Own	Mortgage with financial institute	113.2
<u>Laem Chabang Yard</u> 48/1 Moo 3, Sukhumvit Rd., Tungsukla, Sriracha, Chonburi**	Rental area improvement	Own	No obligation	30.6
<u>Lam Luk Ka Office</u> 25 Moo 13, Bueng Kham Phroi, Lam Luk Ka, Pathum Thani	2 plots of Land & improvement Title Deed No. 9438 and 146558 Approximate total area 20 Rais	Own	Mortgage with financial institute *	60.0
	4 Plant buildings Total usable area 3,864 Sq.m. Including office building usable area 1,254 Sq.m.	Own	Mortgage with financial institute *	134.6
<u>Plutaluang</u> Sattahip, Chonburi***	Land held for devepment Approximate total area 932 Rais	Own	No obligation	319.7
<u>ST Lam Luk Ka</u> 21/7 Moo 6, Sema Fahkram Rd., Kookot, Lam Luk Ka, Pathum Thani ****	3 plots of Land & improvement Title Deed No. 40150-40152 Approximate total area 51 Rais	Own	Mortgage with financial institute *	413.1
	Warehouse and factory for rent 12 Buildings Total usable area 31,081 Sq.m.	Own	Mortgage with financial institute *	154.2
<u>ST Bang Pa-in</u> 505 Moo 2, Klongjig, Bang Pa-in, Ayutthaya****	7 plots of Land & improvement Title Deed No. 33617-33619 and 33621-33624 Approximate total area 41 Rais	Own	Mortgage with trust *	212.0
	Warehouse and office for rent 4 Buildings Total usable area 45,890 Sq.m.	Own	Mortgage with trust *	368.9
<u>ST Bang Bo</u> Bang Phriang, Bang Bo, Samut Prakarn****	10 plots of Land & improvement Title Deed No. 47589-47598 Approximate total area 49 Rais	Own	Mortgage with trust *	263.4

	Warehouse and factory for rent 9 Buildings Total usable area 38,000 Sq.m.	Own	Mortgage with trust *	245.5
<u>On Bangna-Trad Rd., Km.19, Bang Chalong, Bang Phli, Samut Prakarn</u>	Land held for devepment Title Deed No. 114225 Area 9-2-18 Rais	Own	No obligation	172.1
<u>On Bangna-Trad Rd., Km.22, Bang Sao Thong, Bang Sao Thong, Samut Prakarn</u>	Leasehold rights of land, held for devepment Approximate area 27 Rais (Rights of use asset)	Own	No obligation	296.8
<u>Growth Warehouse</u>	Rental area improvement	Own	No obligation	12.0
	Warehouse and factory for rent 3 Buildings Total usable area 32,140 Sq.m.	Own	No obligation	237.4
	Others			29.7
Total				3,298.1

Note * The Company and its subsidiaries have pledged land with structures thereon with total net book value as at 31 December 2022 amounting to Baht 965 million as collateral against credit facilities received from commercial banks and have pledged land with structures thereon amounting to Baht 1,055 million as collateral against to the performance of the contract with KTBST Mixed Leasehold Real Estate Investment Trust.

** Office buildings at 48/1 Moo 3, Tung Sukla are located on land under lease agreement from Port Authority of Thailand which expird in June 2020. The Company is negotiating with the landlord to extend the term of lease agreements.

*** The Company purchased approximatelt 1,128 rais of land to expand the nosiness and consolidate the production center, in order to be managed efficiently and support the large future projects. During 2016, the Department of Highways expropriated land to expand the motorway total 196 Rais. The Company is studying on how to use the land in the most beneficial way.

**** A subsidiary purchased lands and property of long leasehold 2 plots in December 2017 and 1 more plot in September 2018. In addition, in 2020 the subsidiary purchased and leased 2 plots of vacant land for the construction of warehouses according to the customer's requirement and for long-term rental in order to increase recurring income to the Group, and such assets are classified as investment properties.

Machinery, Tools, Construction equipment and Assets under construction

Unit: Million Baht

Type of assets	Ownership	Obligation	Net book value
Machinery, tools and equipment	Own	No obligation	171.6
Office equipment, furniture and fixtures	Own	No obligation	21.3
Motor vehicles	Own	No obligation	14.8
Right-of-use assets	Own	No obligation	107.5
Assets under installation and under construction	Own	No obligation	1,435.2
Total			1,750.4

(2) Details of lease agreements

As at 31 December 2022, the Company have land lease agreements as follows;

Land lease agreement with the Port Authority of Thailand, to be used as module assembly yard. The land size is 171 Rais and is located in zone 3.1 of Laem Chabang Port. The lease agreements expired in June 2020, the Company will continue to file for lease extension which currently still in the process.

In addition to the aforementioned long-term lease, the Company has also rent several short-term land plots to expand the module assembly area and lay-down area for raw materials and goods. The current total area is approximately 137 Rais.

A subsidiary has a long-term land lease at Tha Lang Sub-district, Tha Yang District, Phetchaburi Province for the construction of a waste-to-energy power plant. The land area is approximately 167 rais and will expire in September 2044.

The subsidiaries entered into long-term land lease at Phra Khanong Sub-district, Klong Toey District, Bangkok for operate Office building for rent and Community mall. The land area is approximately 2.5 Rais and wil expire in 2049 and able to renew the lease for further period of 5 years upon expiration. In 2021, the subsidiaries entered into an agreement to sublease land to KTBSTMR for a period of 30 years.

A subsidiary entered into a long-term land lease agreement at Bang Sao Thong Sub-district, Bang Sao Thong District, Samut Prakarn which is an empty land with high potential for project development as well. It is able to utilize for both industrial and warehouse. The land area is approximately 27 Rais and the lease will expire in November 2052.

A subsidiary entered into 3 long-term land lease at Khon Kaen to build warehouses for rent. The agreements are consist of 2 agreements at Mueang Khon Kaen District and 1 agreement at Ban Phai District with total area approximately 105 Rai, starting in 2022 for the period of 25 years and 30 years.

During 2020, the Group has adopted TFRS 16 Lease which is effective for fiscal years beginning on or after 1 January 2020. This financial reporting standard requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Investment properties, Property, plant and equipment as of 31 December 2022 were included rights-of-use assets amounting to Baht 317.2 million, which were rights-of-use for investment properties Baht 209.7 million and rights-of-use for Property, plant and equipment Baht 107.5 million.

- **Backlog**

As at 31 December 2022, there are 1 ongoing projects which the contract value more than 10% of total revenue for year 2022; detail as follows;

(Unit: Million baht)

Project Name / Project Type / Project Location	Contract value	Estimate delivery date	Remaining contract value
1. CRISP Project / Module Fabrication & Assembly, Singapore	4,154	Oct.23	2,415

Note: Remaining contract value is calculated from the unrecognized contract value.

1.3 Shareholding Structure of the Company Group

The Company has 10 subsidiaries as follows:

1. STIT Co., Ltd. (“STIT”) Operate the business of sales and rental of machinery and equipment for construction and manufacturing industries Engineering services (100% of Holding)
2. STIT 2011 Co., Ltd. (“STIT2011”) Operate the business of sales and rental of machinery and equipment for construction industry contractor for steel and concrete works (100% of Holding)
3. STP&I Services Co., Ltd. (“STPS”) Operate the business of construction services (100% of Holding)
4. WPGE Phetchaburi Co., Ltd. (“WPP”) Operate the business of waste to energy (Electricity, Oil Fuel, and Fertilizer, sell Electricity and consultant on operation a municipal solid waste power plant and selling of electricity, including other related business (60% of Holding)
5. ST Property & Logistics Co., Ltd. (“STP&L”) Operate the business of Logistics services and property development (100% of Holding)
6. Fill Up Network Co., Ltd. (“FILL UP”) Operate the business of selling Oil from Automated Petrol Station (100% of Holding)
7. ST Hill Co., Ltd. (“ST HILL”) Operate the business of shopping center for rent under Project Summer Hill (100% of Holding)

8. ST Hub Co., Ltd. (“ST HUB”) Operate the business of office for rent under Project Summer Hub (100% of Holding)
9. Cannatory Co., Ltd. (“CANNATORY”) Operate the business of hemp products (100% of Holding)
10. Growth Warehouse Co., Ltd. (“GW”) operate the business of Logistics services and property development (90% of Holding)

The Company has 1 associated company as follow:

1. KTBST Mixed Leasehold Real Estate Investment Trust (“KTBSTMR” or “REIT”). It is a trust fund under the Trust for Transactions in the Capital Market Act 2007, in which the Stock Exchange of Thailand has received the trust units of the REIT as listed securities, and started trading on the stock exchange effective from November 15, 2021 onwards. As of the REIT establishment date, the Group is a major unitholder of the REIT totaling 28.05% and STP&L acts as the property manager of ST Bang Bo, ST Banp Pa-In, Summer Hill and Summer Hub projects. (As of the REIT establishment date, held by the Company 8.15% and held by STP&L 19.90%)

The Company has 1 joint venture as follow:

1. SinoPower Co., Ltd. (“SP”) operate Solar Roof and Solar Farm PPA (60% of Holding)

Investment Policy in Subsidiaries, Associates and Joint venture

The Company establishes investment policies in subsidiaries, associates and Joint venture. The company will invest in businesses that are related to the business operations of the company or support the Company's business or able to generate continuous income for the company. The company will take into account the expected rate of return earned by investors.

For policies for the management of the subsidiaries, associated and Joint venture companies. If a company invests 10 percent of its registered capital and paid up. The Company will send representatives to be directors of subsidiaries, associated and Joint venture companies to jointly formulate management policies. However, Executive Director of the Company, Subsidiaries, Associated and Joint venture Companies There will be a clear separation so that each company's management independently of each other. In the beginning there might be a common use of the executive directors. Until you see that it is suitable for business

However, since KTBSTMR is not a juristic person but it is a trust fund under the Trust for Transactions in the Capital Market Act 2007, which is a specific law. There is Kasikorn Asset Management Company Limited as the trustee of the REIT and DAOL REIT Management (Thailand) Co., Ltd. as the REIT manager. Therefore, the Company did not send representative to be a director.

Shareholders

List of top 10 shareholders and percentage of shares holding as of 25 March 2022 (par value of Baht 0.25 each)

Name / Group	Number of Shares	% of holding
1. Kiatnakin Phatra Asset Management Company Limited (transfer from Minister Anutin Charnvirakul for his asset management)	164,590,285	10.13
2. Best Quality Skills Company Limited	77,880,000	4.79
3. Mr. Jirath Tharaphetsawad	69,718,411	4.29
4. Mr. Yanyong Nitisaroj	67,486,724	4.15
5. Mr. Choavalit Limpanich	64,899,995	3.99
6. Mr. Chavarat Charnvirakul	56,906,765	3.50
7. Thai NVDR Co., Ltd.	54,435,609	3.35
8. Ms. Patchsita Pongpittayasiri	47,546,171	2.93
9. Mr. Somchai Prapakamol	39,802,381	2.46
10. Mr. Phanupong Kunopakarnphan	36,930,000	2.27
11. STP&I Public Company Limited	26,180,900	1.61
Other Shareholders	<u>918,454,237</u>	<u>56.53</u>
Total	<u>1,624,831,478</u>	<u>100.00</u>

1.4 registered capital and paid-up capital

Company's Equity

- Common Shares

Registered capital and paid up capital as of December 31st, 2022, as follow;

Registered capital	406,209,600.00	Baht
Paid up capital	406,207,869.50	Baht
Common stock	1,624,831,478	Shares
Par value per share	0.25	Baht

1.5 Other types of Company security issuance

1.5.1 Treasury Stock

The year 2015, the Company approved a share buyback program for liquidity surplus management purposes as per the Board of Directors resolution no. 3/2558 dated on 9th September 2015. The summary of the program are:

- On December 2015, the Company has bought back 350,000 ordinary shares (par value of Baht 0.25 each), for a total of Baht 3.1 million (excluding other buyback expense).
- Year 2019 The Company to decrease its paid-up capital amount of 350,000 shares. The Company's paid up capital decreases from 406,295,369.50 Baht to 406,207,869.50 Baht.

The year 2020, the Board of Directors's resolution of the Company no. 3/2558 dated on 9th September 2015 approved a share buyback program for liquidity surplus management purposes. The summary of the program are:

- a budget of Baht 1,000 million
- a number of shares to buy back is up to 162,483,147 shares (par value of Baht 0.25 each), or 10 percent of total shares issued
- the shares shall be purchased on the Stock Exchange of Thailand between 3 April 2020 to 2 October 2020
- The treasury shares shall be sold on the Stock Exchange of Thailand from 3 April 2021 to 1 October 2023

On 3 April 2020 to 2 October 2020, the Company has bought back 26,180,900 ordinary shares (par value of Baht 0.25 each), for a total of Baht 120.64 million (excluding other buyback expense). As of 31 December 2022, the Company has not sold the treasury shares.

1.6 Dividend Policy

STP&I prohibits to pay the dividend if the company has deficit in the fiscal year. The dividend will only be paid from the Company's Net Profit and equally paid per share. Our dividend policy is to distribute not less than 30% of the Company Net Profit after Tax and appropriated-statutory reserve to its shareholders. However, the Company may pay dividend less than the rate stated above upon the consideration of overall operational performance, the financial status and also other factors that can affect the company operations in the future. Subsidiaries and affiliated companies have the Dividend Policy to pay the company under their performance each year.

STP&I has paid dividends for the performance of year 2019 - 2021 as per below.

	As of 31 st December		
	2019	2020	2021
Dividend per share (Baht)	0.40	non-Issuance of Dividends Payment	non-Issuance of Dividends Payment
Total Dividend paid (Mil. Baht)	649.93		
Dividend per Share	1.32		
Net Profit (Mil. Baht)	2,151.19		
Dividend ratio (% of profit)	30.21		

2. Risk Management

2.1 Risk management policies and plans.

The Audit Committee reviewed and monitored risk management of the Company's business operations and its subsidiaries to ensure that operation processes are appropriate and efficiency. That process included risk identification, risk assessment in term of probability of occurrence, business environment change, financial risk, interest rate risk, market risk, and operation risk. The Company define policies to protect or reduce those risks consistently both short term and long term. Audit Committee reviewed and agreed that the Company and its subsidiaries have proper business risk management as per the Company's policies and strategies.

The Company has disclosed the full policy on its website. You can see details on the Web link.

<https://www.stpi.co.th/investor-relations-th/corporate-governance/>

2.2 Risk Factors

1. Strategic Risk

1.1 Risks in fluctuations of Income

STP&I's revenues are from steel structure fabrication, piping fabrication and process module which are mainly made to order works. STP&I's income are solely based on a success in getting new project and the uncertainty and delay of the Client's new investment projects will directly effect to our Company's revenue including the gross margin that may be reduced during the Company's revenue is insufficient to cover fixed costs.

However, STP&I aware such risks and has policies to secure the recurring income.

In 2016, STPS acquired ordinary share of WPGC Phetchaburi Co., Ltd. ("WPP") from the existing shareholders. The investment represents 60% of the registered capital. The main business is to

operate a municipal solid waste power plant (waste to energy) with installed capacity of 7.9 megawatt and it already signed Power Purchase Agreement (PPA) for 5.99 megawatt with the Provincial Electricity Authority (PEA). This acquisition would support the Company group in expanding its business to a growing Renewal Energy sector which is in accordance with the Alternative Energy Development Plan 2015. In addition, this acquisition is expected to generate long-term recurring income to the Company.

Moreover, in 2017, STP&I expand to the property development and logistic business by established ST Property & Logistics Company Limited (“STP&L”) and acquired land and buildings, which have had long term lease agreements and could recognize revenue immediately.

In addition, in 2019, STP&L expanded property development business by acquired 100% of ordinary shares from existing shareholders of Boutique Prakhonong 1 Limited and Boutique Prakhonong 2 Limited (currently renamed to ST Hill Company Limited and ST Hub Company Limited, respectively) in order to acquire the leasehold rights of land, office building and community mall which have almost full tenants and could recognize revenue immediately.

In 2020, STP&L acquired land and land lease agreement for approximately term of 30 years on Bangna-Trad Road Km.19 and Km.22, which are in the location with high potential for commercial development. In addition, they are purple areas that can be used for industrial and warehouse. Both land are in process of negotiating with the built-to-suit potential tenants and secure long-term lease contract. The Group intend to expand the property development business continuously.

In April 2022, STP&L acquired 90% of ordinary shares from the existing shareholder of Growth Warehouse Co., Ltd. to expand the property development and logistics business in the Northeast of Thailand.

In May 2022, the Company joined with PowerVault (Thailand) Co., Ltd. established SinoPower Co., Ltd. with 60 % shareholding to operate renewable energy business, including Solar Roof and Solar Farm.

The Company still focuses on Process Module Assembly for LNG plant which is still an important world’s energy. The situation of Oil & Gas prices in the world market are still fluctuating from many factors including the situation of COVID-19 that continues in 2022, causing many projects which have been postponed from the original plan in the past 1-2 years have resumed their investment. At the end of 2022, there were signs of improvement of energy demand in Europe and America. Company will also closely monitor the situation of projects and customers to prepare when the project is approved for investments or further operation.

Furthermore, the Company also focus on the De-commissioning of Oil & Gas Offshore Platform business, especially the concession platforms in Gulf of Thailand which many platforms must begin demolition in 2023 according to concessionaire’s plan and the Department of Mineral Fuels’ plans,

Company is participating in the tender for several dismantling projects and there is a good tendency to receive this kind of work continuously.

In addition, the company has continuously expanded the revenue to have a higher proportion by expanding investment in Solar Roof a business both type PPA and Solar Farm and expanding the warehouse business for rent.

1.2 Risks in fluctuations of raw material costs

The Raw materials used by Company for steel structure fabrication and process module consist of steel section, steel plate and pipe which are affected by the risks of steel market price fluctuations, the Company forecasted that the price of steel section and steel plate from both domestic and Asian Europe United State market , thus the company did the long term agreement with the suppliers to maintain the steel price for the whole project period to eliminate the company's risks in price fluctuation especially for the import steel material which are the main portion of raw material. Company sure that they can manage and control cost of raw material for the project and can make some margin, then they proposed to include the scope of supply material especially the steel plate and section to their clients.

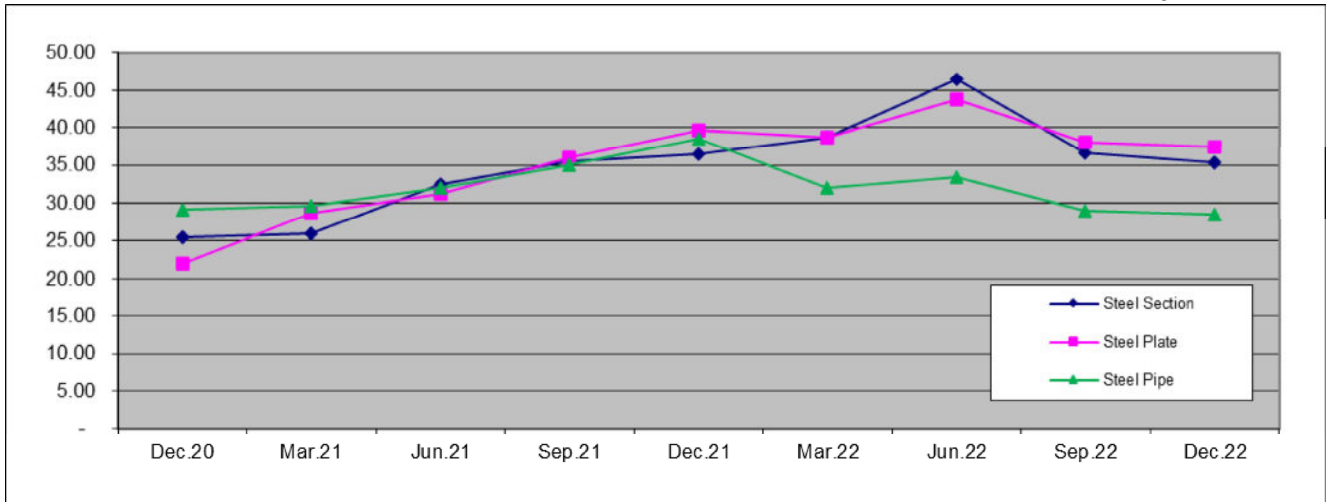
Whereas the price of steel pipe especially for piping process which is special grade and has to import only and its trend is still fluctuate and uncontrollable, the company has thus proposed the customers to supply to the Company their own pipe.

In year 2022, the Company had to be supply the main material to the project as a percentage is 75 % of the total value of whole project . Divided by portion the 27% of total material cost was came from the section steel, the plate steel and pipe steel portion which is consider on the purchased ratio 34% come from local supplier and another 66% have to imported.

The steel materials which were purchased during year 2022 mostly required the steel grade in International grade. The company had evaluated the steel price situation and its trends from the beginning of projects and compared to the project's budget. Company found that the steel market price in that period seemed in high level and down trend, thus company negotiated with the suppliers to get the best price at time and made the partial order by lot in order to minimize the further risks on price which might be in down trend in the near future. Company had inquired to at least 3 suppliers from both overseas and domestic suppliers for competition and getting the lowest cost for project. Company had continued following and monitoring the steel price situation and could plan carefully for the next purchase order.

The chart below shows price changes for steel section, steel plate and steel pipe from domestic for the last 3 years period.

Unit : Baht / Kilogram



Source: Company Purchasing Report for the domestic rate of Steel Section, Plate and Pipe.

Analysis of the above chart indicates the movement of steel price rate, it was due to the steel price situation in China and also cost of raw material for steel production, from the year 2017 the domestic steel rate per kilogram for steel plate and steel section had increased and a little bit changed for the whole year 2018 until middle of year 2019, however decreased at the end of year 2019 while at the same time the price of steel pipe had fluctuated and much increased at the end of year 2019.

Considering at the end of year 2019 compare to the previous year, the price of steel section had decreased 1.90 Baht/kg or about 7.5% in average from the end of year 2018. The price of steel plate had much decreased 5.30 Baht/kg or about 23% in average from end of year 2018 while the price of steel pipe which had fluctuated during middle of year 2018 until end of year 2019 and increased 4.50 Baht/kg or about 21% in average from end of year 2018.

In year 2020, the price of plate steel have a slightly increasing trend since 1st quarter until 3rd quarter due to the recovery of the world economics and suddenly the price have been sharply increasing in 4th quarter of the year continue to beginning of year 2021. While the section steel have price a slightly decreased from beginning of the year until almost of the end of year and the price have been sharply increasing in 4th quarter of the year continue to beginning of year 2021 similar characteristic of price trend as the plate steel price, the steel pipe have the price trend increased since year 2019 continually increasing to year 2020. In overall the average of plate steel price had increased from year 2019 compare with year 2020 equally 5.00 baht / k.g. as in percentage is 27.8%, while the section steel price had decreased from year 2019 compare with year 2020 equally -2.00 baht / k.g. as

in percentage is - 8.7% and the steel pipe price still continue increasing from year 2019 to 2020 the price was increased equally 2 baht / k.g. as in percentage is 8.0%.

(Remark: Price of steel pipe may be various, depended on its grade which specified by project requirement and its purchased period. The above steel price based on normal grade which from local suppliers).

The overall steel price in 2020 will not adjust much at the beginning of the year until the end of the year, due to the impact of the COVID-19 epidemic situation, many projects have slowed down construction. As a result, the use of steel raw materials worldwide has decreased significantly. It also resulted in some manufacturers to stop producing some sizes of steel with low demand because they weren't worth producing. The company remains cautious by closely monitoring the steel raw material price situation in order to estimate prices and determine the appropriate timing for purchases.

Until the end of the year, continually to the full year 2021, the price of raw material, structural steel, sheet steel has continuously increased there may be some period when the price has dropped slightly. But overall price remained reasons to driven the steel market price increase which mainly come from scrap material price increased, and China's economic recovery trend has led to an increase in demand for steel raw materials for domestic production and with the beginning of the Covid-19 epidemic, rolled coil and profile steel manufacturers has taken the opportunity to stop the production line for major maintenance and has a period of 3-6 months to operate, causing the overall supply to drop significantly. The company tries to negotiate the price with the steel manufacturer or supplier to maintain the price or eventually price increasing to be the most reasonable in order to minimize cost impact to the project. As for the list of steel pipes for existing projects, the customer will supply raw materials for production. Therefore, it is rarely affected by a significant price increase.

Up until the beginning of 2022, the price of steel sections and steel plate was continued increasing due to the demand of steel materials is still high which it's come from many factors such as the situation of the Covid-19 epidemic become. However, steel material production capacity is still insufficient to meet demand, the rising of oil prices, the initial raw materials for the production of steel plate such as scrap are still priced at a high level as well. The impact of the war situation between Ukraine and Russia also caused the purchase of raw materials from Europe to be affected as well. From the situations mentioned above including increase of shipping costs and longer lead time to book ship lines inevitably definitely affects the price of raw materials directly. For the third quarter of the year, the price of steel materials has a tendency to decrease considerably, however, it is considered that the average price is still quite high compared to the beginning when steel material prices began to adjust prices. The company tries to closely monitor the price situation and negotiate with manufacturers or steel suppliers to maintain steel prices or adjust prices as reasonable as possible in order to minimize the effect on project cost of the Company.

1.3 Risks in shortage of skilled labor

Due to the impact of the COVID-19 epidemic situation in 2021, it was affecting the company's labor shortage problem because with big number of employees have been infected and have to quarantine during July - August 2021 and some have moved back to their hometown. As a result, it is not possible to find replacement workers in a timely manner in the short term. However, some of the workers have begun to return in late 2021, resulting in higher labor costs to accelerate the work and the implementation of measures to prevent the spread of the COVID-19 virus.

In this regard, the Company has invested more in machines to replace long-term labor and increase work efficiency and get quality of workpieces. Because these machines will be more precise than manual labor. In 2022, the company will focus on developing specialized labor groups to cope with insufficient labor conditions especially skilled workers who have experience in steel structure processing which is the part that cannot be replaced by machines. The Company need to manage and develop the existing workforce to be able to work in more various skills and accelerate the development of new workers to have sufficient skills for the Company's work as well as implementing measures to prevent the spread of COVID-19 to ensure workers have confidence in working with the company. One of the most important thing is to manage the compensation of employees to motivate and work continuously until the end of the project as well as creating confidence for workers in working with companies with excellent safety management systems.

The Company is confident that it can provide enough labor and find more new sources of labor but it may be affected by the increase in costs of labor. However, the said risk is manageable due to our consideration and factor these risks since the bidding process.

2. Operational Risk

Operational Risk is the risk arising from operational processes, work systems, or external events that effect the efficiency and effectiveness of operations covers the risks arising from defects in operating processes that will result in activities in organization is inefficient, including risks related to IT information management and information to achieve the specified goals.

Since the Company has to comply with ISO 9001 standards that is additionally determined by the customer for each project as well. These standards have an annual audit plan by independent organizations or pre-approved by customers and independent agencies of that project which greatly reduces operational risks, The Company also ensure that all information technology works are overseen by a dedicated team and some outsources with efficiency and effective.

3. Financial Risk

Financial Risk is the risks related to financial and investment policies and procedures. This affects the operating results and the Company's financial statements, covering the risk that the operating results do not meet the specified goals, including the risk of lack of liquidity, credit, investment or changes in exchange rates and interest rates, and the risk that the counterparty will not comply with the agreed obligations which will cause damage to the organization. The Company has the following risks;

3.1 Risks in foreign exchange rate fluctuations

Foreign exchange rate fluctuations are closely monitored by the Company. To avoid such risks, the Company through the assistance of local commercial banks has adopted the use of Forward Contracts for overseas sales and matching of revenue and expense in the same currency. However, the Company does not buy forward contract for some foreign currency deposits because it was reserved for overseas expenses or overseas investments in future.

3.2 Risks in the policy of allowance for expected credit losses

The Company has policy to reserve the allowance for expected credit losses at the end of accounting period, which is calculated based on the age accrued from the due date for a group of clients with similar types of credit risk. The calculation of expected credit losses takes into account by weighted probability effect, time value of money and reasonable information available at the reporting date of past events, current situation, and forecast future economy conditions.

As at end of the year 2020-2022, the Company has the overdue trade receivables and allowance for expected credit losses as shown in below table. The transaction has been reviewed and evaluated by the Management with an appropriate practice.

Unit: Million baht

As at 31 December	Overdue Trade receivables	Allowance for expected credit losses
2020	76.14	6.20
2021	38.47	4.38
2022	298.56	5.23

4. Compliance Risk

Compliance Risk is a risk arising from non-compliance with laws, rules, regulations, announcements, orders, and guidelines of the Company and of external agencies including that the rules are not clearly defined discretion or interpretation is required. This will result in litigation or complaints covering risks related to compliance, regulations of regulatory bodies and risks related to various laws related to the Company's business operations which the Company has already complied with the specified criteria as usual.

The Company provide construction services and sales mainly under agreement with various customers. When needed and as appropriate for each specific project, the Company also hire subcontractors to perform parts of the work. Although management have reviewed those relevant agreements prudently and have negotiated terms and conditions with best efforts, there could still be risk from different contract interpretation or from customer's exercising of rights reservation to delay payments. If the contract parties could not settle such disputes after several attempts, the Company would then need to seek legal protection under the governing law and as stipulated in the agreement, such as to file petition to the competent arbitration office or court. This process normally lasts some years before disputes could be resolved.

3. Business Sustainability

3.1 Sustainability Management Policies and Goals

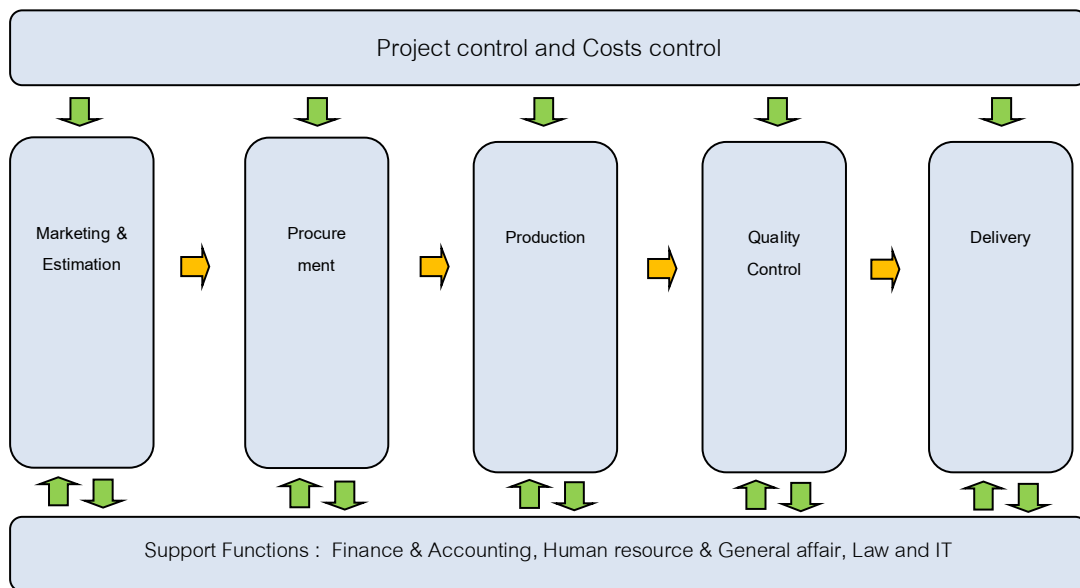
Mission

- The Company provides the highest satisfaction and continuous returns to our shareholders
- The rights of all stakeholders with fair and equitable
- Aiming to provide excellent services.
- Operating the Company with social responsibility on community, society and environment.
- Explore opportunities to new related business for growth and strong profit.

In realizing the rights of all shareholders and all stakeholders, the Board of Director has determined corporate good governance policy for the Executive Committee to conduct business with focus and professional. The Executive Committee was assign to execute, maintain, review and improve the operation compliance with the good corporate governance policy as a listed companies in the Stock Exchange of Thailand.

3.2 Management effect of stakeholders in Business value chains

3.2.1 Business value chains



1. Project control and Cost control has responsible for controlling the project performance which included planning, scheduling, control budgeting, reporting project performance compare with the budget, and communicating and managing customer properly. The project control ensure that the project performance will be reported to project manager and related parties in time and will be evaluated for the project manager to implement and improve their performance as quick as it can be.

2. Marketing & Estimation has responsible for contacting customer directly for bidding project. In many cases the Company is invited from Customer (Owner) or main contactor to involve in the bidding project. Marketing & Estimation team shall request all bidding information of the works such as initial drawings and terms and conditions in order to evaluate the workload and price for bidding the project.

3. Procurement has responsible for considering the sourcing and supply of raw materials for use as a component of the product and other services since the bidding process to production and delivery to customer. Each project the company shall negotiation on scope of procurement which are in 2 cases as follows;

- 3.1 Customer supply main materials (Free Issue) such as steel plate, steel section, steel pipe and equipment. The company has to manage the free issued materials from receiving, maintaining for ready use and reconcile usage for customer

- 3.2 In case of supply main materials by the Company, the company shall collect all quotations of materials from supplier for estimating the project bidding price. When the project starts, procurement shall plan to supply of raw materials and services as per project budget and production plan. The procurement shall compare price and conditions from suppliers both local and foreign countries.

For importation materials for production and export, the Company shall follow the Board of Investment privilege on imported materials.

4. Production process starts from preparation of engineering drawing, preparation of steel material for cutting, drilling, fitting, welding, coating and assembling all components. Each processes were done by skilled craftman and equipment to ensure that all finished products are in good quality and on time delivery.

5. Quality Control The Company determine quality control under both production section and quality control section by design the quality control and quality inspection at each step of production process. The Company also responsible for quality assurance to ensure the all finished products are standardized as per requirement from customer and compliance with laws before delivery to the customer.

6. Delivery The Company shall delivery products on time as agreed in the contract and warrant the products after delivery.

3.2.2 Analysis of the stakeholders in the value chain of the business.

Stakeholders	Stakeholders' Expectations	Satisfaction of Stakeholders' Expectations
Internal Stakeholders		
Shareholders	<ul style="list-style-type: none"> ● Good returns ● Good Corporate Governance ● Business continuous growth and strength ● Accuracy, adequate, and transparency of Company information ● Good Risk management system ● Good Audit and Control system 	The Company commit to operate its business with integrity and quality to ensure that shareholders will have a sustainable value benefit by working efficiently and finding an opportunity of investment to continue growth. Respect shareholders' right to receive necessary information with fair. And the Company disclose information with transparency and accurate to shareholders.
Board of Directors	<ul style="list-style-type: none"> ● Abide by related law and regulations and the Code of 	The Company concerns to corporate good governance by abide by its

Stakeholders	Stakeholders' Expectations	Satisfaction of Stakeholders' Expectations
	Conduct <ul style="list-style-type: none"> ● Practice with transparent and verifiable ● Business accomplishment ● Governance business to continue growth 	policy and report a business performance to the Board of Directors for acknowledgement.
Employees (Executive employees, Operating employees)	<ul style="list-style-type: none"> ● Stability and progress in job responsibility ● Fair benefits and salaries ● Proper welfares and safe environment ● Equitably in job's opportunity and career path ● Training roadmap to improve the abilities ● Well atmosphere 	The Company commits to provide compensations, promotions, improving skill abilities, benefit, and fair workplace to ensure that the employees will have a safety workplace, moreover, the Company has always opened for opinions and suggestions from employees and practice with fair and equitable to all level.
External Stakeholders		
Customers (Project Owners, Main Contractors)	<ul style="list-style-type: none"> ● Bidding with fair price and transparency ● Recieving quality products as per requiremnet ● Satisfaction of on time delivery ● Commitment to the agreement with fair ● Products and services guarantee ● Keep confidential information of the customers 	The Company has not only made the customers' satisfaction system to improve its services but equitably treats customers by providing services information to customers with accuracy without mislead information. The customers' satisfaction result will be evaluated for service improvement.
Business partners (Raw material manufacturers, Product manufacturers, Contractors)	<ul style="list-style-type: none"> ● Receiving accurate information and on time commitment ● Fairly abide by agreement and payment conditions ● Fair price competition and transparency ● Educate and develop raw material manufacturers 	The Company deals with business partners with equitability and fairness in mutual benefits. The Company develops and sustain relationship among partners by creditability creation through the adherence of procurement regulations as stated in the procurement procedures along

Stakeholders	Stakeholders' Expectations	Satisfaction of Stakeholders' Expectations
		with ISO 9001 : 2015
Creditors (Financial Institute, Suppliers)	<ul style="list-style-type: none"> ● Accomplish terms and conditions of the contract ● Transparency business operation 	The Company adheres to the terms and conditions of the loan agreement by punctual to repayment loan and interest to financial institute and to pay the supplier .
Business Competitors	<ul style="list-style-type: none"> ● Fairness and transparency competition ● Exchange information of products, source of raw material, and tools and equipment for manufacturing ● 	The Company concerns on operating business under a fairness and transparency competition by does not trading secret and infringes on the intellectual property rights of others or competitors.
Community, Social, Environment, Health and Safety (community surrounding plants, overall social)	<ul style="list-style-type: none"> ● Good relationship ● Support community's activities ● Do not harm or hazardous activity to the community and environment ● Commitment to the Human Rights and Anti-Corruption principles 	The Company concerns on social responsibility by abide by law and regulations including cooperate with governmental sectors to operate the company's business with good quality and does not make any damage to community daily life, social life, and environmental surroundings, moreover, supporting the community in life improvement aspects such as educational, energy saving, and environmental.

3.3 Environmental Sustainability Management

3.3.1 Policy and Guidelines for Environmental

The Company has been certified for the environmental management system (ISO 14001:2015) and realizes the importance of participating in society and environment care to be better quality and conducting different activities to support social development and a sustainable environment. Management approach : The company disclosed "Corporate Social Responsibility" at the company website click on the link <https://www.stpi.co.th/investor-relations-th/corporate-gorstance/> key summary as follows:

- Conduct business operation with society and environment concern.
- Intend to reduce and prevent pollution from operating
- Strictly comply with the relevant laws, regulations and related practices.
- Continuously develop and improve work standards to comply with environmental standards.

Can see more details at the website link <https://www.stpi.co.th/investor-relations-th/corporate-gorstance/>

3.3.2 Performance of environment

- **Water Resources Management**

Water resource is important natural resource for life and economic operations. The company is committed to planning and managing water resource usage efficiently including scheduling for regular preventive maintenance to ensure that there is no water supply leakage. In addition, water resource saving campaign is arranged in order to raise employees' awareness and ensure the utmost benefit from utilization.

As the company is located in the eastern area, with high humidity and raining almost throughout the year, the company therefore has built an underground rainwater collection for the purpose of general usage such as cleaning, watering the plants, etc. This is considered to be the utmost utilization of natural resources deriving from climate change advantage.

In 2022, the company has set a target reduce water consumption in the bathroom by 3% (Person per day) The results were found Water consumption is 0.28 cubic meters/person/day. decreased by 21.66% compared to 2021. Which is considered that the Company able to plan water usage cost-effectively and efficiently.

- **Energy Management**

The Company has continuously placed the importance on energy management; therefore, energy utilization has been analyzed and planned to maximize the utmost efficiency.

The company has raised the awareness to encourage the employees to be part of energy saving campaign by applying the following measures such as replacing existing bulbs with energy-saving LED bulbs, using a VDO Conference system, turning off the lights during lunch break, adjusting Hi-mast lighting time and installing power generation system from solar cell.

In 2022, the company had set an objective target to reduce electricity consumption by 3%. Compared to the year 2021, the result shown that electricity consumption was 986.29 kW/person; 79.09% decrease which can be considered that the Company was able utilize energy usage effectively and efficiently.

- **Waste Management**

To ensure that contamination has been prevented, the Company has performed waste management starting from the beginning of the process; this includes waste segregation, monthly waste balance and waste record submitted to Department of Industrial Works.

Moreover, the company also reenforce waste management campaign according to 3R guidelines as follows:

1. **Reduce** - By reducing waste input into the factory. For example, reusable shopping bag, using food container as lunch box instead of single use plastic bag. etc.
2. **Reuse** - By reusing used items such as using 2-sided paper, reusing paint containers as toolboxes.
3. **Recycle** - Waste segregation before littering including General waste, Compostable waste, Recyclable waste and Hazardous waste. Materials that can be recycled shall be segregated for further recycling process.

Type of waste

1. Hazardous Waste such as contaminated materials, contaminated containers, light bulbs, waste paint, solution, etc. This type of waste will be sent for disposal by an organization authorized by Department of Industrial Works.
2. General Waste and Non-Hazardous Waste such as plastic bags, paper, fireproof fabric, steel scrap etc. Some of which will be sent for disposal with the organization authorized by municipality or Department of Industrial Works. Waste that can be reused e.g., paint containers, drinking water bottles, shall be donated to requested parties.

In 2022, the company had set an objective target for to reduce general waste disposal by 3% compared to the year 2021. According to the record, general waste disposal per person per day was 1.04 kg. which had reduced 8.59% from the previous year.

Future Plans and Development

The company has realized the importance of environmental contamination prevention systems for waste storage and segregation. In 2022, the company had improved hazardous waste storage area in order to

ensure that waste had been collected, segregated and stored properly. In 2023, the company has continuously developed waste management program in which recycled waste shall be segregated and/or donated to requested governmental department for further social and community benefit..

- **Air Pollution**

The company has authorized the qualified third parties, according to Department of Industrial Works standard, to monitor the Ambient Air Quality regularly. In 2022, the ventilation stack inspection including ambient air quality monitoring were performed to ensure that emission value shall be in compliance with legal requirement and also in line with Initial Environment Examination (IEE) measures standard. The objective target set at 100% legal compliance was achieved as planned.

- **Water Pollution**

Wastewater treatment has been managed using both Aeration Lagoon system and Septic tank in order to ensure that wastewater quality meets legal standard requirement. Selective Effective Microorganisms (EM) on a weekly basis shall be applied to maximize the efficiency of wastewater treatment system.

The company has also authorized qualified third parties, according to Department of Industrial Works standard, to monitor wastewater quality on quarterly basis. Discharged wastewater shall be analyzed by authorized parties to ensure its compliance with legal requirement and also in line with Initial Environment Examination (IEE) measures standard.

- **Noise Pollution**

The company has provided preventive measures for noise pollution including noise level monitoring in both working area and ambient noise. The monitoring was performed to ensure its compliance with legal requirement and also in line with Initial Environment Examination (IEE) measures standard. The objective target set at 100% legal compliance was achieved as planned.

The Company has also organized Hearing Conservation program in order to educate and monitor employees who might be at risk of loud noise level environment according to the announcement of Department of Labor Protection and Welfare under the criteria and measures for hearing conservation in the workplace.

- **Greenhouse Gas**

The company has installed solar cell electricity generator system in order to help reducing indirect greenhouse gases emission. From the record, electricity used from solar cell is

4,999.75 kWh per 5 hours per day which can reduce Greenhouse gases emission at the amount of 1,265,209.24 kgCO₂ per year (Greenhouse Gases (GHGs) Emission Factor is 0.6933 kgCO₂e/Kwh).

Employees Awareness Training

The company has foreseen the existing environmental issues which have led to worldwide impact. Therefore, environmental related training programs have been organized to ensure that sufficient knowledge and awareness are communicated among the employees who shall be part of environmental problems resolution. The courses are inclusive of ISO 14001:2015 Management system standard requirement, Environmental Risk and Aspect Identification etc. The employees shall also understand and be able to anticipate both positive and negative impacts deriving from company activities in order to determine preventive measures for potential environmental impacts of the organization in the future.

In 2022, the company has organized Corporate Social Responsibility (CSR) activities, such as Safety and Environmental Awareness Campaign at Ban Banglamung School. The objective was to promote awareness and knowledge in regard to Safety and Environment for children starting from kindergarten to primary level. Mini games and activities were adapted to suit target group such as unseen danger from tools,

equipment, toys, playground, etc. Basic knowledges of environmental management such as water resource saving, electrical energy saving and waste segregation had also been introduced via games and plays.

Besides the above-mentioned activities, steel scrap grating containers, used paint containers had been donated to governmental organizations requested for waste segregation purpose.

3.4 Social sustainability management

The sustainability policies and practices of social aspect

The company and the Group Company have policies and labor practices with fairness and respect human rights starting from giving the job opportunity to everyone in order to recruit people to employ in the Group Company. The Company provided development training, a consistent evaluation system for employees. It is believed that continuous development in human resources will increase the efficiency and engagement of the employees, which is a guideline for sustainable mutual success.

Employee Recruitment The Company has established a code of business ethics regarding the principles of respect for human rights, labor practices of employees without discrimination and operations that are legal and following the business plan. Therefore, the Company has planned workforce to support the current and future business operations of the Group Company via both internal and external job advertising, company fanpage in Facebook to open opportunities for those interested in joining the

Company and also providing clear information about the corporate and recruitment. There is no sexual discrimination, religion, race, language or physical integrity in any way. The Company has offered fair and competitive benefits that cover both monetary and non-monetary welfare benefits. The opportunity for career growth with the Company depends on performance-based and there is human resource development systematically.

Management Approach The Corporate has an employee development policy to aim every employee to have a high capacity, professional expertise, a good attitude at work, be valuable employees to the Company, social, and the country. Moreover, the Company has determined the career opportunity, benefits, promotion, rotation, potential development as well as maintaining the working environment for highest safety with fair and appropriate.

Receiving a Complaint Also, the Company give opportunities to employee to comment, suggest or complain if there are human rights violations by providing complaint channels through the Company's website and/or email to the Chairman of Audit Committee as attached files no.6 Corporate Governance Policy.

The Use of Technology in Human Resource Development For long-term development of employee, the Company recognizes the important of using information technology tool to organize human resource management by developing workflow, communicating and sharing knowledge among employees including online meeting, work from home. Furthermore, employees can access to the information and knowledge sharing at any time on database system of the Company through electronic devices which bringing benefits to employee in term of study and continuously develop their competencies.

Employee Training and Development Programs The Company realizes that training is a way to increase workability for human resources within the organization to develop the potential of working efficiently by the needs of the Company. Also, it is a transferable experience to the new employees trained for the next generation. In addition to the general course on the management system that the employees can apply to their work, it still has a training course for employee development aiming at leadership skills and how to be a good manager, etc.

In 2022 Due to COVID-19 Situation, then the company is quite a lot of training restrictions and training has been cancelled. However, the Company still provided courses that were related to health and safety of employees in their work.

Occupational Health, Safety and Environment

The Company value employee safety by announcing occupational health and safety policy and working environment policy to control and monitor to compliance with safety regulations and implement according to the relevant laws including references to standards in occupational health and safety. There

are rehearsals and training every year and report the operating result directly to the executive committee as following details.

- Prevent accidents, injuries, and illness due to operations with the cooperation of employees and all contractors as well as limiting and controlling risks in unsafe operations by providing a briefing and checking safety readiness before operating in the area
- Cooperate with government agencies and private organizations to carefully suspend emergency and accidents from operations effectively.
- Comply with laws and regulations strictly in regards of safety and implement good safety standards in business operations
- Provide tools equipment to prevent, mitigate and control risks of accident and potential health impacts from operations, transportation, services, as well as guideline for controlling emergencies to reduce losses and injuries.
- Set procedures, action plans, and training including educating employees at all levels to have knowledge, understanding, and sufficient information regarding work safety to prevent danger from work or various diseases which can be applied to their day to day life.
- Provide safety measures for employees and those involved by providing a safe and hygienic working environment.
- Provide training; both theoretical and practical to ensure that work activities are carried out in safety manners. Tools and equipment are utilized and suit for the job type.
- Periodically review health, safety, and environment management policies and ensure that it has been communicated and complied.
- Acknowledge suggestions and comments from both internal and external parties e.g. employees, business partners, communities, the government, and any other relevant parties in order to maintain good standard practices and continual improvement.
- In 2022, According to the Ministry of Public Health announced on October 1, 2022 onwards to cancel COVID-19 from a dangerous communicable disease and prescribed as a contagious disease that must be monitored by the cancellation of COVID-19 from dangerous communicable diseases due to the world epidemic situation has a tendency of the number of patients with severe symptoms and death rates decreased and coupled with the number most of people who received the vaccine to prevent the COVID-19 at a high level which are more immunity. Therefore the Company should adjust the rules legal measures to be in line with the relaxation of measures according to the current situation. Therefore, in order

to be applied in accordance with the said measures, the company has to change the practice which are the cancellation of the situation, reporting the number of people infected with the week, cancelling the weekly's ATK random inspection of each factory/branch (to except who are in the case of a suspicious patient or in the position of a meeting organizing activities), that need to be gathered a lot, cancelling the temperature screening before entering the company area except for suspicious patients to screen. However, it is still recommended to wear a mask while working in the Company's areas and in the meeting room with air-conditioned for training, organizing, and various activities that are included in many people. The Company still requests the employees to inform the supervisor immediately if they are in a potential to have COVID-19 and they should see a doctor for treatment and separation from others, sick leave for resting and separating from others following to be in accordance with the period specified according to the medical certificate on a case-by-case basis.

In 2022 , the Group Company has arranged Safety Training courses as Annual Training Plan are as follows;

- Safety Officer in Management level
- Safety Committee
- First Aid and CPR
- Basic Fire Fighting and Evacuation
- Risk and Occupational Assessment
- Communication techniques with safety employees

HSE Performance

Item No	Description	2020	2021	2022
1	Average Employee. (Person)	1,644	1,490	3,688
2	Working Hours	4,444,845	4,226,814	11,551,152
3	Number of Medical Treatment Cases (MTC)	13	27	36
4	Total Cases of Lost Time Incidents (LTI)	0	0	0
5	Total LTI days	0	0	0
6	Total Environmental Incident Frequency (TEIF)	0	0	0.01
7	Significant Spill Incident Frequency (SSIF)	0	0	0
8	Total Recordable Incidents Rate (TRIR.) per 200,000 Hrs.	0.58	1.28	0.62

The Company has determined measures to reduce the sick leave caused by diseases to achieve the goal of the sick rates continuously.

- Eliminate insects within the office that may be carriers and causes of spreading on a monthly basis.
- Provide basic medicine for first aid and provide a jel alcohol for staffing
- Provide Disinfectant spraying in working areas on a monthly basis.
- Provide doctors and nurses at affiliated factories so that employees can receive health advice immediately in case of illness.
- Provide annual health check-up and encourage employees detectd abnormal health to see a doctor for treatment and rehabilitation before the effects are worse.
- Provide health insurance and life insurance for employees, which cover treatment for outpatients, inpatients and accidents and life insurance
- Encourage employees to join together in the form of a health club to organize health promotion activities outside of work hours, such as fitness etc.

From social sustainability management, in 2022 the Company has no substantive disputes involving employees and workers.

Social Responsibility

Performance of the Company to stakeholders and the awareness on the communities around the plants

- Assign a team to monitor and ensure quality of environment and safety in factory to undertake continually and closely with the nearby community
- Provide knowledge and organize training for staff, community, students, and other interested people to gain knowledge of the company's business operations
- Support employment of full time and temporary employees from surrounding communities based on knowledge, skill and profession in order to stimulate employment as well as develop skill

Corporate Social Responsibility

The company conducts business with responsibility to community, economic and environment, adhering to principle of corporate good governance. The Company has a Corporate Social Responsibility Policy which call for balancing respectful treatment and development among all stakeholders.

“**Stakeholders**” mean employees, directors, shareholders, partners, customers, consumers, suppliers, creditors, debtors, community nearby and community in a remote area, natural environment, government, government agencies, the Country, including other related parties, Stakeholders who could

be affected from the Company's operation. And also, it could be affected directly or indirectly to the company, therefore, there will be 2 groups of stakeholders as follows:

1. **Primary Stakeholders** – Related parties who involve directly to the Company's business such as client, partners, supplier, employee and employee's family, shareholders, investor, debtor and nearby community.
2. **Secondary Stakeholders** – Related parties who involve indirectly to the Company's business such as government, government agency, association, professional, Non-Profit organization, potential client, potential candidate, other communities.

The Company has a policy on Social Responsibility which is in line with the Corporate's policy and Corporate Good Governance

1. Conduct business with integrity, transparency, fairness, and traceability for the growth of the Company together with the development of well-being of employees, communities, society, environment and all other stakeholders.
2. Promote and educate on humanity and environment to all level of employees in order to define the guide of improvement and sustainability responsibility of society and environment.
3. Promote to set up an activity that related to social responsibility to society and environment by using the Company's existing resources to success with cost effectiveness and efficiency.
4. Extend their collaboration and promote staff members to fulfill these policies successfully

The Company Social Responsibility

The Company social responsibility is in line with the business operation or activities that create value to the Company and to the society. The value added will be benefit to shareholders and all stakeholders and also increase the Company's competitiveness in term of productivity. In addition, it also create the good relationship among stakeholders which enable to sustainable growth to the Company. The Company has conducted the Company social responsibility as follows:

1. Our management and engineer realized that we work professionally under the agreed contract for client by producing the process of work and product as per client's requirement on engineering specification, related standards of both local and exported foreign country. We ensured that consumer use our product safely which is our standard of work. Moreover, the safety record of our working time without loss of injury.

2. The company has complied to the agreement and condition to our client with international standard. The company also has a policy to keep the confidentiality of client's information. The Company will not public and not take advantage on the client information.
3. The Company concentrate on the limitation of resources and duty to protect the environment therefore the Company has evaluate and examine the quality of air, sound, waste water, and dust every year.
4. The Company has been certified for ISO 14001: 2015 Environmental System Standards and has committed to set and comply with environmental standard requirement to ensure that there is no environmental impact to related parties. The Company has continuously improved monitoring standard, such as environmental quality measurement campaigns for employees to be aware of the use of office materials appropriately, reuse of paper, turning off lights, air conditioning and the computer during the lunch break, replacement of fluorescent lamps with LED, waste management etc. All these activities will help save the unnecessary expense and conserve natural resources as well.
5. The Company has communicated awareness of the proper use of tools, machinery and equipment as per instruction manual, training before use, and ensure that preventive

maintenance with regular inspection are applied. The Company has training to develop our staff competency in order to having a career path and promotion efficiently. And to ensure that all employees are treated fair and proper decision.

6. The Company has training to develop our staff competency in order to having a career path and promotion efficiently. And to ensure that all employees are treated fair and proper decision.
7. The Company realized that the well-being of employees physical health by providing an annual health check every year
8. The Company has been certified for ISO 45001:2018 Occupational Health and Safety standard. which emphasizes on management to reduce the risk that shall lead to injury and illness. This can mitigate hazards and risk which might affect health and welfare of employees. The Company believes that if employees work safely, they shall return home safely as well.

Anti-Corruption

STP & I Company Limited (Thailand) conducts its operation with fairness, transparency, abide by the rules and regulations to all stakeholders properly. The Company has established policies against corruption to guide the duties of directors, management, employees and stakeholders which had been informed to them. The Company has disclosed the full policy on its website. You can see details on the company's website www.stpi.co.th

1. Anti-Bribery and Anti-Corruption Policy

The company's board of directors, management, employees, subsidiary or other companies which are under our supervision, must strictly adhere to the Anti-Bribery and Anti-Corruption Policy in order to ensure that they will accomplish their duties with integrity and refrain from direct and indirect bribery or corruption of all sorts. The company has emphasized the policy across all areas of the company's operation, as well as to comply with the applicable laws, regulations, notifications, ruling and requirements relevant to business operation. In this regard, the company will not penalize those who refuse to take bribery or corruption although such action would cause the company to lose business opportunity.

2. Definition

The company has declared the definitions that explain the Anti-Bribery and Anti-Corruption Policy as follows;

Dishonesty : To do an act in order to procure, for himself/herself family, friends, acquaintances or the other person or the company, any advantage to which he/she is not entitled by law.

Corruption : The exercise of power in office or in the course official duty with a view to acquiring undue benefit for his/her own or for other persons or for the company.

Bribery : The act of giving or receiving property or any other benefits for the purpose of influencing the action of proceeding, not proceeding or postponement of his/her public or legal duties.

Hospitality Expenditures : The expenditures for the reception or hospitalization of any person who deals with the company by occasion, tradition or as a desirable social manner, including the cost of food, accommodation, hospitalization (such as transportation fares, visiting cost, etc.).

Gifts : Money or object which is transferable to money (such as gift card, voucher, cashier's check, etc.) or stuff or privilege (such as discount, premium, etc.) being handed between the company and those dealing with the company by courtesy, tradition or as a desirable social manner, such as gift, hamper, flower basket, calendar, stationery, sampling product, souvenir, etc.

Donation & Sponsorship : The giving of money or object or any other benefit to a public or private agency or to a juristic person or an individual to serve the charitable purpose for the support of society, religion and education as well as public relations and image enhancement which may be done in many forms, such as a donation of money or objects to victims of a natural disaster, donating money to foundations or a donation of lunches to underprivileged students, Support for cultural activities, arts, education, community health etc.

Political Contributions : Contributions made in money or other forms of assistance with the aim to

support political activities. Financial contribution also covers the giving of loans. Other forms of assistance vary, such as the giving of objects or the provision of a service, an advertisement aiming to promote or support a political party, the purchase of tickets to specific event held to fund or collect donation for an organization that is close to a political party. Moreover, letting employees leave the job without paying a salary or allowing employees to represent the company in the participation of political campaign are included in the terms of political contributions.

Conflict of Interest : Any action of a person holding a stakeholder position that causes a conflict of interest affect the decision or unable to perform their duties objectively, causing the Company to lose benefits or receive less benefits than it should.

Facilitation Payment : Expenses paid to government employees informally and is given solely to ensure that State officials will carry out the process. or as an incentive to take action faster which such process is a right that a juristic person should be legally entitled to, such as applying for a license, request for certificates, etc.

Revolving Door : Recruitment of government employees to work in the company or the Company's personnel to work in government policy and cause conflicts of interest for individuals who play roles in both directions

3. Procedures and Measures

The Company has determined practices which relate to high risk issues that could lead to misconduct, corruption and bribery with respect to encourage the directors, executives and employees, as well as subsidiary or other companies under our supervision to operate with utmost caution.

3.1 Receiving or Offering Customary Gifts, or other Benefits

To operate the company's business that related to biddings other projects, procurement, communicating business, or any other related company's business transaction in both public and private sectors must do with fair, transparent and verification. The company realized the importance of any act that might result in improper influence including receive or offer customary gifts or other benefits that might cause any bribery and corruption.

3.2 Offering Sponsorships or Charitable Contributions to Public or Private Sectors

Offering sponsorships or charitable contributions to both public and private sectors must strictly do with transparent that did not contrary to the morality, code of conduct, and abide by laws and regulations of the company. The offering sponsorships or charitable contributions as the foresaid can be done after the approval of the original affiliation.

The offering sponsorships or charitable contributions to public or private sectors must not be used as a subterfuge or route for conflict of interest in both individual and company's benefits and must not be used as a subterfuge for bribery and corruption.

The approvals of offering sponsorships or charitable contributions to public or private sectors must strictly adhere to the regulations by writing the report attached with the offering sponsorships or charitable contributions payment for approvals and submit all related papers to the Management for considering process.

3.3 Political Participation

The company is a politically neutral organization and does not support any political parties or politicians including enabling the Board of Directors, Executives and employees not to participate in any act under the name of the company.

The company realizes that it is righteous of its people according to the liberty and rights in participating the political activities; therefore the company encourages its people to exercise their political rights in compliance with laws but prohibit using employees' status or using any company's assets as a subterfuge or route for any form to political participation or political contributions in the name of the company.

To express and giving political opinion in the company's office or job site area is penalty to the company's association.

3.4 Prevention of Conflict of Interest

Prevention of conflicts of interest is the duty and responsibility of all executives, staff and employees who must understand and strictly follow the practice correctly. Guideline for practice or measures are as follows:

- Manage and operate by adhering to morals and ethics as per the Company's principles of good governance and code of conduct.
- Fully dedicate oneself and time to the Company in case it is necessary to do other work to increase income or for other purposes outside working hours, such work must not violate or be contrary to the law and good morals, not affecting the work in their responsibilities, not doing business that is against the interests of the company or in a competition or have the same characteristics as the Company.
- It is not a use of the company's secrets to seek benefits both directly and indirectly

3.5 Facilitation Payment

The Company does not have a policy to pay any form of facilitation payments both directly and indirectly without taking any actions and do not accept any actions related to facilitating the operations of the Company.

3.6 Revolving Door

The company has no policy to employ government employees who are still in positions that may cause any conflicts of interest.

3.7 Whistle blowing for Business countering Bribery

The company supports its personnel to report any misconduct or non-compliance or any form of action that might result bribery by sending their enquiries to managers or other channel that open for this matter. The company has whistle blowing and whistleblower protection policy as stated in the good governance chapter. The additional complaints channel for whistle blowing as follows;

1. Chairman of the Audit Committee or
2. Independent Directors or
3. Corporate Secretary

At STP&I Public Company Limited
3rd Floor, Sino-Thai Tower,
32/24 Sukhumvit 21 (Asoke) Road,
Klongtoey-Nua, Wattana, BKK 10110
E-mail: contact@stpi.co.th
Tel: +662-260-1181

The process from receiving a complaint until the announcement of complaint resolution to the complainant shall appropriately perform under a reasonable period of time.

3.8 Human Resource Management

The Company have policies and measures against fraud and corruption, covering the personnel management process including recruitment, personnel selection, promotion, training and employee performance evaluation with transparency. The Company has a policy not to demote, punish or cause negative effects on employees who reject corruption although doing so will cause the Company lose business opportunities.

3.9 Evaluation for risk from countering bribery

The Internal Audit of the company has responsible for doing the evaluation of risk from countering bribery by evaluate, analyze, follow, and control risk that might result bribery to be acceptable and report the evaluation result to the Audit Committee including follow up the procedures to prevent risk from countering bribery with the Principles for Countering Bribery.

3.10 Countering Bribery Awareness

The company has communicated and arranged internal training for employees and employees understand and realize the importance to strictly comply with the Anti-Fraud and Corruption Policy since the orientation of new staff and publicize through various channels such as notifying employees via email, posting announcements on the website and bulletin boards at the offices and various departments of the company, etc.

For directors and all levels of executives must be a good role model and encourage subordinates at all levels to realize the Anti-Fraud and Corruption policy continuously and make it part of the corporate culture.

In addition, the company also communicated and pushed for subsidiaries, affiliates, business partners and contract parties to acknowledge and comply with the policy and this guideline not to act or be involved in fraud and corruption.

3.11 Punishment

The punishment is compliance with the company's regulations and/or related laws.

4. Management Discussion and Aanlysis

1) The Auditor's Opinion

The Auditor from EY Office Limited issued unqualified opinion that the financial statements of the Company and its subsidiaries for the year ended 31 December 2022 presented fairly, in all material respects, the financial position, financial performance and cash flow in accordance with Thai Financial Reporting Standards.

2) Summary of Financial Statements

The summary of Statements of financial position, Statements of comprehensive income and Cash flow statements by comparison for the audited financial statements year ended 31 December 2020 - 2022

STP&I Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2022</u>	<u>%</u>
Assets						
Current assets						
Cash and cash equivalents	486,678.86	3.84	980,442.86	8.40	329,813.44	2.96
Trade and other receivables	326,142.27	2.57	483,407.50	4.14	761,018.27	6.84
Contract assets						
Unbilled receivables	493,462.41	3.90	484,909.25	4.15	584,545.52	5.25
Retention receivables	18,158.28	0.14	25,120.12	0.22	120,395.53	1.08
Inventories	400,513.55	3.16	528,333.28	4.52	276,138.07	2.48
Advances payment to suppliers and contractors	4,240.59	0.03	21,502.06	0.18	24,781.27	0.22
Other current financial assets	2,073,374.65	16.37	2,269,931.66	19.44	1,769,310.74	15.89
Other current assets	182,542.83	1.45	175,754.29	1.50	164,907.55	1.48
Total current assets	3,985,113.42	31.46	4,969,401.02	42.55	4,030,910.41	36.20
Non-current assets						
Restricted bank deposits	850,972.56	6.72	73,876.40	0.63	62,441.98	0.56
Other non-current financial assets	191,218.51	1.51	246,074.81	2.11	461,750.99	4.15
Investments in joint venture	-	-	-	-	8,814.84	0.08
Investments in associate	-	-	827,664.34	7.09	804,918.43	7.23
Long-term loan to other company	80,000.00	0.63	80,000.00	0.69	-	-
Investment properties	4,147,099.80	32.74	2,497,482.80	21.39	2,698,505.63	24.24
Property, plant and equipment	2,850,554.56	22.50	2,422,458.17	20.74	2,350,061.48	21.11
Rights to produce and sell electricity from municipal waste	434,297.81	3.43	434,297.81	3.72	434,297.81	3.90
Other intangible assets	15,354.17	0.12	12,203.83	0.10	7,893.90	0.07
Deferred tax assets	59,527.51	0.47	36,526.53	0.31	57,598.62	0.52
Other non-current assets	53,425.97	0.42	78,139.04	0.67	215,677.94	1.94
Total non-current assets	8,682,450.89	68.54	6,708,723.72	57.45	7,101,961.63	63.80
Total assets	12,667,564.31	100.00	11,678,124.74	100.00	11,132,872.03	100.00

STP&I Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2022</u>	<u>%</u>
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	888,740.00	7.02	100,000.00	0.86	-	-
Trade and other payables	312,742.05	2.47	491,745.28	4.21	583,303.79	5.24
Contract liabilities						
Advances received from customers	150,792.41	1.19	145,948.30	1.25	106,138.53	0.95
Revenue from fabrication work received in advance	106,022.74	0.84	115,599.19	0.99	-	-
Current portion of advance rental income	12,218.81	0.10	56,135.67	0.48	55,044.80	0.49
Current portion of long-term loans from financial institutions	231,400.00	1.83	172,044.00	1.47	174,504.00	1.57
Current portion of lease liabilities	41,387.97	0.33	26,667.56	0.23	26,155.05	0.23
Income tax payable	2,964.37	0.02	196.91	-	1,532.65	0.01
Provision for losses on fabrication work	41,678.23	0.33	-	-	-	-
Other current liabilities	32,460.43	0.26	61,017.78	0.52	60,766.67	0.56
Total current liabilities	1,820,407.00	14.39	1,169,354.70	10.01	1,007,445.49	9.05
Non-current liabilities						
Long-term loans from financial institutions - net of current portion	1,595,300.01	12.59	773,560.00	6.62	599,056.00	5.38
Lease liabilities - net of current portion	1,250,073.51	9.87	246,483.94	2.11	262,831.32	2.36
Provision for long-term employee benefits	53,236.65	0.42	68,854.26	0.59	84,272.25	0.76
Advance rental income	-	-	1,208,931.40	10.36	1,167,031.41	10.48
Deferred tax liabilities	91,030.47	0.72	201,243.09	1.72	212,562.62	1.91
Deposit from long-term lease agreements	66,176.58	0.52	-	-	-	-
Other long-term provision	25,257.65	0.20	25,257.65	0.22	25,257.65	0.23
Other non-current liabilities	95,095.48	0.74	27,937.28	0.24	25,921.41	0.23
Total non-current liabilities	3,176,170.34	25.06	2,552,267.62	21.86	2,376,932.65	21.35
Total liabilities	4,996,577.34	39.45	3,721,622.32	31.87	3,384,378.14	30.40

STP&I Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>%</u>	<u>2021</u>	<u>%</u>	<u>2022</u>	<u>%</u>
Shareholders' equity						
Share capital						
Registered						
1,624,838,400 ordinary shares of Baht 0.25 each	406,209.60		406,209.60		406,209.60	
Issued and fully paid up						
1,624,831,478 ordinary shares of Baht 0.25 each	406,207.87	3.21	406,207.87	3.48	406,207.87	3.65
Premium on ordinary shares	1,356,908.66	10.71	1,356,908.66	11.62	1,356,908.66	12.19
Premium on treasury shares	96,309.69	0.76	96,309.69	0.82	96,309.69	0.87
Retained earnings						
Appropriated - statutory reserve	40,629.71	0.32	40,629.71	0.35	40,629.71	0.36
Appropriated - treasury shares reserve	120,754.97	0.95	120,754.97	1.03	120,754.97	1.08
Unappropriated	5,469,161.96	43.17	5,789,457.10	49.58	5,644,552.20	50.70
Treasury shares	(120,754.97)	(0.95)	(120,754.97)	(1.03)	(120,754.97)	(1.08)
Other components of shareholders' equity	13,961.77	0.11	25,846.81	0.22	3,765.88	0.03
Equity attributable to owners of the Company	7,383,179.67	58.28	7,715,359.85	66.07	7,548,374.01	67.80
Non-controlling interests of the subsidiaries	287,807.30	2.27	241,142.57	2.06	200,119.89	1.80
Total shareholders' equity	7,670,986.97	60.55	7,956,502.42	68.13	7,748,493.90	69.60
Total liabilities and shareholders' equity	12,667,564.31	100.00	11,678,124.74	100.00	11,132,872.03	100.00

STP&I Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2020 - 2022

(Unit: Thousand Baht)

	2020	%	2021	%	2022	%
Profit or loss:						
Revenues						
Revenues from fabrication work	994,982.75	52.33	1,269,671.26	47.17	3,318,781.45	87.03
Sales and services income	477,163.85	25.10	770,311.55	28.62	328,780.81	8.62
Revenue from rental of real estates	291,245.95	15.32	218,707.74	8.12	108,378.32	2.84
Dividend income	25,272.26	1.33	25,531.38	0.95	29,942.55	0.79
Gain on sales of investment properties	-	-	136,309.62	5.06	-	-
Other income	112,684.67	5.92	271,438.15	10.08	27,640.25	0.72
Total revenues	1,901,349.48	100.00	2,691,969.70	100.00	3,813,523.39	100.00
Expenses						
Cost of fabrication work	1,173,397.87	61.71	1,191,367.33	44.26	3,144,760.99	82.46
Factory overhead expenses not allocated to cost of fabrication work	222,167.85	11.68	172,365.54	6.40	189,558.51	4.97
Cost of sales and services	366,515.15	19.28	464,998.34	17.27	183,841.06	4.82
Cost of rental of real estates	146,244.27	7.69	89,057.20	3.31	53,876.81	1.41
Selling and distribution expenses	13,807.26	0.73	7,062.42	0.26	7,761.76	0.20
Administrative expenses	352,425.48	18.54	331,382.48	12.31	296,056.32	7.76
Other expenses	794,965.27	41.81	8,255.26	0.31	182,001.14	4.77
Total expenses	3,069,523.16	161.44	2,264,488.56	84.12	4,057,856.60	106.39
Operating profit (loss)	(1,168,173.67)	(61.44)	427,481.14	15.88	(244,333.21)	(6.41)
Share of loss from investments in joint venture	-	-	-	-	(185.11)	-
Share of profit from investments in associate	-	-	4,363.35	0.16	28,148.20	0.74
Finance income	80,736.76	4.25	61,852.75	2.30	69,570.79	1.82
Finance cost	(91,024.13)	(4.79)	(77,577.54)	(2.88)	(38,186.73)	(1.00)
Profit (loss) before income tax	(1,178,461.05)	(61.98)	416,119.71	15.46	(184,986.05)	(4.85)
Income tax benefit (expenses)	78,226.33	4.11	(142,489.29)	(5.29)	(5,941.53)	(0.16)
Profit (loss) for the year	(1,100,234.71)	(57.87)	273,630.41	10.17	(190,927.58)	(5.01)

STP&I Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial loss - net of income tax	(8,210.31)	-	-
Gain (loss) on investments in equity designated at fair value through other comprehensive income - net of income tax	(18,619.77)	11,885.04	(22,080.93)
Other comprehensive income for the year	<u>(26,830.08)</u>	<u>11,885.04</u>	<u>(22,080.93)</u>
Total comprehensive income for the year	<u><u>(1,127,064.79)</u></u>	<u><u>285,515.45</u></u>	<u><u>(213,008.52)</u></u>
Profit (loss) attributable to:			
Equity holders of the Company	(836,675.75)	320,295.14	(144,904.90)
Non-controlling interests of the subsidiaries	(263,558.97)	(46,664.73)	(46,022.69)
	<u><u>(1,100,234.71)</u></u>	<u><u>273,630.41</u></u>	<u><u>(190,927.58)</u></u>
Total comprehensive income attributable to:			
Equity holders of the Company	(863,505.82)	332,180.18	(166,985.83)
Non-controlling interests of the subsidiaries	(263,558.97)	(46,664.73)	(46,022.69)
	<u><u>(1,127,064.79)</u></u>	<u><u>285,515.45</u></u>	<u><u>(213,008.52)</u></u>
Earnings per share			
Basic earnings (loss) per share			
Profit (loss) attributable to equity holders of the Company	<u><u>(0.52)</u></u>	<u><u>0.20</u></u>	<u><u>(0.09)</u></u>

STP&I Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cash flows from operating activities			
Profit (loss) before tax	(1,178,461.05)	416,119.71	(184,986.05)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities			
Depreciation and amortisation	416,253.86	253,225.59	189,085.20
Allowance for expected credit losses (reversal)	2,708.13	(1,824.01)	853.41
Write off of deposit and advance payment for purchase of gas station	18,886.73	-	-
Write off of withholding tax	1,767.68	-	-
Reduction of inventory cost to net realisable value (reversal)	(2,641.16)	4,599.93	(16,801.99)
Share of loss from investments in joint venture	-	-	185.11
Share of profit from investments in associate	-	(4,363.35)	(28,148.20)
Gain on sales of investment properties	-	(136,309.62)	-
Loss (gain) on sales and write-off of equipment	(8,328.52)	1,005.40	443.40
Loss on sales of petty patent	26,947.74	-	-
Impairment loss on equipment and intellectual property	112,913.04	4,788.94	-
Impairment loss on rights to produce and sell electricity	499,530.73	-	-
Impairment loss on goodwill	22,033.99	-	-
Loss (gain) on sales of other current financial assets	5,540.78	(35,370.00)	22,611.96
Loss (gain) on changes in fair value of other financial assets	(21,479.81)	7,635.31	65,571.05
Loss (gain) on sales of other non-current financial assets	64.21	-	-
Dividend received from other financial assets	(25,272.26)	(25,531.38)	(29,942.55)
Increase (decrease) in short-term provisions	8,560.61	(837.29)	-
Increase in other long-term provisions	25,257.65	-	-
Increase (decrease) in provision for losses on fabrication work	35,504.34	(41,678.23)	-
Provision for long-term employee benefits	17,762.46	20,406.53	23,564.49
Unrealised loss (gain) on foreign exchange	(34,503.26)	(163,683.43)	74,997.16
Gain on derivatives	-	-	(77,484.27)
Interest income from loans and debentures	(51,010.15)	(42,079.53)	(52,284.69)
Interest expenses	89,475.68	74,360.28	36,878.91
Profit (loss) from operating activities before changes in operating assets and liabilities	(38,488.55)	330,464.85	24,542.93

STP&I Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating assets (increase) decrease			
Trade and other receivables and contract assets	(480,240.05)	(141,536.31)	(538,130.08)
Work in progress	25,753.08	-	-
Inventories	(39,498.43)	(132,419.66)	268,997.19
Other current financial assets	(41,454.27)	(209,188.95)	195,725.08
Other current assets	45,608.09	105,388.50	(10,312.20)
Other non-current assets	26,101.19	(13,878.28)	(3,012.20)
Operating liabilities increase (decrease)			
Trade and other payables	(146,091.79)	177,108.35	89,425.66
Advances received from customers	127,145.39	(4,844.11)	(39,809.77)
Revenue from fabrication work received in advance	115,961.68	(362.49)	(115,599.19)
Payment of long-term employee benefits	(16,282.15)	(4,788.92)	(8,146.51)
Other current liabilities	(4,958.36)	28,938.09	(1,929.54)
Rental revenue received in advance	(29,729.17)	1,252,848.27	(42,990.87)
Deposit from long-term lease agreements	(3,431.19)	(34,882.08)	(246.73)
Other non-current liabilities	21,716.82	5,552.35	(1,769.14)
Cash flows from (used in) operating activities	(437,887.68)	1,358,399.59	(183,255.37)
Interest paid	(83,646.57)	(69,387.71)	(31,726.49)
Cash received from refund of corporate income tax	4,293.44	4,778.06	-
Cash paid for corporate income tax	(28,961.93)	(147,535.95)	(49,506.87)
Net cash flows from (used in) operating activities	(546,202.74)	1,146,254.00	(264,488.74)

STP&I Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cash flows from investing activities			
Decrease in restricted bank deposits	257,313.35	777,096.16	11,434.42
Cash received from repayment of short-term loan to other company	-	-	80,000.00
Net cash paid for investments in subsidiary	-	-	(2,397.00)
Acquisition of investments in associate	-	(876,441.85)	(5,636.42)
Acquisition of investments in joint venture	-	-	(8,999.95)
Acquisition of investments in real estate investment trust	-	(40,000.00)	-
Cash received from sales of investments in equity instruments with quoted market price	30,835.79	-	-
Acquisition of investments in structured note	-	-	(67,016.80)
Acquisition of investments in debentures	(239,978.06)	(96,877.36)	(110,000.00)
Cash received from redemption of investments in debentures	730,000.00	206,668.00	152,083.25
Cash received from sales of investments in general fixed income fund	93,217.67	-	-
Proceeds from sales of investments properties	-	1,000,717.92	-
Proceeds from sales of equipment and intangible assets	17,689.04	12,017.36	10,601.94
Proceeds from sales of intangible assets - petty patent	35,000.00	-	-
Acquisition of investment properties	(309,883.96)	(40,800.16)	(212,697.51)
Acquisition of property, plant and equipment	(165,998.43)	(27,840.56)	(64,860.94)
Acquisition of other intangible assets	(9,732.45)	(1,561.12)	(324.17)
Cash received from dividends from other financial assets	25,272.26	25,504.56	29,969.37
Cash received from dividends from associate	-	-	56,530.53
Cash received from interest	38,772.58	26,015.34	61,230.68
Net cash flows from (used in) investing activities	502,507.78	964,498.31	(70,082.60)
Cash flows from financing activities			
Increase in short-term loans from financial institutions	238,740.00	4,730,000.00	-
Decrease in short-term loans from financial institutions	(125,000.00)	(5,518,740.00)	(100,000.00)
Repayment of long-term loans from financial institutions	(228,385.71)	(881,096.01)	(172,044.00)
Payment of lease liabilities	(125,063.57)	(50,045.80)	(26,647.36)
Cash paid for treasury stock	(120,754.97)	-	-
Cash received from non-controlling interests for investment in subsidiary	-	-	4,700.00
Dividend paid	(97,406.28)	(129.46)	(21.15)
Decrease in non-controlling interests of the subsidiary	(72,450.00)	-	-
Net cash flows used in financing activities	(530,320.54)	(1,720,011.26)	(294,012.50)

STP&I Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2020 - 2022

(Unit: Thousand Baht)

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net increase (decrease) in cash and cash equivalents	(574,015.49)	390,741.05	(628,583.84)
Effect of exchange rate for cash and cash equivalents	(5,274.71)	103,022.96	(22,045.58)
Cash and cash equivalents at beginning of year	1,065,969.06	486,678.86	980,442.86
Cash and cash equivalents at end of year	486,678.86	980,442.86	329,813.44

Supplemental cash flows information

Non-cash related transactions

Increase (decrease) in accounts payable for purchases of property, plant and equipment	4,388.93	(12,208.17)	9,448.81
Increase in right-of-use assets due to entering into lease agreements	183,717.34	86,561.14	3,333.32
Increase in investment properties due to investment in subsidiary	-	-	33,782.00
Transfer property, plant and equipment to investment properties	-	319,716.81	-
Transfer advance payment to contractors for power plant construction to property, plant and equipment	13,912.88	-	-
Decrease in deposit from long-term agreements due to sales of investment properties	-	36,785.34	-

Ratios

	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Liquidity Ratio				
Current Ratio	2.19	4.25	4.00	(Times)
Quick Ratio	1.49	3.09	2.79	(Times)
A/R Turnover (Billed)	15.07	8.83	7.01	(Times)
Avg. Collection Period (Billed)	24	41	52	(Days)
A/R Turnover (Billed + Unbilled)	3.69	3.03	3.51	(Times)
Avg. Collection Period (Billed + Unbilled)	99	120	104	(Days)
Inventory Turnover	3.80	3.57	8.28	(Times)
Avg. Inventory Period	96	102	44	(Days)
A/P Turnover	9.90	9.44	13.51	(Times)
Avg. Payment Period	37	39	27	(Days)
Cash Cycle (Billed)	83	105	69	(Days)
Cash Cycle (Billed + Unbilled)	158	184	121	(Days)
Profitability Ratio				
Gross Profit Margin	4.38	22.72	9.94	(%)
Operating Profit Margin	(66.25)	19.12	(5.76)	(%)
Net Profit Margin	(42.21)	11.63	(3.73)	(%)
Return on equity (ROE)	(10.56)	4.24	(1.90)	(%)
Efficiency Ratio				
Return on assets (ROA)	(8.63)	2.25	(1.67)	(%)
Return on fixed assets (ROFA)	(11.44)	8.84	(0.04)	(%)
Total Asset Turnover	0.16	0.23	0.34	(Times)
Financial Policy Ratio				
Debt to equity Ratio (D/E)	0.68	0.48	0.45	(Times)
Interest Coverage Ratio	(7.37)	9.63	1.11	(Times)
Commitment Coverage Ratio	(0.58)	2.50	0.21	(Times)
Dividend Payout Ratio	N/A	N/A	N/A	(%)
Information per share				
Book value per share *	4.59	4.83	4.72	Baht
Earnings (loss) per share *	(0.52)	0.20	(0.09)	Baht
Dividend per share	N/A	N/A	N/A	Baht
Growth rate				
Total Assets Growth	(1.27)	(7.81)	(4.67)	(%)
Total Liabilities Growth	33.61	(25.52)	(9.06)	(%)
Revenues from fabrication work Growth	81.13	27.61	161.39	(%)
Operating expense Growth	(43.03)	(15.50)	18.78	(%)

* weighted average number of ordinary shares in issue during the year, net of the treasury shares held by the Company.

Management Discussion and Analysis

1. Operating performance

The Fabrication work segment

In 2022, the Company reported revenue from fabrication work at Baht 3,319 million which increased Baht 2,049 million or 161% from the year 2021; mainly due to higher value of projects on hand which resulting in the higher work volume from operation, including the resumption of a major project that could be recognized continuously from the 2nd quarter of 2022. However, the gross profit margin has dropped slightly from that of the previous year, mainly from higher raw materials cost and the substantial cost of preparation for the resumption of a large project. However, the workload is still not at full capacity so the Company still needed to record plant overhead not allocated to the cost of production of Baht 189 million which increased 10% from the previous year.

The sale and service

In 2022, the Company reported revenue from sales and services at Baht 329 million which decreased Baht 441 million or 57% from the year 2021; mainly from the Company has no revenue on material storage and preservation during the project suspension. There is only the relocation fee in the first quarter. In addition, the revenue from sales of construction machinery was still affected by the economic slowdown, resulting revenue decreased as well. Since the service has higher gross margin than sale, resulting the gross margin of sales and services segment slightly improved from the previous year.

The income from sales and services in 2021 and 2022 can be classified as follows.

Unit: Million Baht	2021	2022	Increase (Decrease)
sales of construction machinery and machinery-related services	430.69	238.09	(192.60)
Preservation fee and relocation cost during the project suspension period	315.51	46.96	(268.55)
Decommissioning of oil rigs and storage services	7.85	14.18	6.33
Property management fee	1.91	17.04	15.13
Income from oil sales	12.49	-	(12.49)
Other sale and services	1.86	12.51	10.65
Total Income from sales and services	770.31	328.78	(441.53)

The rental of land, office building and warehouse segment

In 2020, the Group has 3 land and warehouses for rent consist of ST Lam Luk Ka Project, Pathum Thani Province, ST Bang Pa-in Project, Phra Nakhon Si Ayutthaya Province and ST Bang Bo Project, Samut Prakarn Province, with almost full tenants, 1 office building Summer Hub Project and 1 community mall Summer Hill Project located in Prakhanong Subdistrict, Klong Toei District, Bangkok, also with almost full tenants. In June 2020, the Board of Directors has resolved to bring assets of 4 projects, namely ST Bang Pa-In, ST Bang Bo, Summer Hill and Summer Hub Project lease to KTBSTMR which has established and registered the leasehold rights successfully in November 2021. KTBSTMR paid approximately Baht 2,325 million for all leasehold rights (before deducting related expenses). The Group considered that the sublease of Summer Hill and Summer Hub Projects are sales of assets. The Group recorded gain on sales of investment properties amounting to Baht 136 million (after deducting provision for rental guarantee and eliminating the transaction in proportion of investments held by the Group) in the consolidated statement of comprehensive income. Whereas ST Bang Pa-In and ST Bang Bo Projects were recognized as advance rental income in the consolidated statement of financial position which will gradually recognize rental income over 30-year lease term, resulting the rental income decreased in 2021 and 2022

However, during the year 2022, a subsidiary has 2 addition warehouses for rent at Muang Khun Kaen District and another one is under construction at Ban Phai District in Khon Kaen Province which will generate an addition income approximately 30-35 million baht per year

From the above explanation and impact of COVID-19 epidemic, the revenue from rental of real estates decreased from Baht 219 million in 2021 to Baht 108 million in 2022. Moreover, there is expense for guarantee income of vacant units to KTBSTMR, resulting the gross profit margin decreased from 59% in 2021 to 50% in 2022. However, the Group still has land awaiting development which is in process of negotiation with potential tenants to construct the warehouses and enter into the long-term lease agreement.

The community automated gas station segment

The subsidiary has started operating the community automated gas stations business since end of 2018 by gradually purchasing and installing the automated gas stations at the appropriate installation points and setting up proper management system, and started to recognize income in 2019, However, after considering the operating results for the past 2 years, the Company agrees that additional investments should be discontinued for this business. In December 2020, the subsidiary disposed of a petty patent related to its operation of community automated gas stations to buyer which is a related party to another shareholder group, resulting this segment's income has decreased from Baht 15 million in 2020 to Baht 12 million in 2021 and already stopped this business from December 2021.

The power plant segment

The waste-to-energy power plant that uses municipal solid waste as fuel in Phetchaburi province was in the process of construction. However, during 2019 the subsidiary has temporarily suspended the construction due to the dispute with the design and construction contractors as discussed in Note 37.5 to the financial statements, resulting in the production and distribution of the electricity failing behind schedule and the need to rectify the power plant to be fit for purpose and intended use and most importantly, safe for operation.

Other incomes & expenses

In addition to gain on sales of investment properties which is a special transaction in 2021 as described in rental segment above, the material other income to the financial statement is gain on exchange rates. In 2021, Baht depreciated against US dollar which has positive effect on the Company, resulting in FX gain Baht 187 million. The Company has entered into forward exchange contracts to hedge some foreign currency exposure. However, during the year 2022, Baht continued to depreciate. It was the main reason for the exchange rate loss of Baht 93 million in 2022.

Moreover, the current economic recession has still continued to cause negative impact on global investment markets. Since the Company must present investments at fair value, as a result, there are loss on changes in fair value of investments and loss on sale of investments in the reporting year of Baht 88 million in 2022, while in 2021 reported a gain of Baht 28 million.

Administrative expenses in 2022 were Baht 296 million; a decrease of 11% compared to the previous year. This was mainly due to the sharp reduction of a subsidiary's arbitration litigation expenses because the witness examination process was completed and all case documents were already been submitted since the first half of the year. Currently still under consideration by the arbitral tribunal.

At the end of 2021, the Company used the money received from the transfer of assets to the REIT to repay some of the loans from financial institutions and no additional loan. As a result, finance cost in 2022 was reported at Baht 39 million which decreased 51% from the previous year.

In 2021, income tax expenses amounted Baht 142 million mainly due to gain on sales of leasehold rights to the REIT as explained above, causing more income tax expenses Baht 128 million and was recorded as a deferred tax liability in the Statements of financial position. In 2022, there was no such transaction, income tax expenses therefore decreased to Baht 6 million.

From the aforementioned reasons, the Company reported a net loss attributable to the shareholders of the Company of Baht 145 million for the year 2022, compared to the net profit of Baht 320 million in 2021.

2) Financial Position

• Asset

In 2022, the Company had total assets of Baht 11,133 million which decreased 5% compare to Baht 11,678 million in 2021, summarized as follows;

- Cash and other current financial assets

At the end of 2022, the Company reported cash and other current financial assets at Baht 2,099 million which decreased Baht 1,151 million from 2021. This was mainly due to the Company repaying bank loans total Baht 272 million, investing in warehouses for rent total Baht 213 million, invested in debentures and structured notes total Baht 177 million, purchase of machinery and equipment total Baht 65 million, paid income tax Baht 50 million and the remaining was used in operating activities.

- Trade Receivables, Unbilled Receivables and Retention Receivables

According to the Company's business practice, a credit terms ranging from 30 – 60 days has been provided to both domestic and overseas customers. Regarding the policy for allowance for expected credit losses, the management will determine on a case by case basis, taken into consideration track record and financial status of each customer as well as the relevant economic situation. The Company recorded the revenue by percentage of completion whilst the undue revenues were booked as unbilled receivables.

The trade receivables aging as of 31 December 2020 to 2022 are as follows;

	Unit : Million Baht		
	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Trade receivables - related parties</u>			
Aged on the basis of due dates			
Not yet due	1.83	4.77	4.25
Past due			
Up to 3 months	1.31	1.66	4.19
Over 3 months	-	-	0.19
Total trade receivables - related parties	3.14	6.43	8.63
Less: Allowance for expected credit losses	(0.03)	(0.04)	(0.13)
Total trade receivables - related parties, net	3.11	6.39	8.50

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Trade receivables - unrelated parties</u>			
Aged on the basis of due dates			
Not yet due	70.23	320.33	401.01
Past due			
Up to 3 months	68.46	31.20	276.21
3 - 6 months	0.73	1.47	10.75
6 - 12 months	2.11	0.09	7.48
Over 12 months	3.53	4.05	4.11
Total	145.06	357.14	699.56
Less: Allowance for expected credit losses	(6.18)	(4.34)	(5.10)
Total trade receivables - unrelated parties, net	138.88	352.80	694.46
Total trade receivables - net	141.99	359.19	702.96

Most of trade receivables are not yet due or past due not more than 3 months, which is paid in the next reporting cycle. For long outstanding receivables, the allowance for expected credit losses is sufficient.

At the end of 2022, the Company reported unbilled receivables at Baht 584 million which increased approximately Baht 100 million from year 2021, and reported retention receivables at Baht 120 million which increased Baht 95 million from 2022. This is in line with the increased work volume during the year and accordance with some contract term could submit invoice after the goods has been delivered.

- Inventory

At the end of 2022, the Company reported inventory at Baht 276 million which decreased Baht 252 million from 2021, due to the project that the Company was responsible for supplying main raw materials had already fabricated and delivered almost all works to customer. For the current project, the Company is responsible for procuring only some raw materials and consumables. As a result, the inventories for fabrication work decreased total Baht 220 million. While the subsidiary was able to sell the products in stock causing finished goods for sell decreased approximately Baht 32 million.

- Investments in joint venture

In May 2022, the Company and PowerVault (Thailand) Co., Ltd. invested in the proportion 60:40 established SinoPower Co., Ltd. (SP) with registered capital of Baht 60 million which is principally engaged in the renewable energy business, such as Solar Roof and Solar Farm to diversify the risks of the Company's operations and support the growth of the renewable energy market. The Company determined that it is investment in joint venture since the Company and partner have joint control in SP.

At the end of 2022, it has called up 25% of its shares and reported the book value based on equity method of Baht 8.8 million. In this regard, SP will start earning income from selling electricity in the first quarter of 2023 onwards.

- Investments in associate

In order for investors to be interested and confident in investing in KTBSTMR, the Company as a main sponsor, expand the investment in KTBSTMR from 5% to not more than 30%. During the initial public offering (IPO) between 19-29 October 2021, the Company and STP&L invested in KTBSTMR amounting to Baht 246 million and Baht 600 million, respectively. As a result, the Company's shareholding in KTBSTMR is totaling 28.05, and KTBSTMR is treated as an associated company. Subsequently, in November and December 2021, the Company invested Baht 30 million and during 2022 invested Baht 5.6 million in KTBSTMR. As a result, as at 31 December 2022, the Group's shareholding in KTBSTMR is 29.27% with the amount based on equity method Baht 805 million.

- Investment Property and Leasehold Rights of Land

During the year 2021, the Company transferred land which was originally intended to be used for factory construction amounting to Baht 320 million to investment properties (Land awaiting development) because the factory building plan have changed. In addition, due to the Group's consideration that the lease of Summer Hill and Summer Hub projects are true sale, the investment properties related with the projects are therefore written off from the account with a net book value as of the date of sale approximately Baht 1,955 million. This is the main reason that investment properties in 2021 decreased to Baht 2,497 million from Baht 4,147 million of 2020.

During the year 2022, the Group has more investment property through a new subsidiary amounting to Baht 246 million. After deduction of depreciation total Baht 45 million, net book value at the end of year was presented at Baht 2,698 million.

- Property, plant and equipment

As of 31 December 2022, the Company reported property, plant and equipment amounted Baht 2,350 million which decreased Baht 72 million from 2021, mainly due to depreciation for the year around Baht 139 million and invested in new assets around Baht 67 million.

- Rights to produce and sale electricity

In 2019, a subsidiary temporarily suspended the construction of a waste-to-energy plant due to a dispute with the design and construction contractors, which resulted in production and distribution of electricity falling behind schedule and the need to rectify the power plant to make it fit for purpose and its intended

use. The Group's management believes that the effect of the dispute will not result in any damage to the subsidiary. However, in the fourth quarter of 2020 the Company has reconsidered and recorded allowance for impairment loss on rights to produce and sell electricity from municipal of Baht 500 million to reduce the carrying amount of the assets to their recoverable amounts which based on value in use, using cash flow projection determined based on the estimated financial. In 2022, the Company believe that allowance for impairment loss, which was recorded, is appropriate.

- Liabilities

At the end of 2022, the Company reported total liabilities at Baht 3,384 million which decreased Baht 337 million from Baht 3,722 million of 2021, mainly due to repaying both short-term and long-term bank loans totaling Baht 272 million. The remaining amount was from other operating liabilities including trade payables and contract liabilities changed according to the amount of work, terms and conditions specified in the contract in accordance with normal course of business.

- Shareholders' Equity

At the end of 2022, shareholders' equity was presented at Baht 7,548 million, decreased Baht 167 million or 2% from 2021 due to net loss for the period amounted Baht 145 million and loss through other comprehensive income Baht 22 million.

Equity attributable to non-controlling interests of the subsidiaries decreased from Baht 241 million in 2021 to Baht 200 million in 2022, due to recognized proportionate loss during the year totaling Baht 46 million and increased from acquisition of new subsidiary Baht 5 million.

- Company cash flow

In 2021, the Company reported loss before tax at Baht 185 million, which including depreciation and amortization totaling Baht 189 million. Although the decrease in inventories, other current financial assets, and increase in trade payables help increase in cash total Baht 554 million. However, the increase in trade accounts receivable and contract assets, and decrease in contract liabilities and cash paid for corporate income tax, resulting in the decrease in cash total Baht 787 million. From above reason, the Company reported net cash flow used in operating activities totaling Baht 264 million.

Cash flows used in investing activities amounted Baht 70 million were mainly from cash received from dividend and interest Baht 148 million and net cash received from redemption of investments in debentures and decreased in restricted bank deposits totaling Baht 66 million. While cash used to invest in investment properties and fixed assets total 267 million and acquisition of investments in subsidiary, associate and joint venture total Baht 17 million.

For cash flows used in financing activities amounted Baht 294 million were mainly from repayment of bank loan amounting to Baht 272 million and cash paid for lease liabilities Baht 27 million.

Current Ratio

In 2022, current ratio decreased from 4.25 times in 2021 to 4.00 times, and quick ratio decreased from 3.09 times in 2021 to 2.79 times, mainly due to an increase in cash and investments.

Profitability Ratio

In 2022, the Company reported gross profit from operating at 9.94% which decreased from 22.72% in 2021, mainly due to the rising raw material costs and the cost is quite high at the beginning of the project while the revenue from material storage service which has a relative high gross margin have a decreased proportion of income, resulting in gross profit margin decreased.

Moreover, during 2022 the Company recorded loss on exchange and changes in the value of investments as explained in the section other income & expenses above while in 2021 recognized gain, resulting a net loss margin of 3.73% in 2022 compared to a net profit margin of 11.63% for year 2021.

3) Audit Fee

EY Office Limited has been appointed as the Company's auditing firm since 2001 with the following remunerations:

Audit fee

In 2022, the total auditing fee was Baht 3,975,000 of which Baht 1,550,000 pertained to the Company's auditing fee, and the remaining Baht 2,425,000 was for its subsidiaries, details as table below;

(Unit : Baht)

Year	2020	2021	2022
The Company	1,450,000	1,450,000	1,550,000
Subsidiaries	2,440,000	2,445,000	2,425,000
Total	3,890,000	3,895,000	3,975,000

Remarks: Audit fee of subsidiaries in 2021 and 2022 included audit fee by other auditors total Baht 5,000 and Baht 35,000 respectively.

Non-audit fee

In 2020-2022, the Company does not pay any other service fees to EY Office Limited.

In this regard, some subsidiaries and its associated company, i.e. Cannatory Company Limited, Growth Warehouse Co., Ltd. and KTBSTMR have appointed another auditor for year 2021 and 2022. The Board of Directors confident and can supervise of the preparation of financial statements in a timely manner.

Main factors and influences that may affect operations or financial position in the future

Nature of the Company's income depend on a success in getting new project, As a result, the Company's income can vary according to the amount of work that the Company bids for. In the future, if the Company is unable to success on bidding projects, the Company's income may not be enough to cover expenses, especially fixed costs that could not decrease per work volume such as depreciation, rental fees, etc. However, the Company is aware of the volatility of such income, the Company then focuses on producing standardized quality of product and on time delivery at a reasonable price, satisfied with customers to hire new project to the Company. Moreover, the Company has a good relationship with the main contractor (EPC / Main Contractor), including maintaining the status of the main contractor's steel structure work to get the project when the main contractor can bid on new project.

In addition, the Company has adjusted the revenue and profit structure of the Group from the establishment of subsidiaries for other business operations that can increase the recurring income in the long term and diversification of business risks as well.

5. Other Reference

5.1 Reference

Share Registrar	:	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel : +66 (0) 2009 9000 Fax : +66 (0) 2009 9991
Auditor	:	EY Office Limited 33 rd Floor, Lake Ratchada Building 193/136-137 Ratchadaphisek Road Klongtoey, Bangkok 10110 Tel : +66 (0) 2264 0777 Fax : +66 (0) 2264 0789 -90
Attorneys – At – Law	:	Dej-Udom & Associated Limited 9 th Floor, Charn Issara Tower 942/142-3 Rama IV Road, Bangkok 10500 Tel : +66 (0) 2233 0055 Fax : +66 (0) 2236 6681
Member	:	Thai Steel Constructions Association 25 th Almalink Building, 11 st Fl., Soi Chidlom Phloen Chit, Lumpini Pathumwan, Bangkok 10330 Tel : +66 (0) 2254 8400 Fax : +66 (0) 2255 6651

- Member** :
- Thai Institute of Directors Association
CMA, Building 2, 2/9 Moo 4 Northpark Project
Vibhavadi-Rangsit Road, Thung SongHong,
Laksi Bangkok 10210
Tel : +66 (0) 2955 1155
Fax : +66 (0) 2955 1156-57
 - : The Federation of Thai Industries
8th Fl, Creative Technology Bldg. 2 Nang Linchi Rd.,
Thung Maha Mek, Sathon, Bangkok
10120 Thailand
Tel : +66 (0) 2235 1000
 - : Thai National Shippers' Council
1168/97, 32nd Floor., Zone C Lumpini Tower Bldg.,
Rama IV Road, Thungmahamek, Sathon,
Bangkok 10120
Tel : +66 (0) 2679 7555
Fax : +66 (0) 2679 7500-2
 - : Investor Club Association
1 TP&T Tower, 12,16 th Fl Vibhavadi-Rangsit Rd.,
Chatuchak Bangkok 10900
Tel : +66 (0) 2936 1429
Fax : +66 (0) 2936 1441-2
 - : The Thai Chamber of Commerce
150 Rajbophit Road, Ratchabophit Temple Sub-district,
Phra Nakhon District, Bangkok 10200
Tel. :+66 2018 6888

5.2 Legal Dispute and Litigation

5.2.1 Dispute of the Company

In March 2020 one of the subcontractor (“Subcontractor”) applied for dispute resolution with an arbitration center in Thailand, demanding that the Company pay for damages from late payment of work progress, retention money and late return of bank guarantee (as per details in the Note no. 10) for the total amount of Baht 109 million plus interest of 7.5% per annum from 6 March 2020 until payment was settled in full.

In November 2020, the Company was informed of the arbitration award in which the Company had to pay Baht 85 million to that Subcontractor. The payment was completely paid and recorded as expense in the Statement of comprehensive income for that reporting year. This case was therefore final.

5.2.2 Dispute of the Subsidiaries

In 2016, WPGE Phetchaburi Co., Ltd. (a subsidiary) entered into contracts for the design and construction of a waste-to-energy plant with key contractors, and the construction was started in late 2016. However, due to non-compliant work, in 2019 the subsidiary seized the performance bonds of JPY 131 million and USD 0.4 million. Thereafter, the contractors filed a request for arbitration with the International Chamber of Commerce, claiming approximately Baht 158 million, JPY 352 million and USD 0.4 million, mainly for unpaid invoices and other costs. The arbitral tribunal was officially formed in November 2019. The subsidiary denied all allegations and filed counterclaims of approximately Baht 480 million, JPY 1,286 million and USD 4 million for damages resulting from the contractors’ breaches. This arbitration is still ongoing.

In addition, in 2019, the subsidiary was sued by another civil contractor in the Civil Court of Thailand, with claims for unpaid invoices and damages of approximately Baht 180 million plus interest. The subsidiary denied all allegations and filed a counterclaim of approximately Baht 12 million plus interest for damages resulting from the contractor’s breach. In October 2020, the Civil Court pronounced the judgement dismissing the contractor’s case and ordered the contractor to pay for damages arising from breach of the agreement of Baht 7 million to the subsidiary, plus interest at the rate of 7.5% per annum thereon, from 7 November 2019 until full payment is made. The contractor filed an appeal in January 2021, and the subsidiary submitted an answer brief on 1 April 2021. Subsequently, on 18 March 2022, the Court of Appeal pronounced a judgement ordering the contractor to pay damages to the subsidiary of Baht 7 million, plus interest at the rate of 7.5% per annum from 7 November 2019 until 10 April 2021, and interest at a rate of 5% per annum from 11 April

2021 until full payment is made. On 5 April 2022, the contractor appealed against the judgement by the Court of Appeal to the Supreme Court. Subsequently, on 16 June 2022, the subsidiary filed an objection against the plaintiff's petition to the Supreme Court. On 2 February 2023, the Court issued a letter of appointment to hear the orders of the Supreme Court scheduled to be held on 22 March 2023.

The management of the Group has carried out an assessment and is of the opinion that the subsidiary is not contractually and legally liable to the counterparties as claimed. Consequently, these disputes and litigation should not result in any material damage to the subsidiary and thus it is not necessary to set aside any provision for loss in the accounts.



Part 2

Good Corporate Governance

/ Good Corporate Governance

6. Corporate Governance Policy

The Board of Directors at STP&I Public Company Limited defines the importance of corporate good governance in written in order to gain the company's sustainable growth and management efficiency. The review of sufficient internal control system has been performed annually since 2002 in order to ensure the efficient company's operations, and supervising the executives to obtain the management efficiency. The company disclosed all information required by SET in bilingual (Thai and English) via the company's website.

The Board of Directors also reviewed the Company's Corporate Governance Policy and Risk Management including the evaluation of Board of Directors' performance.

The Company is committed to the principles of good corporate governance and business ethics in compliance with the recommended best practices for listed company and relevant rules, regulations and guidelines of the Stock Exchange of Thailand ("SET"), the Office of the Securities and Exchange Commission ("SEC"). The Board of Directors reviewed annually that the principles of good corporate governance and business ethics are adequate and appropriate as per the Resolution of the Board Meeting no. 3/2023 on 10th March 2023.

In year 2022, the Board of Directors consider and review the implementation of the CG Code as a business context.

In this regard, the company has formulated important policies to comply with good corporate governance principles and in order to conduct business with ethics, respect for rights and with responsibility to shareholders and stakeholders which the policies are included Inside Information Prevention and Securities Trading Policy. Human Rights Policy and Information Technology Security Policy.

There are 5 principles which are 1) Right of Shareholders 2) Equitable Treatment of Shareholders 3) Role of Stakeholders 4) Disclosure and Transparency and 5) Responsibilities of the Board of Directors

1) Rights of Shareholders

The Company defines the Principle of Corporate Good Governance concerning with the right of the shareholders. Basic shareholders rights include the right to 1) buy, sell, or transfer shares 2) share in the

profit of the Company 3) obtain relevant and adequate information on the Company 4) participate and vote in shareholder meetings on significant corporate decisions

Shareholders' Meeting

The Board of Directors shall be obliged to supervise the organization of shareholders' meetings to ensure strict compliance with applicable laws, rules and regulations without any prejudice to the shareholders' rights. The Board of Directors shall refrain from any actions, which may limit the rights of all shareholders, including institutional investors, as follows:

- Notice of shareholders' meeting with details on date and time of the meeting, agenda of the meeting, and complete and sufficient information on each agenda for the shareholders to study in advance of the meeting
- Disclosure of and access to accurate, complete, appropriate and sufficient information for the shareholders
- Adequate allocation of time for discussion and express the opinion in the meeting and asking and explaining questions related to the Company's operation for every agenda
- Openness of the rights to vote each proposed director individually
- Rights to attend the shareholders meeting at any agendas that are still under consideration and not vote
- Proposing 2 directors for shareholders to appoint a proxy to attend and vote at the Meeting on their behalf for all 3 proxy forms (A,B,C)
- Disclosure of agenda and related information on shareholders meeting for both on website and on courier to shareholders on the right time and same information
- Encourage all shareholders, including institutional ones to attend the Company's shareholders meeting
- Provide an opportunity and provide a channel to send questions in advance of the 2022 AGM to the Company Secretary

Chairman of the Board, Director's and Top Management's Attendance at Shareholders' Meeting

Chairman of the Board, all directors, company secretary and top management of the Company shall attend all shareholders' meetings necessary. This is to allow them to listen to suggestions and answer questions from the shareholders.

Minutes of the Shareholders' Meeting

The minutes of the shareholders' meeting are disclosed to shareholders in accordance with applicable laws, rules and regulations both in Thai and in English. Data are accurately and completely recorded, including methods of how to vote and count the votes, names of directors attending the meeting, questions and answers, and the resolutions on each agenda of the meeting and published through the news of the SET and the website of the company www.stpi.co.th both in Thai and English.

Equitable Rights of Shareholders to Dividend Payment and Repurchasing Stock

The Company has given all shareholders an equitable right to dividends and/or other benefits and the right to repurchase stock. In this regard, the Company has established a clear dividend payment policy.

2) Equitable Treatment of Shareholders

Notice of Shareholders' Meeting

For equitable treatment of all shareholders, in sending the Notice of Shareholders' Meeting, Proxy Form A, B, and C, and instructions on how to appoint authorized representatives for shareholders who cannot attend the meeting in person, the Board of Directors requires that the letter of invitation to meeting must be disseminated both in Thai and English languages at least 30 days prior to the meeting date on the Company's website www.stpi.co.th and that the notice of shareholder's meeting must be sent to the shareholders at least 21 days before the date scheduled for the shareholders' meeting. In case of a foreign shareholder, the notice of shareholders' meeting and supporting documents in the English language must be sent.

Voting Right

For equitable treatment, a shareholder shall have one vote per share.

Agenda Proposition and Nomination of Directors and Submission of Questions for the Annual General Meeting in Advance

The Company adheres to the principle of equitable treatment of all shareholders and in order to give all shareholders an opportunity to propose matters to the Board of Directors as meeting agenda or nominate qualified persons as the Company's directors, the Company has established the criteria for agenda proposition and director nomination. Such criteria consist of qualifications of the shareholders to propose the meeting agenda or nominate a director, procedures for

proposition of the agenda and director nomination, matters not to be included as an agenda, consideration and selection procedures, and announcement of the consideration results. Details of such criteria are shown on the Company's website www.stpi.co.th. Moreover, the Company allows the shareholders to submit questions for the Annual General Meeting in advance in order to inquire information of each meeting agenda or any important issues of the Company. The Company has clearly determined the qualification of shareholders to submit questions in advance as well as the criteria and consideration procedures.

Inside Information Prevention and Securities Trading Policy

The Company has established the "Inside Information Prevention and Securities Trading Policy" to ensure that the practices of directors, management and employees of the Company in relation to the use of inside information and the company securities trading are in conformity with the Securities and Exchange Act, B.E.2535 (A.D.1992) and other relevant laws in order to prevent insider trading, which is considered an unfair practice, and to improve transparency and Good Corporate Governance of the Company. "Inside Information Prevention and Securities Trading Policy" will be disclosed on the Company's website on www.stpi.co.th.

Policy Disclosure on Connected Transactions, Related Party Transactions, and Conflict of Interest

The Company realizes the benefits of shareholders and fair treatment of all shareholders. To prevent conflict of interests and to achieve transparent and accountable business operations, the Company has a clear policy on disclosure of connected transactions, related party transactions and conflict of interests in order to enhance the confidence of shareholders, investors and stakeholders. The significant connected transactions, related party transactions and conflict of interests must be reviewed and approved by the Audit Committee and the Board of Directors. The Company will be in strict compliance with criteria, conditions and procedures set forth in the Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Practices of Listed Companies in Connected Transactions B.E. 2546 (A.D. 2003) or amendments thereof.

In year 2022, the Company did not find any actions that violate the conflict of interest policy.

Report on interest of directors and Management

The Board of Directors and The Board of Executive Directors will act as a director in accordance with the Fiduciary Duties by especially focus on making decision to both direct and indirect of the company's transaction with cautious and honesty in order to prevent any conflict of interest that might happen in the connected transaction between the company and its subsidiaries. The

Board of Directors defined the best practices for avoiding any conflict of interest by providing the policy that every Directors, and Top Management from Senior Vice President and/or upper levels including Management whose position were related to accounting and financial in Managers or division level must report any conflict of interest that had been made by themselves, spouses, and minor child to the company for the acknowledgement as accordance with The Securities and Exchange Act B.E. 2535 and other additional regulations.

3) Role of Stakeholders Principle

Human Resources Management Policy

The Company has policy to manage people fairly and completely by;

1. Suitable compensation and benefit
2. Adequate fringe benefit
3. Development on staff skill including training
4. Fairness
5. Respect to individual rights
6. Belief and trustworthiness
7. Provide consultation
8. Encourage to be a good citizen
9. Open box for staff to express their opinion and information

The company has intention to develop people in all aspect in order to increase their effectiveness and efficiency to the Company operation by;

- Manpower Planning

The Company has planned man power to fulfill the project volume by providing qualification candidate as plan and timely.

- Recruitment and Selection

The Company has a procedure on recruitment process to get a qualification candidates. There are many channels for recruitment including internet, event with labor department, government agencies, university and education institutes. With many channels of promotion, the Company can select the candidates to match with the position properly.

And also, the Company has checked the criminal records of the accepted candidates for some position with the Criminal Record Division,

- Fringe Benefit
 - 1) Fringes benefit as per required by law including social security and workmen compensation
 - 2) Additional benefits including provident fund, group life and health insurance, health examine, long service award (5, 10, 20, 25, 30 years), education fund, uniform, and nurse service

Training and development

The company has a policy of learning and employee development. Through training and development of employees at all levels to meet the needs of each job type. This is to enable employee to have knowledge, ability, skills and expertise in their job and able to work efficiently with the organization's business plan at present and ready for future competition in a sustainable manner, for example

Performance Evaluation and Pay Structure

The company has a concrete performance evaluation system by setting the criteria for individual and team performance in line with the company's operation plan which related to the appropriate and fair compensation system. By developing and improving to be in line with the conditions of competition and labor market conditions that change in each period by having paid compensation to employees and personnel appropriately and in line with the operating results of the company.

Policy on Safety, Health, and Environment

The Company has commitment on Safety, Health, and Environment which is a key success factor to the operation of the Company and to all related parties. All employees are the most important to the Company therefore, the Company ensures that they work under safety condition and good environment. The key policies are as follows:

- 1) The Company has committed to staff and community by promoting and supporting the operation with safety and health, and preventing and protecting the environment
- 2) The Company provides the safety, health, and environment management to comply with the related laws.
- 3) The Company has defined that managers are responsible for implementing, controlling, and following the policy of safety, health, and environment to be executed to all staff. And also, managers has a rights to proceed this policy successfully.
- 4) The Company has to ensure that all staff work under the Company policy on safety, health, and environment and under the Company regulation strictly.

- 5) The Company provides all necessary equipment and tools with a safety condition and personal protection equipment. The Company has promoted and supported staff by educating and convincing them to work with safety and protecting the environment. The Company has a committee of safety, health, and environment who plan, execute, and develop such policy to the project efficiency.

Anti-Corruption Policy

The Company promotes anti-corruption policy to all management and staff by having an anti-corruption policy in writing, therefore, they understand and apply this policy to their works

Good practices on the receiving and giving gifts or other benefits

The Company has announced a written Gift policy which is a part of Anti-Corruption Policy to employees and the policy was adopted in year of 2015.

Non-infringement of Intellectual Property

The Board of Directors is aware of the importance of non-infringement of intellectual property and conformity with laws governing intellectual property or copyrights; therefore, a policy has been established and clearly disseminated the requirement to the management and employees to carefully consider the products, services, equipment, tools or information technology to be used for business operations of the Company to ensure that the use of such items is not an infringement of third-party intellectual property.

The company set the best practices for non-infringement of intellectual property by monitoring and preventing the downloadable pirated hardware and software.

Human Rights

In the business of that company, it gives priority to human rights of personnel and those involved. Respect the rights of people as required by law, the Company should not act or take any actions in the business which are violation of human rights but treating employees equally and strictly complying with laws

4) Disclosure and Transparency

Disclosure of Data and Information of the Company

The Board of Directors has defined the policy regarding disclosure of information on business and operating results of the Company, both financial and non-financial information, in an accurate,

adequate, appropriate, timely and transparent manner, to general public, investors and stakeholders. Regarding such disclosure, the Company complies with provisions of the Public Limited Company Act, the Securities and Stock Exchange Act, relevant regulations and notifications of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other related authorities. The Board of Directors has complied with the rules and regulation on the disclosure policy including annual report, corporate information (56-1), thru the Stock Exchange of Thailand and company website www.stpi.co.th

Investor Relations Office

The Company has set up the Investor Relations Office to communicate with investors, shareholders, analysts, relevant government agencies, and the general public in an appropriate and equal manner. The Investor Relations Office can be reached at

Investor Relations Office
Miss Supattra Yangtrong
STP&I Public Company Limited
3rd Floor, Sino-Thai Tower, 32/24 Sukhumvit 21 (Asoke) Road,
Klongtoey-Nua, Wattana, BKK 10110
E-mail: ir@stpi.co.th
Tel: +662-260-1181

Dividend Payment Policy

The Company has a policy to pay dividends at the rate of at least 30% of the net profit, according to the specific Financial Statements of the Company, less the statutory reserve fund and other reserve fund. However, the payment of dividends shall depend on the Company's cash flow statements, provided that there are no other necessary matters and for as long as the dividend payment shall not affect the essential business operation of the Company. Nevertheless, the Company may declare a dividend payment at a lower rate than the above-specified rate by considering the business operation, financial status as well as other factors which may affect the business management of the Company in the future.

Whistleblowing and Whistleblower Protection Measures

To promote corporate good governance and encourage all employees and stakeholders to report or disclose potential corruption or violation of laws, code of ethics or policies of the Company, to file complaints regarding violation of rights, or to express their opinions regarding

business operations, the Company has provided a channel for the employees and stakeholders to report to:

1. Chairman of the Audit Committee or
2. Independent Director or
3. Corporate Secretary

At STP&I Public Company Limited
3rd Floor, Sino-Thai Tower,
32/24 Sukhumvit 21 (Asoke) Road,
Klongtoey-Nua, Wattana, BKK 10110
E-mail: contact@stpi.co.th
Tel: +662-260-1181

In 2022, the Company has not received any whistleblowing and complaints.

Whistleblowing Procedure

1. The person who informs the whistleblower or the person who cooperates in the investigation can choose not to reveal themselves if it is seen that the disclosure will cause unsafe or damage, But if there is a self-disclosure, the company can report the progress, clarify the facts or alleviate damage easily and faster.
2. The company will consider the information of the whistleblower, the complainant or the person who cooperate in the investigation including confidential information The disclosure is done with caution and as necessary by taking into account the safety and damage of those who report clues to the complainant or those who cooperate in the investigation source of information or related person
3. In the case of whistleblower, the complainant or the person who cooperates in the investigation of the facts, he / she may be unsafe or may cause damage can request the company to set appropriate protection measures. The company may impose a protection clause where the person who makes a complaint or who cooperates in the investigation if it is considered to be a problem that is likely to cause damage or insecurity.
4. Those who have suffered damage will receive relief through the process that is appropriate and fair.

Communicate with the Board of Directors (without the acknowledgement of the company's executives)

The company provides additional channel for stakeholders to communicate with the Board of Directors directly to the Board (without the acknowledgement of the company's executives) in order to receive any suggestions or opinions including claimants such as the operation of the Executives, the unfair practices and any other acts that against the code of conduct.

Stakeholders can submit the document that clearly specified name, address, the convenient telephone number and e-mail address (if any) to:

The Audit Committee

STP&I Public Company Limited
3rd Floor, Sino-Thai Tower,
32/24 Sukhumvit 21 (Asoke) Road,
Klongtoey-Nua, Wattana, BKK 10110

The Audit Committee will consider and manage such matters by directly report to the Board of Directors (without the acknowledgement of the company's executives) case by case. The company assures that whistle blowers must not be harmed according to the whistleblowing policy.

Risk Management Policy

STP & I Public Company Limited realizes the importance of risk management which is an important mechanism that helps determine strategies and operations in accordance with the objectives set by the company. The company has been identified the risks that cover Strategic Risk, Operational Risk, Financial Risk as well as the risks associated with compliance of regulations and regulations of regulatory agencies (Compliance Risk). The Company has managed risks to an acceptable level by requiring the Board of Directors, Executives and all employees in the organization to involve in management risk and to review policies and procedures to ensure they are appropriate

5) Responsibilities of the Board of Directors

The company's Board of Directors considers the size of the appropriate committee which consists of people with knowledge, experience and ability to perform their duty. The company's Board of Directors

consists of 8 members which is comply with the rules that should not be less than 5 persons and should not exceed 12 people. The Board also define the independent directors qualification to ensure that it is really independent.

The company's Board of Directors consists of 8 members. Of these 8 members, 2 are managements, 3 non-management director and 3 independent directors. The proportion of independent directors is 1 to 3 of the total member of the Board of Directors. The independent directors have experience in Finance and Accounting, Laws, and Engineering which are all suitable for the Company's business. More details are addressed in the Management Structure Topic.

The Board of Directors has a framework for Executive Committees for approving normal business operations transactions regarding Authorization path. Those transactions must not be a conflict of interest and must not be a transaction that requires opinions from shareholders. In the case of investment, expanding production capacity or items that have a great impact on the company. The Executive Committee must propose to the Board of Directors for approval as required by the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand

In addition, Members of the board have conducted self-assessment the performance of the board as a whole and on an individual basis, at least once a year which was held on The Board of Meeting no. 3/2023. The Company Secretary has filing all documents for records.

Authority of the Board of Directors

1. Appoint, withdraw, delegate power, duties, subcommittees and managing directors to perform regarding the Company's business
2. Consult an expert or company consultant (if any) or hire a consultant or external experts, in case of necessity, at the expense of the company
3. Approve the establishment, merger or dissolution of subsidiaries
4. Offer capital increase or decrease capital or changes in the value of shares, amendments, changes or memorandum of association Regulations and / or objectives of the company to shareholders
- 5 . Authorize the management Executive level of the company or any other person can substitute under the scope of authority of the Board of Directors.
6. Have the power to invite the management and employees of related companies to clarify, give opinions, attend meetings or submit documents as deemed relevant.
7. Appoint and remove the company secretary

Authority of the Chairman of the Board

1. Having a duty to fulfill the objectives Company regulations and the resolution of the shareholders' meeting of the company as well as legal action Public Company Limited Act BE 2535 and the law of The Securities and Exchange Act BE 2535 and other relevant laws specifically designated as the duties of the Chairman of the Board
2. Acting as Chairman of the Board of Directors Meeting And supervise the Board of Directors' meeting to be in accordance with the Company's Articles of Association, laws and relevant good corporate governance guidelines Including having sufficient time for the meeting for the management to present the matter and the director in discussing important issues
3. Acting as the chairman of the shareholders' meeting and supervising the shareholders' meeting to be in accordance with relevant laws and good corporate governance guidelines
4. Promote, develop and supervise the performance of duties of the Board of Directors with honesty comply with the Company's code of conduct and good corporate governance principles including strengthening good relations between the directors and the management
5. Ensure that the performance of the Board of Directors is effective and achieve the main objectives and goals of the company

The term of directorship

- a. One-third of the directors must retire by rotation at the Annual General Meeting of Shareholders. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire. The retiring directors shall be eligible to be re-appointed for another term.
- b. The aforementioned retirement of Directors in year 1 and year 2 is decided by a draw. In the subsequent years, the Director who holds the longest time in office will be retired. Should there be the case when the number of Directors who holds the longest time in office is greater than the number of Directors that have to be retired, the draw will be applied. In the retirement of such case, a Director can be reappoint for the directorship position.

Assumption of Directorship in Other Companies by Directors

The policy in the directorship of directors in other companies are clearly stated in order to ensure that the Directors have adequate contribution to the Company. The number company which the Directors hold their positions are required according to the good corporate governance policy which are;

1. To ensure that directors have sufficient time to perform their duties, the board should consider the extent to which having multiple board memberships lessens the effectiveness of directors. With a good corporate governance, The Company prohibited the Directors to hold the director positions in more than five listed companies
2. And to ensure that the Company's managing director has contributed and dedicated his/her time to the Company, the Company's managing director do not allow to hold a Managing Director in any other listed Companies.

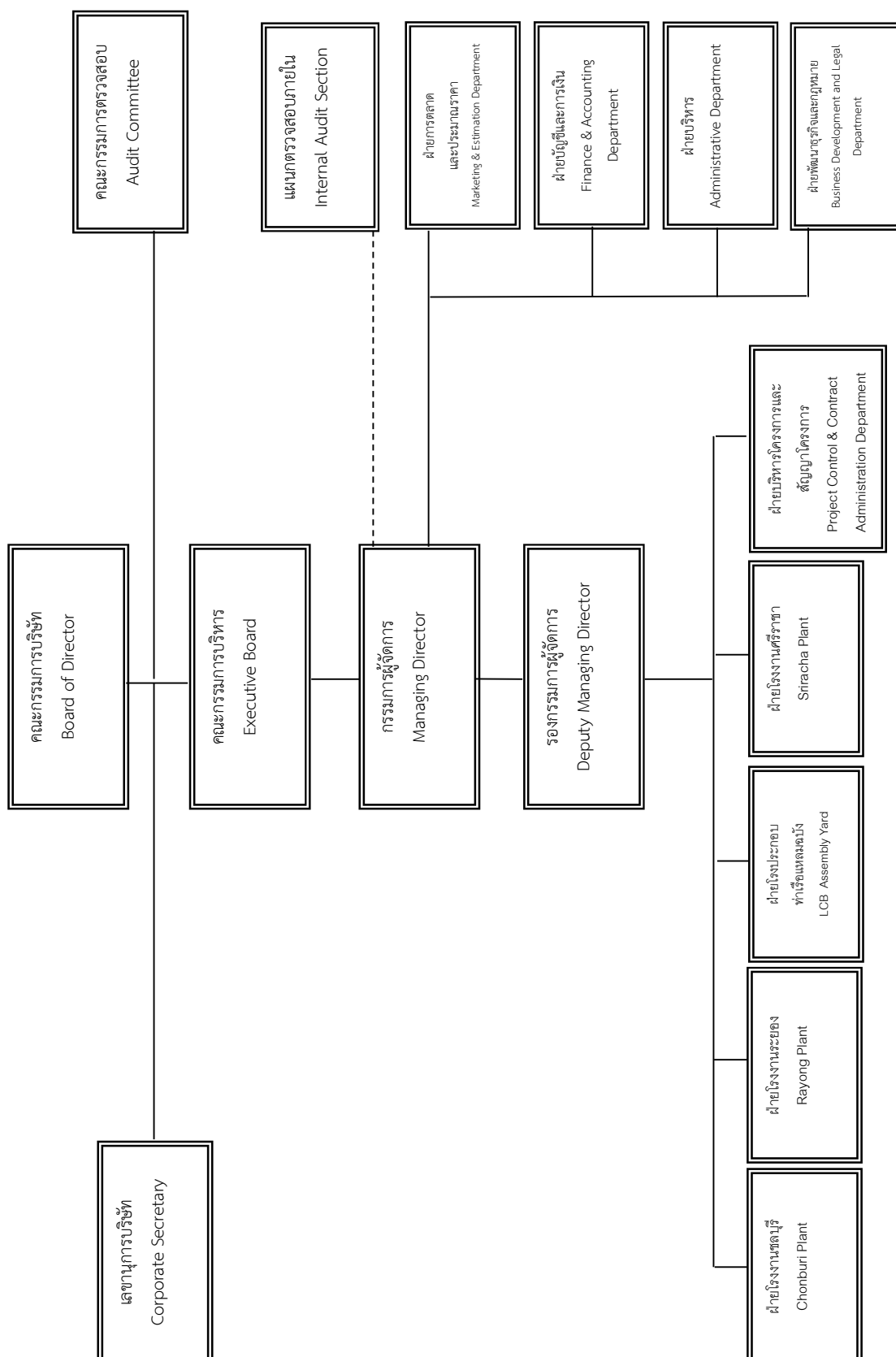
Remuneration of Board of Directors and Management Executives

The directors remuneration are included meeting fee, annual fee, and other benefits in accordance with a resolution of the shareholders meeting. The Company has not yet established a Remuneration Committee, however, the Board of Directors has carefully considered the remuneration of the Directors and Audit Committee by comparing such with other public limited companies of a similar type and size listed on the Stock Exchange of Thailand. The Board recommended that the remuneration of the Directors and the Audit Committee of the Company should be fixed at the proposed amount. The details are shown under “Remuneration for Directors and Executive Management Section”

7. Corporate governance structure And important information about the board Sub-committees, management, employees and others

7.1 Corporate governance structure

*** The company announced an organizational structure as of 23 January 2019.



7.2 Information of The Board of Directors

- **Board of Directors**

According to the regulations of the company, the number of directors for the Board of Directors of the Company shall not be less than 5 persons and there shall be no less than half of the total number of directors who must have residence in the Kingdom and must have the qualifications as specified by the law. The Board of Directors meeting has at least every 3 months. The Board of Directors has the following duties:

- 1) Board of Directors have a duty to fulfill the objectives Company regulations and the resolution of the shareholders' meeting of the company as well as the implementation of relevant laws, regulations and regulations such as the Public Limited Companies Act BE 2535 and the Securities and Exchange Act BE 2535 and other related laws By using knowledge, ability and experience to benefit the business of the company
- 2) To endorse the corporate policy and its business plan
- 3) To perform in accordance with the policy effectively and allow the management to present matters that are important to the operations of the company transactions between other connected persons are considered in accordance with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. If necessary, the Board of Directors will require an external consultant to consult and provide professional opinions in making decisions on matters that affect the business operations of the company.
- 4) Approve good corporate governance policies in writing including the policies of the company and arranging self-evaluation of the implementation of the corporate governance policy and reviewing the policy at least once a year
- 5) Approve written business ethics and allow the management to implement at the level of directors, executives and employees, as well as other policies of the company
- 6) To consider and approve the vision, mission, policy and business strategy proposed by the Executive Committee and review and approve every year
- 7) To perform that the management has implemented the business strategy plan to be effective including conveying objectives and goals through strategic plans throughout the company
- 8) To determine remuneration for the Board of Directors and sub-committees appropriately according to the principles of good corporate governance
- 9) To ensure sufficiency, efficiency and effectiveness of Corporate Internal Control System and Internal Audit System and to ensure that the Company has internal auditor to follow up and

coordinate with the Audit Committee and arrange self-evaluation the sufficient of internal control system at lease once a year.

- 10) Independent directors of the Company will use his / her discretion independently in determining the management strategy, appointment of directors and matters affecting the interests of the stakeholders of the company including access to financial information and other business sufficiently for the performance of duties and operating policies
- 11) To perform the self-evaluation on performance of director and performance of the Managing Director to be in accordance with the good corporate governance guidelines, along with monitoring the evaluation results and improving the work efficiency which has an excellent assessment result from the evaluation of the Board of Directors Meeting No. 1/2562
- 12) To prepare and disclose the report on the Board of Directors' Responsibility to the company's financial statements together with the Report of the Audit Committee and the Report of Independent Auditor in the Annual Report
- 13) To arrange a Non-Management Meeting every year in order to discuss and share ideas on the Company issues and problems among Non-Management Directors.

In the Annual General Meeting of shareholders, at least one-third of the directors shall retire from the office. If the number of retired directors is not dividable, the nearest number to one-third shall retire and the retiring directors may be re-elected.

The Board of Directors in 2021 and 2022 has 8 members and attended the Board of Directors' meetings as follows:

Name	Position		Number of Attendances / Number of Meetings	
	Directors	Audit Committee	2021	2022
1. Mr. Chavarat Charnvirakul	Chairman of the Board	-	4/5	6/6
2. Dr. Wicha Jiwalai	Independent Director	Chairman of The Audit Committee	5/5	6/6
3. Police General Jate Mongkolhutthi	Independent Director	Member of Audit Committee	5/5	6/6
4. Miss Sirangrong Chowwiwatana	Independent Director	Member of Audit Committee	5/5	6/6
5. Mr. Chamni Janchai	Director	-	5/5	6/6
6. Mr. Masthawin Charnvirakul	Director	-	5/5	6/6
7. Mr. Suwat Riensiriwan	Director	-	5/5	6/6

Name	Position		Number of Attendances / Number of Meetings	
	Directors	Audit Committee	2021	2022
8. Mr. Choavalit Limpanich	Director	-	5/5	6/6

Authorized Directors

Mr. Chavarat Charnvirakul or Mr. Masthawin Charnvirakul has been authorized to sign and stamp, with the Company's seal.

7.3 Information about the sub-committees

- **Audit committee**

Audit Committee There are meetings at least 4 times a year. The Audit Committee performs duties within the scope of authority and responsibility as instructed by the Board of Directors. Responsible for the following duties

1. To review the Company's financial reporting process to ensure that its accuracy and adequacy
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the law and the Exchange's regulations, and are reasonable and for the best interest of the Company
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information

- an opinion on the accuracy, sufficiency and accountability of the Company's financial report,
 - an opinion on the effectiveness of the Company's internal control system,
 - an opinion on the Internal Audit in conformity with the internal audit guidelines,
 - an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - an opinion on the suitability of an auditor,
 - an opinion on the transactions that may lead to conflicts of interests,
 - the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - an opinion or overview comment from the audit committee's performance of duties in accordance with the charter by the self-performance appraisal,
 - other transactions which, according to the audit committee's opinion, should be informed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
 - an opinion on accounting policy and the set-aside provisions and allowances duly in accordance with Thai Financial Reporting Standards (TFRS) and Key Audit Matters (KAMs).
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

Audit Committee The independent director with a total of 3 members.

First-Last Name	Title
1. Dr. Wicha Jiwalai	Chairman of the Audit Committee Independent directors who are knowledgeable in engineering which is the core business of the company.
2. Police General Jate Mongkolhutthi	Member of Audit Committee There is an independent legal knowledge.
3. Miss Sirangrong Chowwiwatana	Member of Audit Committee Being an independent director with knowledge in accounting and finance. rules and regulations of SET.

The Audit Committee consisted of 3 members and attended the Audit Committee Meetings held in 2021 and 2022 as follows:

First – Last Name	Title	Number of Attendances /	
		Number of Meetings	
		2021	2022
1. Dr. Wicha Jiwalai	Independent directors / Chairman of the Audit Committee	5/5	5/5
2. Police General Jate Mongkolhutthi	Independent directors / Member of the Audit Committee	5/5	5/5
3. Miss Sirangrong Chowwiwatana	Independent directors / Member of the Audit Committee	5/5	5/5

7.4 Information of Management

- **Executive Board**

The company has appointed Executive by definition regarding the Notification of the Securities and Exchange Commission executive means director, manager, or the first four executives succeeding the manager and every person holding the position equivalent to the fourth rank including person holding executive position in Accounting or Finance Department whose rank is not lower than departmental manager. The Management Executives are responsible for ensuring the effectiveness of the company's operation according to the company's policy. The Management Executives are also responsible for considering and screening all business matters for the Board of Directors approval as per

Executive Board and management consists of 6 persons as follows:

Name	Position
1. Mr. Masthawin Charnvirakul	Director, Executive Director and Managing Director
2. Mr. Choavalit Limpanich	Director, Executive Director and Deputy Management Director
3. LT.JG. Kittijunsangri	Executive Director, Marketing & Estimation Department Manager
4. Mrs. Atitaya Charnvirakul	Executive Director, Administrative Department Manager
5. Mrs. Anilrat Nitisaroj	Executive Director, Business Development & Legal Department Manager
6. Ms. Supattra Yangtrong	Executive Director, Finance & Accounting Department Manager

Managing Director

Managing Director is responsible for efficiently and effectively conducting the business under the company's policies. His scope of authority in conducting and approving any issues related to company's general administration, unless it is required by regulations or laws to be approved by the Board of Directors Meeting or shareholders' meeting. The managing director must not engage in any related transactions which may have conflict of interests with the company. The managing director shall be able to appoint other person(s) to act on his behalf to manage and conduct company's business.

Company Secretary

The Board of Directors has appointed the Secretary of the Board of Directors, with authority as follows.

1. To prepare and store the following documents :
 - List of company directors
 - Board of Directors meeting notice, Board of Directors meeting minutes, annual report
 - Shareholders' meeting notice and shareholders meeting minutes
2. To file the report of interests as informed by company directors or executives
3. To engage in other duties as required by the Equity Market Committee.

The Board of Director appointed Mrs.Atitaya Charnviakul to be a Corporate Secretary since 11th March 2008. Her qualification is shown in profiles Board of Director and Executive Board.

7.5 Information of Employees

- **Employees**

The company had/has total no. of employees in 2020 – 2022 totaling 1,471 persons, 2,551 persons, and 4,956 persons respectively. The details are as per below:

(Unit: persons)

Responsibilities	Total No. of Employees		
	2020	2021	2022
Operations staff	1,380	2,421	4,831
Support staff	91	130	125
Total	1,471	2,551	4,956

Total compensation of the employees of the group in the year 2020-2022 totaled 645 million baht, 601 million baht and 1,389 million baht respectively. The details are as follows:

(Unit: Baht)

Employee Classification	Employee compensation (Baht)		
	2020	2021	2022
Employee salary	588,450,372	525,913,309	1,225,009,726
Employee bonus	-	10,530,244	12,087,554
Provident Fund	2,170,927	2,147,590	2,079,557
Other compensation/benefits	55,125,984	62,700,296	149,976,341
Total	645,747,283	601,291,439	1,389,153,178

Other compensations / Fringe Benefit

- Social Security and Workmen Compensation
- Provident Fund
- Doctor and Nurse Service
- Annual Health Check up
- Group life and health insurance including accident
- Severance pay

● Training and development

The Company provides a development of staff by training both thru the outside training and on the job training. The Company has concerned that the improvement of skill and ability to work efficiency in their works, will enhance the growth of the Company and increase continuously competitiveness to the Company. For Example :

1. Leadership and Project Management
2. English for communication
3. Warehouse Management
4. Quality Control Techniques for the most efficient and the highest quality
5. Safety in the work of crane and lifting equipment.

Employee Training in 2022

Training	No. of Employee	No. of Hours	No. of Hours / No. of Employee
Staff	4,022	68,803	17.11

- **Training and development for Board members and Executive**

Board of Directors has a policy to promote and develop knowledge, skills, and to continually increase the views of directors. This will help the directors to lead the organization to achieve the company's objectives. There is an orientation of new directors to have knowledge and understanding of the roles and responsibilities, objectives, rules, regulations, policies and the nature of the company's business in order for all directors to continually develop and improve their works with applying their various knowledges to benefit the company in the future and able to perform duties effectively

8. Corporate Governance Report

The corporate management structure consists of 3 groups of sub-committee which are:

1. Board of Directors

The Board of Directors has contributed to the approval of policies and business plans and monitoring performance on a quarterly and also featured on the system of internal control and internal audit for the benefit of the Company and the Shareholders as a whole. The company has divided the roles and responsibilities of the Board of Directors Audit Committee and Executive Board to the shareholders clearly for independence in decision making.

Board of Directors Meetings

In 2022 the company held 6 Board of Directors meeting which was attended by company executives to discuss the topic regarding the company's Board of Directors. The Company also planned the schedule of Board Meetings for the whole year of 2023 which was agreed in the Board of Meeting. For the best interest of the company, the Board of Directors concentrated on the Quarterly Financial Performance and the Report of Audit Committee coupled with the business risk which could affect the company's performance including the follow up of legal cases and the operation risk. During the voting the resolution in the Board of Director meeting, the Company has set up constituted quorum at 2/3 of the number of the directors. The secretary of the Board of Directors is responsible for minutes taking, distributing the meeting notifications with other relevant documents to all directors at least 7 days prior the meeting date. Minutes of the Board of Directors of Meetings were certified by the Board and filed properly as reference.

Non-Management Meeting

The Company has set up a meeting of only non-management directors in order to consider, share, and discuss on the recent activities of the Company. And also, the non-management directors shall give advises or comments issues that may effect to the performance or activities of the Company. The rules of this meeting are

- The attendee shall be non-management directors and not holding the Company's share more than 5%
- The general practice of non-management meeting shall be followed the same practice as the Board of director meeting which included inviting to the meeting and quorum. However, in some cases, there may not have the advance agendas, the purpose of the meeting is to share and give opinion on the recent activities of the Company.
- There will have at least 1 meetings per year or at the appropriate time set by the meeting chairman.

The Non-Management meeting was held once on 9th December 2022. The agendas were related to the performance of Management Executive, sharing ideas on company's events and concern issues.

2. Audit Committee

Audit Committee as an independent director and who has the knowledge and experience that would benefit the company for accounting and finance legal and its main business is engineering. Audit Committee There are meetings at least 4 times a year. The Audit Committee performs duties within the scope of authority and responsibility as instructed by the Board of Directors. In addition, the Audit Committee has appointed an internal audit person to be responsible for the performance of the internal audit function.to check the performance to make sure that the financial controls and effective operations in accordance with the established guidelines and compliance with laws and regulations related to the company. The monitoring results will be reported directly to the Audit Committee and senior management.

The Audit Committee has the duty to consider, select and nominate an independent person to as the auditor of the company and remuneration for audit fee recruiting duties Compensation and risk management of the company Consider connected transactions or transactions that may lead to conflicts of interest. To comply with the laws and regulations of the Stock Exchange This is to ensure that such transactions are reasonable and in the best interest of the company and prepare the Audit Committee's report and disclose it in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.

The Audit Committee has also been assigned to the candidates as directors and to consider the remuneration of directors in accordance with the guidelines of the Stock Exchange of Thailand to present to the Board of Directors for approval.

3. Executive Board

The company has appointed executives according to the definition of The Securities and Exchange Commission, Thailand Executive means the manager or the first four management-level positions after the manager down. every person holding a position equivalent to the fourth executive level position and shall include persons holding managerial positions in accounting or finance who are department manager or above or equivalent. Being the Executive Management of the Company Responsible for overseeing the Company's operations to ensure efficiency in accordance with the policy, financial management and scrutinize matters to be presented to the Board for consideration. Other actions as assigned by the Board of Directors. The Executive Committee has conducted the Code of Conduct performance assessment form and has compiled and summarized the results of the assessment by the Company Secretary.

Selection of Directors, Independent Directors and Management Executives

1. Independent Directors

Independent Director of the Company is the feature meets the regulations of the Securities and Exchange Commission as follows.

1. Holding shares no more than 1 per cent of paid-up capital of the company, affiliated company, associated company or related company, which shall be inclusive of the shares held by related persons.
2. Being a director who does not take part in the management of the company, affiliated company, associated company, related company or majority shareholder of the company. Not being an employee, staff member or advisor who receives a regular salary from the company, affiliated company, associated company, related company or majority shareholder of the company.
3. Being a director who has no direct or indirect benefit or interest in finance and management of the company, affiliated company, associated company or majority shareholder of the company. Being a director who has no benefit or interest of the said nature during the period of 1 year before his appointment as a member of the Audit Committee except where the Board of Directors has carefully considered that such

previous benefit or interest does not affect the performance of duties and the giving of independent opinions.

4. Being a director who is not a related person or close relative of any management member or majority shareholder of the company.
5. Being a director whom is not appointed as a representative of the company's directors, majority shareholders or shareholders who are related to the company's majority shareholders.

Independent directors can perform their duties. Comment or report on the performance of duties as assigned by the Board of Directors of the company independently without being under the influence of directors Executive Management Officer or major shareholders of the company. Including related persons or close relatives of the above persons. Be familiar with the presumptuous or for any reason can not be compelled to comment as they could be.

2. Selection Directors and Management Executives

The company has not formed the Selection Committee to appoint the Directors. However, the Board of Director has assigned the Audit Committee to perform on consideration and selection director in order to propose the candidates to the Board of Director for approval in the Shareholders' Meeting. The directors have been selected by considering each individual qualification to fit the Board of Directors roles and responsibilities. Member of the Board of Directors will be selected from qualified persons and propose to the annual general meeting of shareholders to consider the appointment by resolution. The rights of shareholders can be defined as following:

1. One-share one-vote basis will be applied.
2. Each shareholder has to use up his votes for director appointment.
3. The nominees whose votes are chronological order ranging from the top to the last shall be elected as a Director.

In addition to the aforementioned features The company has the criteria for selecting independent directors. There must be an independent director who has knowledge, understanding and experience in accounting and finance to be able to serve as member of the audit committee. The company currently has 3 independent directors or one-half of the total Directors.

Detail on shares holding of each Director as of December 31, 2022

No.	Directors	Position	Number of Shares December 31, 2021	Number of Shares December 31, 2022	Increase/ (Decrease) in 2022	Proportion of Total Shares
1.	Mr.Chavarat Charnvirakul	Chairman of the Board	56,906,765	56,906,765	-	3.50%
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
2.	Dr. Wicha Jiwalai	Independent Director and Chairman of the Audit Committee	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
3.	Police General Jate Mongkolhutthi	Independent Director and Member of Audit Committee	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
4.	Miss Sirangrong Chowiwatana	Independent Director and Member of Audit Committee	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
5.	Mr. Chamni Janchai *acquisition through Mrs. La-Ong Thongsuk and Ms. Panyada Ployprapath's Account as a nominee of the Director	Director	21,892,433	21,892,433	-	1.35%
	Spouse		-	-	-	-
	Minor Children		-	-	-	-

No.	Directors	Position	Number of Shares December 31, 2021	Number of Shares December 31, 2022	Increase/ (Decrease) in 2022	Proportion of Total Shares
6.	Mr. Masthawin Charnvirakul	Director, Executive Director and Managing Director	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
7.	Mr. Suwat Riensiriwan	Director	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
8.	Mr. Choavalit Limpanich	Director, Executive Director and Deputy Managing Director	64,899,995	64,899,995	-	3.99%
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
9.	LT. JG. Kitt Junsangsri	Executive Director and Marketing & Estimation Department Manager	16,224,995	16,224,995	-	1.00%
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
10.	Mrs. Anilrat Nitisaroj	Executive Director and Business Development & Legal Department Manager	-	-	-	-
	Spouse		67,486,724	67,486,724	-	4.15%
	Minor Children		-	-	-	-
11.	Mrs. Atitaya Charnvirakul	Executive Director, Administrative Department Manager and Corporate Secretary	-	-	-	-
	Spouse		-	-	-	-

No.	Directors	Position	Number of Shares December 31, 2021	Number of Shares December 31, 2022	Increase/ (Decrease) in 2022	Proportion of Total Shares
	Minor Children		-	-	-	-
12.	Ms. Supattra Yangtrong	Executive Director and Finance & Accounting Department Manager	2,000	2,000	-	0.00012
	Spouse		-	-	-	
	Minor Children		-	-	-	
13.	Mr. Thammanoon Narind	Fabrication Plants Department Manager (Chonburi and Sriracha)	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
14.	Mr. Supot Pongtong	Fabrication Plants Department Manager (Rayong and Assembly Yard at Laem Chabang)	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-
15.	Mr. Tawan Chaisomtip	Project Control & Contract Administrative Department Manager	-	-	-	-
	Spouse		-	-	-	-
	Minor Children		-	-	-	-

● **Remuneration for Directors and Executive Management**

Board of Directors and Audit Committee – 2021 and 2022 Remuneration

Name	Meeting Compensation (Baht)				Remuneration (Baht)		Total	
	Board of Director		Audit committee		Board of Director			
	2021 (5 Meetings)	2022 (6 Meetings)	2021 (5 Meetings)	2022 (5 Meetings)	2021	2022		
1. Mr. Chavarat Charnvirakul	160,000	240,000	-	-	905,000	820,000	2021	2022
2. Dr.Wicha Jiwalai	150,000	180,000	200,000	200,000	905,000	820,000		
3. Pol. Gen. Jate Mongkolhutthi	150,000	180,000	150,000	150,000	905,000	820,000		
4. Mr. Chamni Janchai	150,000	180,000	-	-	905,000	820,000		
5. Miss Sirangrong Chowiwatana	150,000	180,000	150,000	150,000	905,000	820,000		
6. Mr. Masthawin Charnvirakul	150,000	180,000	-	-	905,000	820,000		
7. Mr. Suwat Riensiriwan	150,000	180,000	-	-	905,000	820,000		
8. Mr. Choavalit Limpanich	150,000	180,000	-	-	905,000	820,000		
Total of Director Payment	1,210,000	1,500,000	500,000	500,000	7,240,000	6,560,000		

Total remuneration in 2020 – 2022 were paid under salary and bonus of 18,863,370 Baht, 21,313,710 Baht, and 22,256,320 Baht, respectively.

(Unit: Baht)

Remuneration	2020	2021	2022
Salary	18,863,370	18,141,120	18,506,880
Bonus	-	3,172,620	3,749,440
Total Payment	18,863,370	21,313,740	22,256,320
Provident Fund	683,724	679,147	640,536
No. of Executives(Payroll)	9 Person	9 Person	9 Person

Remark : The company has provided a provident fund by participate at the rate of 5% of the salary

Policy on the Company's subsidiaries and related company

The Board of Directors defines the important of subsidiaries management in order to commit the highest benefit for all parties;

1. the Company will appoint a representative to be either a director/authorized director or management member which depending on the type of businesses.
2. Determination of the scope of responsibility of the subsidiary's management In accordance with civil and commercial law compliance with the regulations of the Stock Exchange of Thailand the transactions between the said company and the connected person acquisition or disposition of assets Which is the same criteria as that of the company
3. In addition, the company has provided business policies of subsidiaries and associated companies. In accordance with the principles of good corporate governance and business ethics

Details of the subsidiary's directors have been disclosed in Appendix 2.

Internal Information Disclosure and Usage Policy

The Board of Directors defines the importance of corporate good governance in written in order to gain the company's sustainable growth and management efficiency. The review of sufficient internal control system has been performed annually since 2002 in order to ensure the efficient company's operations, and supervising the executives to obtain the management efficiency. The

company disclosed all information required by SET in bilingual (Thai and English) via the company's website.

Additionally, the company specified that all members of the Board of Directors and Management Executives must disclose the numbers of shares they held in accordance with the Securities & Exchange Act B.E. 2535 Section 59. The company also delivers all information obtained from the SET and the SEC to the Board of Directors and Management Executive.

The company has its obvious policy in accordance with the internal information disclosure and usage policy. To prevent the conflict of interests by pirating information that had been disclosed or brought for disclosure or used for own benefit, The company has come up with the rules to prevent the usage of internal data for personal benefits of the Board of Directors executives and employees., thus, to protect the investment of shareholders and assets of the company. In any case, the executives, or any staff / employees who are in breach of these regulations, he/she shall be punished in accordance with the rules and regulations of the company and shall receive the punishment as prescribed by the related law, in all respects. The management has informed all directors about the Blackout period policy setting and compliance with the said policy.

9. Internal control and related transactions

9.1 Internal control

9.1.1 The adequacy and appropriate of the internal control system

The Board of Directors has set the internal control guidelines according to COSO international standards (Internal Control Integrated Framework) as a guideline for the Company's operations including an assessment of the internal control system using the internal control system adequacy assessment form provided by the Securities and Exchange Commission, which is consistent with the internal control guidelines according to COSO international standards in 5 aspects are as follows:

1. Control Environment

The Company is committed to conducting business in an ethical manner taking into account fairness to trade partners or related parties. It has established various policies and practices such as Business Ethics Policy, Good Corporate Governance Policy, Anti-Corruption and Corruption Policy, Corporate Risk Management Policy, Whistleblowing Policy and Whistleblower Protection Measures enabling executives and employees at all levels in the organization to comply with the Company's code of conduct. The directors and senior management act as a good role model and conduct annual reviews of policies to keep them up to date and in line with the Company's operations.

2. Risk assessment

The Company conducts a risk assessment and establishes a risk management approach to an acceptable level and reviews when those factors change. Risk identification is considered to cover all aspects, including: Strategic, financial, operational, and regulatory risks of the regulators.

3. Control Activities

The Company has established policies and procedures that are appropriate for each work system, including policies covering the Company's main activities such as anti-corruption and anti-corruption policy. The Company has regularly reported operating results for the management to use as appropriate information in making business decisions. The management structure has been defined to divide the duties and responsibilities of each department, an approval limit has been set in writing, and there is a standardized operating system such as the ISO 9001 quality management system. This is for the management and employees at all levels to acknowledge and use as information in their operations.

In addition, the company has set up a financial internal control system with a budgeting system and monthly performance reports presented to the executive in the department on a regular basis.

4. Information and communication systems

The company requires the development and improvement of its information systems and data systems continuously to cover all work processes and to support the Company's business operations. In addition, executives and employees at all levels are emphasized to be careful in using information as specified in the information and data security policy

5. Monitoring System

- In assessing the sufficiency of the internal control system in accordance with the resolution of the Board of Directors' Meeting No. 3/2023 on March 10, 2023, 8 members of the Board of Directors attended the meeting, including 3 independent directors and members of the Audit Committee. With information from the management, it was concluded that the Company has sufficient and appropriate internal control and audit systems regarding internal control adequacy assessment according to the form provided by the Office of the Securities and Exchange Commission.

- The Company has established an internal audit department that operates independently of the management responsible for monitoring the implementation of policies, regulations, manuals set by the Company and reporting the results directly to the Audit Committee along with providing advice,

recommendations to various departments to comply with the policies, regulations and manuals set by the Company.

9.1.2 The Deficiencies in the internal control system

In 2022, the Audit Committee received the audit reports presenting the issues that the internal auditor found deficiencies and report the solutions that have been discussed with the management including monitoring the results of fixing various issues but did not find any severe issues that may affect business operations. The management pay attention on supervising operations and good internal control. As such, it was approved to carry out improvements to correct such defect in order to have the better internal control system, along with promoting the development of various tools in line with the ever-changing risk and create a protective system make all employees aware of risks and potential impacts.

9.1.3 The Opinion of the Audit Committee on the Company's internal control

The Audit Committee agreed with the opinion of the Management and directors that the Company has adequate and appropriate internal control. The internal control system has been corrected and in line with the operation's activities that always changing to achieved the objectives as specified in accordance with COSO's guideline. In addition, the independent auditor reported that there were no significant deficiencies that affect the Company's financial statement and internal control.

9.1.4 The Opinion of the Audit Committee on internal audit performance and Head of Internal Audit

The Company has set up an Internal Auditor Section to operates independently from the management at the appropriate manpower to audit and monitor compliance with policies, regulations, manuals set by the Company. The internal audit directly reported the results to the Audit Committee along with suggestion. In this regard, At the Audit Committee Meeting No. 1/2021 on March 1, 2021, Mrs. Ramrada Khangrang was appointed as Head of Internal Auditor of the Company. , which has been effective date as of March 1, 2021. Mrs. Ramrada Khangrang possesses more than 17 years of experience as an internal auditor for companies that are similar to that of the Company and has a good understanding of the activities and operations of the Company. Therefore, it is seen that she is appropriate to perform the internal audit duties to audit the operations in order to ensure that the major works and financial activities are performed in accordance with the established guidelines and approval procedures Including auditing of compliance with laws and regulations relevant to the company and reporting results of such audits directly to the audit committee and top management. The qualifications of the Internal Audit Supervisor are shown in Appendix 3.

9.1.5 Appointment, removal, transfer of the head of internal auditor

The consideration and approval, appointment, removal, transfer of the head of the Company's internal audit department must be approved (or has been approved) by the Audit Committee.

9.2 Related Parties Transaction

1. The conflict of interests with connected person

1.1 Subsidiary Companies Joint venture Associated Company and Related Companies

Related company means the company that STP&I is the major shareholder or are controlled by STP&I and/or the company that has common shareholder(s)/director(s) with STP&I.

a) Subsidiary Companies

Company Name	Type of Business	Relationship	Paid-Up Capital (Baht)	% of Shares	Investment (Cost Price) (Baht)
STIT Co., Ltd.	Manufacture, sale and rental of construction equipment	100% owned subsidiary of STP&I Common Directors	135,000,000	100	135,000,000
STIT 2011 Co., Ltd.	Sales and rental of construction equipment	100% owned subsidiary of STIT	66,033,000	100	23,060,000
STP&I Services Co., Ltd.*	Construction services	100% owned subsidiary of STP&I Common Directors	410,000,000	100	21,761,200
WPGE Phetchaburi Co., Ltd.*	Production and distribution of electricity generated from waste and municipal solid waste management	60% owned subsidiary of STPS Common Directors	700,000,000	60	840,000,000

Company Name	Type of Business	Relationship	Paid-Up Capital (Baht)	% of Shares	Investment (Cost Price) (Baht)
ST Property & Logistics Co., Ltd.**	Property Development and Logistics service	100% owned subsidiary of STP&I	440,000,000	100	440,000,000
Fill Up Network Co., Ltd.***	Community automated gas station	100% owned subsidiary of STP&I Common Directors	500,000,000	100	422,450,000
ST Hill Co., Ltd.****	Property development	100% owned subsidiary of STP&L	30,000,000	100	404,099,047
ST Hub Co., Ltd.****	Property development	100% owned subsidiary of STP&L	30,000,000	100	116,922,221
Cannatory Co., Ltd.	Hemp Products	100% owned subsidiary of STP&I Common Directors	5,000,000	100	5,000,000
Growth Warehouse Co., Ltd.*****	Property Development and Logistics service	90% owned subsidiary of STP&L	50,000,000	90	45,000,000

* On November 5, 2016, STPS acquired 42,000,000 ordinary shares of WPGE Phetchaburi Co., Ltd. from the existing shareholders, for a total of Baht 840 million. As a result, the Company has 60% interest in the equity interest of such company.

** On October 16, 2017, STP&I invested in ST Property & Logistics Co., Ltd. (STP&L), a newly established company for a total Baht 1 million. In 2018, STP&L increased registered and paid-up share capital from Baht 1 million to Baht 440 million. STP&I had 100% holding in such company.

*** On December 25, 2020, the Company purchased 30% of ordinary shares of Fill Up Network Co., Ltd. from the non-controlling shareholder (Central Oil Group Co., Ltd.) at a price of Baht 72.5 million, Therefore the Company own 100% of shares in Fill Up Network Co., Ltd.

**** On 28 June 2019, ST Property and Logistics Company Limited purchased ordinary shares of Boutique Prakanong 1 Limited and Boutique Prakanong 2 Limited (both companies with registered capital of Baht 30 million) from the existing shareholders at the price of Baht 404 million and Baht 117 million, respectively, representing 100% of the registered capital

of both companies. Later, on August 5, 2019, both companies had registered the changes of their name to ST Hill Company Limited and ST Hub Company Limited, respectively.

***** On April 22, 2022, STP&L acquired ordinary shares of Growth Warehouse Co., Ltd. from the existing shareholder, for a total of Baht 2.7 million, representing 90% interest in the equity interest of such company. Later in May 2022, GW increased registered and paid-up share capital from Baht 3 million to Baht 50 million. STP&L invested addition Baht 42.3 million to maintain % holding.

b) Joint venture

Company Name	Type of Business	Relationship	Paid-Up Capital (Baht)	% of Holding STP&L Shares
SinoPower Co., Ltd.	Renewable energy, including Solar Roof, Solar Farm	Major shareholders by STP&L Common Director	15,000,000	-

On May 2022, the Company and Powervault (Thailand) Company Limited registered with the Ministry of Commerce the establishment of Sinopower Company Limited (“Sinopower”). Sinopower has a registered share capital of Baht 60 million, 25% was called up. The Company invested Baht 9 million in Sinopower, representing 60% of its ordinary shares. The Company determined that this investment is investment in joint venture since the Company and Powervault (Thailand) Company Limited have joint control in Sinopower.

c) Associated Company

Company Name	Type of Business	Relationship	Paid-Up Capital (Baht)	% of Holding STP&L Shares
KTBST Mixed Freehold and Leasehold Real Estate Investment Trust	Real Estate Investment Trust	Major shareholders by STP&L and STP&L (over 20% but less than 50% of total shares)	3,015,000,000	-

d) Related Companies

Company Name	Type of Business	Relationship	Paid-Up Capital (Baht)	% of Holding STP&L Shares
Sino-Thai Engineering and Construction Public Company Limited	Construction	Common Directors	1,525,106,540	-
HTR Corporation Limited	Office building for rent	Subsidiary of Sino-Thai Engineering and Construction Public Company Limited	500,000,000	-
Wisdom Services Co., Ltd.	Rental of machinery and construction	Subsidiary of Sino-Thai Engineering and	2,211,000,000	-

	equipment	Construction Public Company Limited		
WP Green Energy Co., Ltd.	Business relate to generate and sell electricity	Common Director of WPP	100,000,000	-
Songsahai Trading Co., Ltd.	Construction contractor	Common Director of GW	500,000	

e) Related Party Transactions as of December 31, 2022

(Unit: Million Baht)

Company Name	Transaction			
	Revenue Type	Amount	Expense Type	Amount
Related Companies				
- Sino-Thai Engineering and Construction Public Company Limited	Sales and Services	18.40	Rental and Service expenses	0.01
- HTR Corporation Limited	None	-	Rental and Service expenses	6.90
- Wisdom Services Co., Ltd.	None	-	None	-
- WP Green Energy Co., Ltd.	None	-	None	-
- Songsahai Trading Co., Ltd.	None	-	Rental and Service expenses	1.00
Total		18.40		7.91
Subsidiaries				
- STIT Co., Ltd.	Other income	1.09	Goods Rental and Service expenses	0.05 3.57
- STIT 2011 Co., Ltd.	Sales and Services	0.03	None	-
- STP&I Services Co., Ltd.	Sales and Service	0.12	None	-
- WPGE Phetchaburi Co., Ltd.	Interest income	49.96	None	-
- ST Property & Logistics Co., Ltd.	Interest income Other income	9.25 3.60	None	-
- Fill Up Network Co., Ltd.	Sales and Service	0.15	None	-
- ST Hill Co., Ltd.	None	-	None	-

Company Name	Transaction			
	Revenue Type	Amount	Expense Type	Amount
- ST Hub Co., Ltd.	None	-	None	-
- Cannatory Co., Ltd.	Sales and Service	0.81	None	-
- Growth Warehouse Co., Ltd.	None	-	None	-
Total		65.01		3.62
Associated Company				
- KTBST Mixed Freehold and Leasehold Real Estate Investment Trust	Property Management Fee	17.04	Service fee	19.52
	Rental income	56.53		
	Dividend income	41.90		
Total		115.47		19.52
Joint venture				
-SinoPower Co., Ltd.	None	-	None	-
Total		-		-

Necessity of the related transactions

Transactions between the company and its subsidiaries, affiliates and/or related companies have been done by taking consideration to the best interest of the Company. The transactions were normal course of business and undertaken on competitive basis. The pricing was comparable to market prices and same conditions with other third parties.

Approval procedure related Transactions

For transactions between the Company and its subsidiaries, affiliates, related companies or any persons who might have conflict of interest, the Company complied with rules and regulations of the Stock Exchange of Thailand (SET) not to allow such shareholders or management or director to take part in the approval process.

Connected Transactions Policy

For future related transactions that will be incurred in accordance with the normal business of the Company and have general terms and conditions, the Company has established the policy to ensure that pricing must be in line with market rate and with the same conditions to other third parties. The transactions will be fairly practiced and for the mutual benefit of the Company and its subsidiaries, affiliates and/or related companies.

For other related transactions without specific terms of trade, the Company shall appoint the Audit Committee to give opinion on necessity and reasonableness of such transaction and shall comply with the laws concerning securities and stock exchange and the regulations, announcement, orders or requirements of the Stock Exchange of Thailand as well as the requirements concerning the disclosure of the related and the acquisition and disposal of the material assets of the Company. In case that the transactions are not in the expertise of the Audit Committee, the Company may appoint experts to give opinion to the Board of Directors or shareholders as the case may be. Any person who might have conflict of interest shall not be allowed to take part in the approval process. In addition, the Company has disclosed the related transactions in the note of our audited financial statements.

Report on Interest of Directors, Executives and Related Persons

To comply with the announcement Tor.Jor.2/2552 (2009) of Capital Market Supervisory Board and Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No.4) B.E. 2551 (2008), the Board of Directors mandate directors and executives to disclose his interest or his related person's interest that may have conflict with the Company or its subsidiary for the purpose of Conflict of Interest monitoring to the Company. The Board of Directors also assigned the Company Secretary to keep the original reports and copy to the Chairman of the Board and the Chairman of Audit Committee.

Part 3

Report and Consolidated Financial Statements



/ Report and Consolidated Financial Statements

Independent Auditor's Report

To the Shareholders of STP&I Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of STP&I Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of STP&I Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STP&I Public Company Limited and its subsidiaries and of STP&I Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 37.5 to the financial statements. In 2019, the subsidiary was involved in the dispute with the contractor hired for the design and construction of the waste-to-energy plant and a civil lawsuit brought by another building contractor. The dispute and lawsuit are under consideration of the arbitral tribunal and the Supreme Court. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue and costs from fabrication work

The Company has disclosed its policy on recognition of revenue and costs from fabrication work in Note 4.1 to the financial statements. I focused my audit on revenue recognition and estimation of budget costs and possible losses from fabrication work, because the processes of measurement, determination of the appropriate timing of revenue and cost recognition, and the possible losses, are areas requiring management to exercise significant judgement in assessing the percentage of completion (with reference to estimates made by project engineers), estimating service costs throughout the project, assessing the probability of loss and measuring possible loss. Therefore, there are risks with respect to the amount and timing of the recognition of revenue and costs and the estimation of possible losses from fabrication work.

I assessed and gained an understanding of the methods and procedures used by the Company to evaluate the percentage of completion, estimate total costs throughout the project and estimate possible losses. I tested the Company's key internal controls relevant to revenue recognition from fabrication work, estimation of budget costs and recognition of construction materials, labor and subcontract work and overhead costs. I also reviewed the rationale for the conclusion reached through a comparison of the percentage of completion, with reference to the estimates made by the project engineer, to the ratio of up-to-date actual costs and budgets throughout the project. I examined actual costs by checking related documents, on a sampling basis. Moreover, I evaluated the estimation of possible losses by the management through an analysis of the ratio of actual costs to budgeted costs by significant cost components. I also performed an analytical review on increases and decreases in the revenues and gross margins from provision of services by project.

Impairment of rights to produce and sell electricity from municipal waste and power plant under construction

As discussed in Note 21 to the financial statements, in 2019, the subsidiary temporarily suspended the construction of a waste-to-energy plant due to the dispute with the design and construction contractors, resulting in the production and distribution of the electricity falling behind schedule. The Group has rights to produce and sell the electricity from municipal waste in the consolidated financial statements as of 31 December 2022 amounting to Baht 434 million and the net book value of the power plant under construction as of 31 December 2022 amounting to Baht 1,481 million, presented in property, plants and equipment in the consolidated financial statements. I focused my audited on the impairment of rights to produce and sell electricity from municipal waste and power plant under construction of the Group since this account requires judgement of the management involved in the consideration of disputes and forecast of the future performance of assets, including the determination of discount rates and significant assumptions which cause a risk relating to the allowance for impairment of the account.

I inquired the management and the legal department of the Group regarding the resolution of disputes, reviewed relevant contractual conditions to gain an understanding of the disputes and sent a confirmation letter to the subsidiary's external legal counsel seeking a report on the disputes. I assessed their knowledge, ability, independence and expertise in accordance with relevant audit standards. In addition, I tested significant assumptions applied by the management in preparing estimates of cash flows expected to be realised from the assets in the future, by comparing those assumptions to information from both internal and external sources of the Group, in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rates applied by the management through analysis of the weighted average cost of capital of the entity and industry, and tested the calculation of the realisable values of the assets using the selected financial models.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 27 February 2023

Statements of financial position

STP&I Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	329,813,443	980,442,863	233,534,128	837,080,519
Trade and other receivables	6, 9	761,018,273	483,407,501	769,535,565	450,837,972
Contract assets					
Unbilled receivables	10	584,545,525	484,909,255	584,545,525	484,909,255
Retention receivables	10	120,395,532	25,120,118	120,395,532	25,120,118
Short-term loans to subsidiary	6	-	-	620,000,000	520,000,000
Inventories	11	276,138,069	528,333,275	145,564,685	365,544,046
Advances payment to suppliers and contractors		24,781,271	21,502,059	18,441,364	20,804,472
Other current financial assets	8	1,769,310,742	2,269,931,656	1,529,436,109	1,805,586,183
Other current assets	12	164,907,551	175,754,295	141,585,353	32,416,567
Total current assets		4,030,910,406	4,969,401,022	4,163,038,261	4,542,299,132
Non-current assets					
Restricted bank deposits	13	62,441,980	73,876,401	23,000,000	23,000,000
Other non-current financial assets	14	461,750,994	246,074,810	361,670,632	245,994,448
Investments in subsidiaries	15	-	-	829,934,310	829,934,310
Investments in joint venture	16	8,814,840	-	8,999,950	-
Investments in associate	17	804,918,435	827,664,341	282,078,267	276,441,845
Long-term loans to subsidiary	6	-	-	1,133,250,000	1,061,000,000
Long-term loan to other company	18	-	80,000,000	-	80,000,000
Investment properties	19	2,698,505,625	2,497,482,800	349,214,805	349,214,805
Property, plant and equipment	20	2,350,061,482	2,422,458,166	636,805,835	640,787,169
Rights to produce and sell electricity from municipal waste	21	434,297,806	434,297,806	-	-
Other intangible assets		7,893,905	12,203,828	7,335,065	11,135,160
Deferred tax assets	30	57,598,618	36,526,526	52,850,083	31,798,608
Other non-current assets		215,677,942	78,139,040	54,354,108	34,891,861
Total non-current assets		7,101,961,627	6,708,723,718	3,739,493,055	3,584,198,206
Total assets		11,132,872,033	11,678,124,740	7,902,531,316	8,126,497,338

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

STP&I Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	22	-	100,000,000	-	
Trade and other payables	6, 23	583,303,790	491,745,283	406,434,038	241,818,038
Contract liabilities					
Advances received from customers	10	106,138,530	145,948,301	92,170,035	138,830,185
Revenue from fabrication work received in advance	10	-	115,599,193	-	115,599,193
Current portion of advance rental income	6, 19	55,044,796	56,135,670	-	-
Current portion of long-term loans from					
financial institutions	24	174,504,000	172,044,000	144,000,000	144,000,000
Current portion of lease liabilities	25	26,155,047	26,667,560	10,718,127	10,146,265
Income tax payable		1,532,652	196,911	-	-
Other current liabilities		60,766,671	61,017,784	53,522,370	50,197,579
Total current liabilities		1,007,445,486	1,169,354,702	706,844,570	700,591,260
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	24	599,056,000	773,560,000	404,000,000	548,000,000
Lease liabilities - net of current portion	25	262,831,317	246,483,941	26,885,035	35,276,164
Provision for long-term employee benefits	26	84,272,244	68,854,263	80,194,534	64,525,082
Advance rental income	6, 19	1,167,031,407	1,208,931,399	-	-
Deferred tax liabilities	30	212,562,619	201,243,090	-	-
Other long-term provision		25,257,650	25,257,650	-	-
Other non-current liabilities	6	25,921,409	27,937,277	-	-
Total non-current liabilities		2,376,932,646	2,552,267,620	511,079,569	647,801,246
Total liabilities		3,384,378,132	3,721,622,322	1,217,924,139	1,348,392,506

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

STP&I Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
1,624,838,400 ordinary shares of Baht 0.25 each		<u>406,209,600</u>	<u>406,209,600</u>	<u>406,209,600</u>	<u>406,209,600</u>
Issued and fully paid up					
1,624,831,478 ordinary shares of Baht 0.25 each		406,207,870	406,207,870	406,207,870	406,207,870
Premium on ordinary shares		1,356,908,662	1,356,908,662	1,356,908,662	1,356,908,662
Premium on treasury shares		96,309,692	96,309,692	96,309,692	96,309,692
Retained earnings					
Appropriated - statutory reserve	27	40,629,710	40,629,710	40,629,710	40,629,710
Appropriated - treasury shares reserve	28	120,754,972	120,754,972	120,754,972	120,754,972
Unappropriated		5,644,552,202	5,789,457,101	4,780,785,364	4,852,202,086
Treasury shares	28	(120,754,972)	(120,754,972)	(120,754,972)	(120,754,972)
Other components of shareholders' equity		<u>3,765,879</u>	<u>25,846,812</u>	<u>3,765,879</u>	<u>25,846,812</u>
Equity attributable to owners of the Company		7,548,374,015	7,715,359,847	6,684,607,177	6,778,104,832
Non-controlling interests of the subsidiaries		<u>200,119,886</u>	<u>241,142,571</u>	-	-
Total shareholders' equity		<u>7,748,493,901</u>	<u>7,956,502,418</u>	<u>6,684,607,177</u>	<u>6,778,104,832</u>
Total liabilities and shareholders' equity		<u>11,132,872,033</u>	<u>11,678,124,740</u>	<u>7,902,531,316</u>	<u>8,126,497,338</u>

The accompanying notes are an integral part of the financial statements.

Statements of comprehensive income

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenues from fabrication work		3,318,781,450	1,269,671,257	3,318,781,450	1,269,671,257
Sales and services income		328,780,812	770,311,550	73,944,860	327,890,293
Revenue from rental of real estates		108,378,323	218,707,741	-	-
Dividend income	8, 14, 17	29,942,552	25,531,380	45,453,879	25,531,380
Gain on sales of investment properties	19	-	136,309,622	-	-
Other income	31	27,640,252	271,438,149	28,435,578	246,303,738
Total revenues		3,813,523,389	2,691,969,699	3,466,615,767	1,869,396,668
Expenses					
Cost of fabrication work		3,144,760,987	1,191,367,329	3,146,159,744	1,192,503,369
Factory overhead expenses not allocated to cost of fabrication work		189,558,514	172,365,537	189,558,514	172,365,537
Cost of sales and services		183,841,056	464,998,344	19,761,157	108,016,228
Cost of rental of real estates		53,876,813	89,057,196	-	-
Selling and distribution expenses		7,761,762	7,062,418	-	-
Administrative expenses		296,056,323	331,382,476	112,662,537	108,997,492
Other expenses	32	182,001,140	8,255,257	181,530,371	22,083,661
Total expenses		4,057,856,595	2,264,488,557	3,649,672,323	1,603,966,287
Operating profit (loss)		(244,333,206)	427,481,142	(183,056,556)	265,430,381
Share of loss from investments in joint venture	16	(185,110)	-	-	-
Share of profit from investments in associate	17	28,148,201	4,363,351	-	-
Finance income		69,570,795	61,852,748	122,709,059	112,902,546
Finance cost	33	(38,186,730)	(77,577,536)	(26,597,826)	(32,118,903)
Profit (loss) before income tax		(184,986,050)	416,119,705	(86,945,323)	346,214,024
Income tax benefit (expenses)	30	(5,941,534)	(142,489,295)	15,528,601	(3,383,852)
Profit (loss) for the year		(190,927,584)	273,630,410	(71,416,722)	342,830,172
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on investments in equity designated at fair value through other comprehensive income - net of income tax		(22,080,933)	11,885,037	(22,080,933)	11,885,037
Other comprehensive income for the year		(22,080,933)	11,885,037	(22,080,933)	11,885,037
Total comprehensive income for the year		(213,008,517)	285,515,447	(93,497,655)	354,715,209

The accompanying notes are an integral part of the financial statements.

Statements of comprehensive income (continued)

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

		(Unit: Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit (loss) attributable to:					
Equity holders of the Company		(144,904,899)	320,295,143	<u>(71,416,722)</u>	<u>342,830,172</u>
Non-controlling interests of the subsidiaries		<u>(46,022,685)</u>	<u>(46,664,733)</u>		
		<u>(190,927,584)</u>	<u>273,630,410</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(166,985,832)	332,180,180	<u>(93,497,655)</u>	<u>354,715,209</u>
Non-controlling interests of the subsidiaries		<u>(46,022,685)</u>	<u>(46,664,733)</u>		
		<u>(213,008,517)</u>	<u>285,515,447</u>		
Earnings per share					
	34				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.09)</u>	<u>0.20</u>	<u>(0.04)</u>	<u>0.21</u>

The accompanying notes are an integral part of the financial statements.

Statements of changes in shareholders' equity

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company					Other components of shareholders' equity				
	Retained earnings		Treasury shares			Other comprehensive income		Fair value reserve		Total equity attributable to owners of the Company
	Issued and fully paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Statutory reserve	Appropriated	Treasury shares reserve	Unappropriated	Treasury shares	Income	
Balance as at 1 January 2021	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	5,469,457,101	5,469,457,101	(120,754,972)	13,961,775	7,383,179,667
Profit for the year	-	-	-	-	-	-	320,295,143	-	-	320,295,143
Other comprehensive income for the year	-	-	-	-	-	-	-	-	11,885,037	11,885,037
Total comprehensive income for the year	-	-	-	-	-	-	320,295,143	-	11,885,037	332,180,180
Balance as at 31 December 2021	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	5,789,457,101	5,789,457,101	(120,754,972)	25,846,812	7,715,359,847
Balance as at 1 January 2022	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	5,789,457,101	5,789,457,101	(120,754,972)	25,846,812	7,715,359,847
Loss for the year	-	-	-	-	-	-	(144,904,899)	-	-	(144,904,899)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(22,080,933)	(22,080,933)
Total comprehensive income for the year	-	-	-	-	-	-	(144,904,899)	-	(22,080,933)	(166,985,832)
Increase in non-controlling interests of the subsidiary from acquisition of investments in subsidiary (Note 15)	-	-	-	-	-	-	-	-	(46,022,685)	(46,022,685)
Balance as at 31 December 2022	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	5,644,552,202	5,644,552,202	(120,754,972)	3,765,879	7,548,374,015
									5,000,000	5,000,000
									200,119,886	7,748,493,901

The accompanying notes are an integral part of the financial statements.

Statements of changes in shareholders' equity (continued)

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

	Separate financial statements								(Unit: Baht)	
	Issued and fully paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Retained earnings		Treasury shares	Other components of shareholders' equity			
				Statutory reserve	Appropriated		Unappropriated	Fair value reserve		Other comprehensive income
Balance as at 1 January 2021	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	4,509,371,914	(120,754,972)	13,961,775	6,423,389,623	
Profit for the year	-	-	-	-	-	342,830,172	-	-	342,830,172	
Other comprehensive income for the year	-	-	-	-	-	-	-	11,885,037	11,885,037	
Total comprehensive income for the year	-	-	-	-	-	342,830,172	-	11,885,037	354,715,209	
Balance as at 31 December 2021	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	4,852,202,086	(120,754,972)	25,846,812	6,778,104,832	
Balance as at 1 January 2022	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	4,852,202,086	(120,754,972)	25,846,812	6,778,104,832	
Loss for the year	-	-	-	-	-	(71,416,722)	-	-	(71,416,722)	
Other comprehensive income for the year	-	-	-	-	-	-	-	(22,080,933)	(22,080,933)	
Total comprehensive income for the year	-	-	-	-	-	(71,416,722)	-	(22,080,933)	(93,497,655)	
Balance as at 31 December 2022	406,207,870	1,356,908,662	96,309,692	40,629,710	120,754,972	4,780,785,364	(120,754,972)	3,765,879	6,684,607,177	

The accompanying notes are an integral part of the financial statements.

Cash flow statements

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit (loss) before tax	(184,986,050)	416,119,705	(86,945,323)	346,214,024
Adjustments to reconcile profit (loss) before tax to net cash provided				
by (paid from) operating activities				
Depreciation and amortisation	189,085,195	253,225,591	87,701,675	85,246,660
Allowance for expected credit losses (reversal)	853,407	(1,824,007)	-	-
Reduction of inventory cost to net realisable value (reversal)	(16,801,986)	4,599,928	(17,326,371)	10,135
Impairment loss on investments in subsidiary	-	-	-	14,669,065
Share of loss from investments in joint venture	185,110	-	-	-
Share of profit from investments in associate	(28,148,201)	(4,363,351)	-	-
Gain on sales of investment properties	-	(136,309,622)	-	-
Loss (gain) on sales and write-off of equipment	443,402	1,005,400	(287,592)	(554,015)
Impairment loss on equipment and intellectual property	-	4,788,938	-	-
Loss (gain) on sales of other current financial assets	22,611,961	(35,370,000)	23,164,161	(33,828,283)
Loss on changes in fair value of other financial assets	65,571,045	7,635,314	62,922,414	7,414,597
Dividend received from other financial assets	(29,942,552)	(25,531,380)	(27,353,349)	(25,531,380)
Dividend received from associate	-	-	(18,100,530)	-
Decrease in short-term provisions	-	(837,292)	-	(837,292)
Decrease in provision for losses on fabrication work	-	(41,678,225)	-	(41,678,225)
Provision for long-term employee benefits	23,564,492	20,406,532	22,477,152	19,410,467
Unrealised loss (gain) on foreign exchange	74,997,155	(163,683,430)	74,513,501	(163,009,986)
Gain on derivatives	(77,484,265)	-	(77,767,063)	-
Interest income from loans and debentures	(52,284,693)	(42,079,534)	(105,631,323)	(93,352,574)
Interest expenses	36,878,907	74,360,278	25,719,835	30,818,632
Profit (loss) from operating activities before				
changes in operating assets and liabilities	24,542,927	330,464,845	(36,912,813)	144,991,825

The accompanying notes are an integral part of the financial statements.

Cash flow statements (continued)

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating assets (increase) decrease				
Trade and other receivables and contract assets	(538,130,075)	(141,536,309)	(529,106,721)	(149,401,792)
Inventories	268,997,192	(132,419,658)	237,305,733	(143,222,342)
Other current financial assets	195,725,079	(209,188,951)	(26,649,329)	(5,331,828)
Other current assets	(10,312,200)	105,388,501	(16,573,057)	7,306,890
Other non-current assets	(3,012,202)	(13,878,282)	(166,750)	(65,000)
Operating liabilities increase (decrease)				
Trade and other payables	89,425,656	177,108,347	165,754,189	100,231,976
Advances received from customers	(39,809,771)	(4,844,112)	(46,660,150)	(3,021,507)
Revenue from fabrication work received in advance	(115,599,193)	(362,486)	(115,599,193)	(362,486)
Payment of long-term employee benefits	(8,146,510)	(4,788,918)	(6,807,700)	(4,582,694)
Other current liabilities	(1,929,542)	28,938,087	3,175,363	32,920,140
Rental revenue received in advance	(42,990,867)	1,252,848,265	-	-
Deposit from long-term lease agreements	(246,729)	(34,882,083)	-	-
Other non-current liabilities	(1,769,139)	5,552,345	-	(2,582,700)
Cash flows from (used in) operating activities	(183,255,374)	1,358,399,591	(372,240,428)	(23,119,518)
Interest paid	(31,726,493)	(69,387,707)	(23,890,236)	(29,942,910)
Cash received from refund of corporate income tax	-	4,778,058	-	-
Cash paid for corporate income tax	(49,506,871)	(147,535,946)	(37,479,737)	(18,398,492)
Net cash flows from (used in) operating activities	(264,488,738)	1,146,253,996	(433,610,401)	(71,460,920)

The accompanying notes are an integral part of the financial statements.

Cash flow statements (continued)

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Decrease in restricted bank deposits	11,434,421	777,096,157	-	776,552,400
Cash received from repayment of short-term loan to other company	80,000,000	-	80,000,000	-
Increase in short-term loans to subsidiary	-	-	(100,000,000)	-
Increase in long-term loans to subsidiary	-	-	(72,250,000)	(33,400,000)
Net cash paid for investments in subsidiary	(2,397,000)	-	-	(4,999,970)
Acquisition of investments in associate	(5,636,422)	(876,441,845)	(5,636,422)	(276,441,845)
Acquisition of investments in joint venture	(8,999,950)	-	(8,999,950)	-
Acquisition of investment in real estate investment trust	-	(40,000,000)	-	(40,000,000)
Acquisition of investments in structured note	(67,016,800)	-	(67,016,800)	-
Acquisition of investments in debentures	(110,000,000)	(96,877,364)	(10,000,000)	-
Cash received from redemption of investments in debentures	152,083,250	206,668,000	152,083,250	106,668,000
Proceeds from sales of investment properties	-	1,000,717,919	-	-
Proceeds from sales of equipment and intangible assets	10,601,935	12,017,364	309,055	676,617
Acquisition of investment properties	(212,697,508)	(40,800,155)	-	-
Acquisition of property, plant and equipment	(64,860,943)	(27,840,555)	(70,638,041)	(12,814,447)
Acquisition of other intangible assets	(324,166)	(1,561,115)	(324,166)	(1,529,248)
Cash received from dividends from other financial assets	29,969,373	25,504,560	27,380,169	25,504,560
Cash received from dividends from associate	56,530,530	-	18,100,530	-
Cash received from interest	61,230,680	26,015,344	65,320,543	90,008,730
Net cash flows from (used in) investing activities	(70,082,600)	964,498,310	8,328,168	630,224,797
Cash flows from financing activities				
Increase in short-term loans from financial institutions	-	4,730,000,000	-	-
Decrease in short-term loans from financial institutions	(100,000,000)	(5,518,740,000)	-	-
Repayment of long-term loans from financial institutions	(172,044,000)	(881,096,006)	(144,000,000)	(144,000,000)
Payment of lease liabilities	(26,647,355)	(50,045,796)	(12,197,430)	(12,282,180)
Cash received from non-controlling interests for investment in subsidiary	4,700,000	-	-	-
Dividend paid	(21,145)	(129,459)	(21,145)	(129,459)
Net cash flows used in financing activities	(294,012,500)	(1,720,011,261)	(156,218,575)	(156,411,639)
Net increase (decrease) in cash and cash equivalents	(628,583,838)	390,741,045	(581,500,808)	402,352,238
Effect of exchange rate for cash and cash equivalents	(22,045,582)	103,022,962	(22,045,583)	103,022,962
Cash and cash equivalents at beginning of year	980,442,863	486,678,856	837,080,519	331,705,319
Cash and cash equivalents at end of year	329,813,443	980,442,863	233,534,128	837,080,519

The accompanying notes are an integral part of the financial statements.

Cash flow statements (continued)

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Supplemental cash flows information				
Non-cash related transactions				
Increase (decrease) in accounts payable for purchases of				
property, plant and equipment	9,448,806	(12,208,171)	6,561,034	(2,112,183)
Increase in right-of-use assets due to entering into lease agreements	3,333,325	86,561,136	2,419,467	41,925,370
Increase in investment properties due to investment in subsidiary	33,782,000	-	-	-
Transfer property, plant and equipment to investment properties	-	319,716,805	-	319,716,805
Decrease in deposit from long-term agreements due to				
sales of investment properties	-	36,785,344	-	-

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements

STP&I Public Company Limited and its subsidiaries

For the year ended 31 December 2022

1. General information

1.1 General information of the Company

STP&I Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in steel fabrication work, and the manufacture of boilers and pressure vessels. The registered office of the Company is at 32/24, 3rd Floor Sino-Thai Tower, Sukhumvit 21 Road, Kwaeng Klongtoey Nua, Khet Wattana, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of STP&I Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u>	<u>2021</u>
			Percent	Percent
<u>Held by the Company</u>				
STIT Company Limited	Manufacture, sale and rental of construction equipment	Thailand	100	100
STP&I Services Company Limited	Construction services	Thailand	100	100
ST Property and Logistics Company Limited	Property development and logistics services	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u>	<u>2021</u>
			Percent	Percent
Fill Up Network Company Limited	Community automated gas station	Thailand	100	100
Cannatory Company Limited	Production and distribution of hemp products	Thailand	100	100
<u>Held by subsidiary companies</u>				
STIT 2011 Company Limited	Sale and rental of construction equipment	Thailand	100	100
WPGE Phetchaburi Company Limited	Production and distribution of electricity generated from waste and municipal solid waste management	Thailand	60	60
ST Hill Company Limited	Property development	Thailand	100	100
ST Hub Company Limited	Property development	Thailand	100	100
Growth Warehouse Company Limited	Property development and logistics services	Thailand	90	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint venture and associate under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the current year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenue from fabrication work

The Group has determined that the fabrication work generally have one performance obligation. The Group recognises revenue from fabrication work over time where the stage of completion is measured using an output method, based on information provided by project engineers or project managers.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

Dividends are recognised when the rights to receive the dividends is established.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Contract assets/ Contract liabilities

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional i.e. services are completed and delivered to the customer.

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Company fulfil its performance obligations under the contracts.

4.4 Inventories

Finished goods are valued at the lower of cost (under the specific method) and net realisable value. Cost includes all acquiring costs.

Spare parts and factory supplies are valued at the lower of cost (under the first-in first-out method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments in subsidiaries, joint venture and associate

Investments in joint venture and associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint venture and associate are accounted for in the separate financial statements using the cost method.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 35 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Land improvements	10, 20 years
Buildings and construction	5, 10, 20 years
Machinery, tools and equipment	3 - 15 years
Office equipment, furniture and fixtures	3, 5 years
Motor vehicles	5 years

Depreciation of construction on lease land is calculated by reference to its cost on a straight-line basis over the lease period which is shorter than the asset's useful live.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Rights to produce and sell electricity from municipal waste and amortisation

Rights to produce and sell electricity from municipal waste acquired in a business combination were measured initially at their acquisition-date estimated fair values. Subsequent to initial recognition, rights to produce and sell electricity from municipal waste has been stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

Amortisation of rights to produce and sell electricity from municipal waste is calculated by reference to cost on a straight-line basis over estimated economic useful life (estimated around 20 years), recognition of amortisation begins from the date on which the subsidiary first produces and sells electricity. The Group reviews assets for impairment whenever events or changes in circumstances indicate that an asset may be impaired, and reviews the amortisation period and the amortisation method used for rights to produce and sell electricity from municipal waste at least every year end. Amortisation is recognised as an expense in profit or loss.

4.9 Intangible assets

Petty patent and intellectual property and other intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Petty patent, and intellectual property and other intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Petty patent and intellectual property	9 years
Computer software	5 years

4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases (except for short-term leases and leases of low-value assets). At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term as follows:

Land	1 - 25 years
Buildings	3 years
Motor vehicles	1 - 4 years
Land, buildings and warehouse for rent	1 - 32 years
Community mall and office buildings for rent	1 - 31 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.12 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for losses on fabrication work is made in the accounts in full when the possibility of loss is ascertained.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by reference to the carrying amount and are presented net of premium on treasury shares and retained earnings, consecutively.

4.19 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.20 Derivatives

The Group uses derivatives, which are forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from fabrication work

The Group recognises revenue from fabrication work over time taking into account the stage of completion. The management has exercised judgement in measuring the progress towards satisfaction of the performance obligation, with reference to information provided by project engineers or project managers and relying on their expertise and past experience.

Estimated construction project costs

The Group estimates costs of construction projects based on details of the work, taking into account the volume and value of materials to be used in the project, and the design costs, labor costs, subcontracting costs and other related costs to be incurred to completion of service, as well as the direction of movement of these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on projects

Management applied judgement in estimating the losses they expect to be realised on each project, based on actual costs incurred to date, the progress of construction, the status of the project, any fluctuations in costs of materials and labour, the current situation and relevant information regarding warranties and claims on the contracted works.

Leases

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Investment properties

The disclosure of fair value of investment properties requires management to make estimates the fair value by an independent appraiser. The independent appraiser valued the investment properties using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 19 to the financial statements.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years or lifetime of assets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment, intellectual property and rights to produce and sell electricity from municipal waste recognised by the Group.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Dispute and litigation

The Group has contingent liabilities as a result of dispute and litigation. The Group's management has used judgement to assess of the results of the dispute and litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing policy
	financial statements		financial statements		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Revenue from sales and services	-	-	-	1	Market price or contract price
Cost of fabrication work	-	-	4	1	Market price or contract price
Interest income	-	-	59	55	1.5% - 4.5% per annum
Other income	-	-	6	4	Contract price
<u>Transactions with associate</u>					
Sales of investment properties	-	1,068	-	-	Contract price
Property management fee	17	2	-	-	Contract price
Rental income	42	6	-	-	Contract price
Dividend income	57	-	18	-	As announcement
Service expenses	20	5	-	-	Contract price
<u>Transactions with related companies</u>					
Revenue from sales and services	18	181	-	-	Market price or contract price
Rental and service expenses	8	7	6	6	Contract price

ST Property & Logistics Company Limited (the subsidiary) was appointed as property manager of KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (an associate). The subsidiary is entitled to receive remuneration in the form of property management fees.

The balances of the accounts as at 31 December 2022 and 2021, between the Company, subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries				
STIT Company Limited	-	-	319	261
STIT 2011 Company Limited	-	-	21	41
STP&I Services Company Limited	-	-	112	225
ST Property and Logistics Company Limited	-	-	337	357
WPGE Phetchaburi Company Limited	-	-	96,647	46,693
Fill Up Network Company Limited	-	-	32	76
ST Hill Company Limited	-	-	-	6
ST Hub Company Limited	-	-	-	23
Cannatory Company Limited	-	-	333	-
Joint venture				
Sinopower Company Limited	2	-	2	-
Associate				
KTBST Mixed Freehold and Leasehold Real Estate Investment Trust	6,399	4,537	-	-
Related company				
Sino-Thai Engineering and Construction Public Company Limited	8,611	6,417	-	-
Songsahai Trading Company Limited	9,457	-	-	-
Related person				
Director of subsidiary	5,000	-	-	-
Total trade and other receivables - related parties	<u>29,469</u>	<u>10,954</u>	<u>97,803</u>	<u>47,682</u>
<u>Trade and other payables - related parties (Note 23)</u>				
Subsidiaries				
STIT Company Limited	-	-	2,253	612
Fill Up Network Company Limited	-	-	-	35
Associate				
KTBST Mixed Freehold and Leasehold Real Estate Investment Trust	2,790	4,691	-	-
Related companies				
Songsahai Trading Company Limited	7,325	-	-	-
Related person				
Director of subsidiary	1,572	-	-	-
Total trade and other payables - related parties	<u>11,687</u>	<u>4,691</u>	<u>2,253</u>	<u>647</u>

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Advance rental income - related party</u>					
Associate					
KTBST Mixed Freehold and Leasehold Real Estate					
Investment Trust		<u>1,208,931</u>	<u>1,250,831</u>	<u>-</u>	<u>-</u>
<u>Other non-current liabilities - related party</u>					
Associate					
KTBST Mixed Freehold and Leasehold Real Estate					
Investment Trust		<u>14,776</u>	<u>25,637</u>	<u>-</u>	<u>-</u>

Loans to subsidiaries

As at 31 December 2022 and 2021, the balances of loans to subsidiaries and the movement are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
		Balance as at			Balance as at
		31 December	Increase	Decrease	31 December
		<u>2021</u>	<u>during the year</u>	<u>during the year</u>	<u>2022</u>
Short-term loans to subsidiary					
ST Property and Logistics					
Company Limited		<u>520,000</u>	<u>100,000</u>	<u>-</u>	<u>620,000</u>
Total short-term loans to subsidiary		<u>520,000</u>	<u>100,000</u>	<u>-</u>	<u>620,000</u>
Long-term loans to subsidiary					
WPGE Phetchaburi Company					
Limited		<u>1,061,000</u>	<u>72,250</u>	<u>-</u>	<u>1,133,250</u>
Total long-term loans to subsidiary		<u>1,061,000</u>	<u>72,250</u>	<u>-</u>	<u>1,133,250</u>

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	32,016	32,884	30,873	30,316
Post-employment benefits	2,028	1,995	1,826	1,743
Other long-term benefits	29	28	24	22
Total	<u>34,073</u>	<u>34,907</u>	<u>32,723</u>	<u>32,081</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	250	283	89	76
Bank deposits	329,563	980,160	233,445	837,004
Total	<u>329,813</u>	<u>980,443</u>	<u>233,534</u>	<u>837,080</u>

As at 31 December 2022, bank deposits carried interest at rates between 0.04 to 0.50 percent per annum (2021: between 0.04 to 0.50 percent per annum).

8. Other current financial assets

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Debt instruments which are measured at amortised cost				
Debentures	276,249	498,332	276,249	498,332
Debt instruments which are measured at fair value through profit or loss				
Investments in general fixed income fund	1,392,982	1,555,197	1,153,107	1,090,851
Equity instruments which are measured at fair value through profit or loss				
Equity instruments with quoted market prices	100,044	216,279	100,044	216,279
Derivative instruments measured at fair value through profit and loss				
Warrant	36	124	36	124
Total other current financial assets	1,769,311	2,269,932	1,529,436	1,805,586

During the current year, the Group received dividends from investments in general fixed income fund and equity instruments of Baht 11 million (2021: Baht 8 million) (The Company only: Baht 8 million (2021: Baht 8 million)).

9. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables - related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	4,244	4,764	-	-
Past due				
Up to 3 months	4,189	1,662	-	-
Over 3 months	193	-	-	-
Total trade receivables - related parties	8,626	6,426	-	-
Less: Allowance for expected credit losses	(130)	(38)	-	-
Total trade receivables - related parties, net	8,496	6,388	-	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	401,010	320,334	378,995	293,528
Past due				
Up to 3 months	276,213	31,195	270,237	26,207
3 - 6 months	10,747	1,470	10,173	292
6 - 12 months	7,481	95	5,637	-
Over 12 months	4,114	4,050	51	48
Total	699,565	357,144	665,093	320,075
Less: Allowance for expected credit losses	(5,104)	(4,342)	(5)	(5)
Total trade receivables - unrelated parties, net	694,461	352,802	665,088	320,070
Total trade receivables - net	702,957	359,190	665,088	320,070
<u>Other receivables</u>				
Other receivables and advance to related parties				
(Note 6)	17,743	4,537	933	1,086
Other receivables and advance to unrelated parties	29,567	34,343	330	6
Accrued interest income - related parties (Note 6)	-	-	96,552	46,596
Accrued interest income - unrelated parties	6,719	16,567	6,012	16,559
Dividend receivables	-	26	-	26
Accrued income - related party (Note 6)	3,230	29	318	-
Accrued income - unrelated parties	802	68,716	303	66,495
Total other receivables	58,061	124,218	104,448	130,768
Total trade and other receivables - net	761,018	483,408	769,536	450,838

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	4,380	6,203	5	5
Provision for expected credit losses	912	-	-	-
Written off	(58)	(1,823)	-	-
Balance at end of year	5,234	4,380	5	5

10. Contract assets/Contract liabilities

10.1 Contract balances

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Contract assets				
Unbilled receivables	584,545	484,909	584,545	484,909
Retention receivables	120,396	25,120	120,396	25,120
Total contract assets	<u>704,941</u>	<u>510,029</u>	<u>704,941</u>	<u>510,029</u>
Contract liabilities				
Advances received from customers	106,139	145,948	92,170	138,830
Revenue from fabrication work received in advance	-	115,599	-	115,599
Total contract liabilities	<u>106,139</u>	<u>261,547</u>	<u>92,170</u>	<u>254,429</u>

The balance of unbilled receivables as at 31 December 2022 and 2021, aged on the basis of period until they are expected to be billed to customers in the future, can be summarised as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Expected billing period				
In up to 3 months	349,980	153,220	349,980	153,220
In over 3 months and up to 12 months	216,515	327,589	216,515	327,589
In over 1 year	18,050	4,100	18,050	4,100
Total unbilled receivables	<u>584,545</u>	<u>484,909</u>	<u>584,545</u>	<u>484,909</u>

10.2 Revenue recognised in relation to contract balances

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue recognised during the year that was included in contract liabilities at the beginning of the year	164,791	112,180	162,259	108,286
Revenue recognised during the year from performance obligations satisfied in previous years	58,096	30,041	58,096	30,041

10.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue totaling Baht 2,398 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (2021: Baht 4,732 million). The Company expects to satisfy these performance obligations within 1 year.

11. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Finished goods	65,423	107,778	(5,016)	(3,556)	60,407	104,222
Spare parts and factory supplies	231,257	451,230	(16,834)	(35,096)	214,423	416,134
Goods in transit	1,308	7,977	-	-	1,308	7,977
Total	297,988	566,985	(21,850)	(38,652)	276,138	528,333

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Spare parts and factory supplies	153,471	390,776	(7,906)	(25,232)	145,565	365,544
Total	153,471	390,776	(7,906)	(25,232)	145,565	365,544

During the current year, the Group reduced cost of inventories by Baht 6 million (2021: Baht 7.0 million) (The Company only: Nil, 2021: Baht 1.2 million), to reflect the net realisable value. This was included in expenses during the current year. In addition, the Group reversed the write-down of cost of inventories by Baht 23 million (2021: Baht 2.4 million) (The Company only: Baht 17 million, 2021: Baht 1.2 million), and reduced the amount of inventories recognised as expenses during the year.

12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Refundable value added tax	33,164	19,657	21,573	4,533
Withholding tax	40,671	133,980	37,480	18,398
Prepaid expenses	13,659	13,030	10,420	9,365
Derivative assets	72,156	-	72,048	-
Others	5,258	9,087	64	121
Total other current assets	164,908	175,754	141,585	32,417

13. Restricted bank deposits

These balances represent bank deposits of the Group which pledged to secure credit facilities.

14. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Debt instruments which are measured at amortised cost				
Debentures	180,000	-	80,000	-
Debt instruments which are measured at fair value through profit or loss				
Structured note	63,280	-	63,280	-
Equity instruments which are measured at fair value through other comprehensive income				
Equity instruments with quoted market prices	179,471	206,275	179,391	206,194
Investment in real estate investment trust	39,000	39,800	39,000	39,800
Total other non-current financial assets	461,751	246,075	361,671	245,994

During the current year, the Group received dividends from investments in equity instruments of Baht 19 million (2021: Baht 17 million) (The Company only: Baht 19 million (2021: Baht 17 million)).

15. Investments in subsidiaries

15.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)						
Company's name	Paid-up capital		Shareholding percentage		Cost	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million Baht)	(Million Baht)	(%)	(%)		
STIT Company Limited	135	135	100	100	135,000	135,000
STP&I Services Company Limited	410	410	100	100	21,761	21,761
ST Property and Logistics Company Limited	440	440	100	100	440,000	440,000
Fill Up Network Company Limited	500	500	100	100	422,450	422,450
Cannatory Company Limited	5	5	100	100	5,000	5,000
Total					1,024,211	1,024,211
Less: Allowance for impairment loss*					(194,277)	(194,277)
Investments in subsidiaries - net					829,934	829,934

* Allowance for impairment loss is an allowance for the investments in Fill Up Network Company Limited.

- a) No dividend was received from the subsidiaries for the years ended 31 December 2022 and 2021.
- b) On 10 June 2021, the Company's Board of Directors' Meeting passed a resolution to approve the establishment of Cannatory Company Limited, which is principally engaged in hemp cultivation and propagation, production and the distribution of hemp extract and parts of hemp plant. Such company registered its incorporation with the Ministry of Commerce on 22 June 2021. The Company purchased 499,997 ordinary shares at a price of Baht 10 per share or a total of approximately Baht 5 million. The investment represents 100% of all issued ordinary shares of such company. The Company fully paid for the shares in June 2021.

- c) On 12 April 2022, the Company's Board of Directors' meeting passed a resolution approving the purchase of 27,000 ordinary shares of Growth Warehouse Company Limited from the existing shareholder by ST Property and Logistics Company Limited (subsidiary) at a price of Baht 100 per share, or a total of Baht 2.7 million, representing 90% of its ordinary shares, to expand rental of real estates and logistics businesses. In April 2022, ST Property and Logistics Company Limited has already invested in this company.

The Group determined that the acquisition of the ordinary shares of Growth Warehouse Company Limited was an asset acquisition. The Group therefore recorded the difference between the cash payment for purchase of investment and the Growth Warehouse Company Limited's net asset value attributable to the Group, amounting to Baht 15,199, as investment properties.

The value of acquired assets and liabilities as at the acquisition date, based on the value allocated from the acquisition cost of the group of assets, and the cash payment made to purchase the investment in subsidiary are summarised below.

	(Unit: Thousand Baht)
Cash payment for purchase of investment in subsidiary	<u>2,700</u>
Value of assets and liabilities, based on value allocated from the acquisition cost of the group of assets	
Cash and cash equivalents	303
Other current assets	4,209
Investment properties	33,782
Current liabilities	(1,529)
Lease liabilities	(33,767)
Non-controlling interests	<u>(298)</u>
Total net assets	<u>2,700</u>
 Cash payment for purchase of investment in subsidiary	 2,700
Less: Cash and cash equivalents of subsidiary	<u>(303)</u>
Net cash paid for investment in subsidiary	<u>2,397</u>

On 17 May 2022, the Extraordinary Annual General Meeting of the shareholders of Growth Warehouse Company Limited passed a resolution to increase its registered share capital by Baht 47 million, through the issuance of 470,000 ordinary shares of Baht 100 each. ST Property and Logistics Company Limited Invested Baht 42.3 million in the increased share capital to maintain its existing shareholding in this company.

15.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(%)	(%)				
<u>Held by subsidiary companies</u>						
WPGE Phetchaburi Company Limited	40	40	195	241	(46)	(46)
Growth Warehouse Company Limited	10	-	5	-	0.2	-

15.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	WPGE Phetchaburi Company Limited		Growth Warehouse Company Limited	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets	31	33	17	-
Non-current assets	1,510	1,952	252	-
Current liabilities	248	207	169	-
Non-current liabilities	1,152	1,088	49	-

Summarised information about comprehensive income

(Unit: Million Baht)

	Fill Up Network Company Limited		Growth Warehouse Company Limited	
	For the year ended	For the year ended	For the year ended	For the year ended
	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>31 December 2022</u>	<u>31 December 2021</u>
Revenue	0.4	0.7	14	-
Profit (loss)	(115)	(117)	2	-

Summarised information about cash flow

(Unit: Million Baht)

	WPGE Phetchaburi Company Limited		Growth Warehouse Company Limited	
	For the year ended	For the year ended	For the year ended	For the year ended
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash flow from (used in)				
operating activities	(71)	(28)	12	-
Cash flow used in				
investing activities	-	(6)	(92)	-
Cash flow from financing				
activities	71	33	81	-
Net increase (decrease)				
in cash and cash				
equivalents	-	(1)	1	-

16. Investments in joint venture

16.1 Details of investments in joint venture

Investments in joint venture represent investments in entity which is jointly controlled by the Company and other company. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Shareholding percentage		Consolidated		Separate	
				financial statements		financial statements	
				Carrying amounts based on		Cost	
		2022	2021	2022	2021	2022	2021
		(%)	(%)				
Sinopower Company Limited	Renewable energy business	60	-	8,815	-	9,000	-
				8,815	-	9,000	-

In May 2022, the Company and Powervault (Thailand) Company Limited registered with the Ministry of Commerce the establishment of Sinopower Company Limited ("Sinopower"), which is principally engaged in the renewable energy business. Sinopower has a registered share capital of Baht 60 million (600,000 ordinary shares of Baht 100 each), 25% was called up. The Company invested Baht 9 million in Sinopower, representing 60% of its ordinary shares. The Company determined that this investment is investment in joint venture since the Company and Powervault (Thailand) Company Limited have joint control in Sinopower.

During the current year, the Company recognised share of loss from investments in joint venture of Baht 185,110 in the consolidated financial statements.

16.2 Summarised financial information about joint venture

Summarised information about financial position as at 31 December 2022

	(Unit: Thousand Baht)
Current assets	6,349
Non-current assets	8,546
Current liabilities	(204)
Net assets	14,691
Shareholding percentage (%)	60.00
Carrying amount of joint venture based on equity method	8,815

Summarised information about comprehensive income for the period ended 31 December 2022

	(Unit: Thousand Baht)
Revenues	8
Expenses	317
Loss for the period	309
Total comprehensive income for the period	309

17. Investments in associate

17.1 Details of associate

	(Unit: Thousand Baht)					
	Consolidated financial statements					
Company's name	Shareholding percentage		Cost		Carrying amounts based on equity method	
	(%)					
	2022	2021	2022	2021	2022	2021
KTBST Mixed Freehold and Leasehold						
Real Estate Investment Trust	29.27	29.08	882,078	876,442	804,918	827,664
			882,078	876,442	804,918	827,664

	(Unit: Thousand Baht)			
	Separate financial statements			
Company's name	Shareholding percentage (%)		Cost	
	2022	2021	2022	2021
KTBST Mixed Freehold and Leasehold				
Real Estate Investment Trust	9.37	9.18	282,078	276,442
			282,078	276,442

On 29 October 2021, the Company invested Baht 246 million in KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (“KTBSTMR”) (Formerly known as “KTBST Mixed Leasehold Real Estate Investment Trust”), representing an 8.15% interest in the trust. Moreover, ST Property & Logistics Co., Ltd (the subsidiary) invested Baht 600 million in KTBSTMR, representing a 19.90% interest. As a result, the Company’s shareholding in KTBSTMR is totaling 28.05%, and KTBSTMR is treated as an associated company. During November and December 2021, the Company invested Baht 30 million in KTBSTMR. As a result, as at 31 December 2021, the Company’s shareholding in KTBSTMR is 9.18% and the Group’s shareholding is 29.08%. In the current year, the Company invested Baht 5.6 million in KTBSTMR. As a result, as at 31 December 2022, the Company’s shareholding in KTBSTMR is 9.37% and the Group’s shareholding is 29.27%.

17.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit from investments in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)						
	Consolidated financial statements				Separate financial statements	
	Share of profit from		Share of other comprehensive			
	investments in associate		income from investments in		Dividend received	
Joint ventures	during the year		associate during the year		during the year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
KTBST Mixed Freehold and						
Leasehold Real Estate						
Investment Trust	28,148	4,363	-	-	18,101	-
Total	28,148	4,363	-	-	18,101	-

17.3 Fair value of investments in listed associate

As at 31 December 2022, the fair value of investments in associate in the consolidated and separate financial statements is Baht 790 million and Baht 253 million, respectively (2021: Baht 855 million and Baht 270 million, respectively).

17.4 Summarised financial information about associate

Summarised information about financial position

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Current assets	235,095	162,861
Non-current assets	4,212,138	3,458,616
Current liabilities	(49,092)	(41,766)
Non-current liabilities	(1,302,235)	(532,538)
Net assets	3,095,906	3,047,173
Shareholding percentage (%)	29.27	29.08
Share of net assets	906,172	886,118
Elimination entries	(101,254)	(56,321)
Carrying amount of associate based on equity method	804,918	827,664

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the period ended 31 December	
	<u>2022</u>	<u>2021</u>
Revenues	357,186	45,297
Profit for the period	233,329	32,172
Total comprehensive income for the period	233,329	32,172

18. Long-term loan to other company

Balance as of 31 December 2021 represents a loan to a public company. The loan carries interest at a rate of 6% per annum and is secured by the pledge of condominium units. Loan principal and interest are to be paid as described in the related agreement.

19. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land, buildings and warehouse		Office buildings	Land awaiting	Total
	for rent	Community mall	for rent	development	
31 December 2022:					
Cost	2,425,359	3,014	2,623	319,717	2,750,713
Less: Accumulated depreciation	(49,941)	(1,339)	(927)	-	(52,207)
Net book value	<u>2,375,418</u>	<u>1,675</u>	<u>1,696</u>	<u>319,717</u>	<u>2,698,506</u>
31 December 2021:					
Cost	2,348,542	5,288	3,055	319,717	2,676,602
Less: Accumulated depreciation	(176,410)	(2,277)	(432)	-	(179,119)
Net book value	<u>2,172,132</u>	<u>3,011</u>	<u>2,623</u>	<u>319,717</u>	<u>2,497,483</u>

(Unit: Thousand Baht)

	Separate financial statements	
	<u>2022</u>	<u>2021</u>
Land for rent - cost	<u>349,215</u>	<u>349,215</u>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	2,497,483	4,147,100	349,215	29,498
Acquisition of investment properties	212,697	83,948	-	-
Increase from investment in subsidiary	33,782	-	-	-
Transfer from property, plant and equipment	-	319,717	-	319,717
Disposals during year - net book value at disposal date	-	(1,954,574)	-	-
Depreciation for the year	<u>(45,456)</u>	<u>(98,708)</u>	<u>-</u>	<u>-</u>
Net book value at end of year	<u>2,698,506</u>	<u>2,497,483</u>	<u>349,215</u>	<u>349,215</u>

- 19.1 The Group had mortgaged its land, office buildings and warehouse for rent with a total net book value as at 31 December 2022 of Baht 567 million (2021: Baht 583 million) (The Company only: Baht 29 million, 2021: Baht 29 million) as collateral for credit facilities of its subsidiary granted by banks.
- 19.2 ST Hill Co., Ltd and ST Hub Co., Ltd (the subsidiaries) entered into land lease agreements with a company for terms of 30 years (2019 to 2049), with the subsidiaries able to renew the leases for further periods of 5 years upon expiration. The subsidiaries constructed a community mall for rent and office building for rent on the leased land and these are to be transferred to the landowner upon the expiry of the lease agreements.
- 19.3 On 8 November 2021, ST Property & Logistics Co., Ltd., ST Hill Co., Ltd. and ST Hub Co., Ltd. (the subsidiaries) transferred leasehold rights and/or sub-leasehold rights to the KTBST Mixed Freehold and Leasehold Real Estate Investment Trust ("KTBSTMR") (Formerly known as "KTBST Mixed Leasehold Real Estate Investment Trust"), in accordance with a resolution passed by the meeting of the Board of Directors of the Company held on 10 June 2020. The details are as follows:
- a) ST Property & Logistics Co., Ltd. entered into an agreement to lease land and buildings, including systems equipment, of the ST Bang Bo and ST Bang Pa-in Projects to KTBSTMR for a period of 30 years. KTBSTMR paid Baht 1,257 million to ST Property & Logistics Co., Ltd. for these leasehold rights.
 - b) ST Hill Co., Ltd. entered into an agreement to sublease land and lease buildings, including systems equipment, of the Summer Hill Project to KTBSTMR for a period of 30 years. KTBSTMR paid approximately Baht 651 million to ST Hill Co., Ltd. for this leasehold right.
 - c) ST Hub Co., Ltd. entered into an agreement to sublease land and lease buildings, including systems equipment, of the Summer Hub Project to KTBSTMR for a period of 30 years. KTBSTMR paid approximately Baht 417 million to ST Hub Co., Ltd. for this leasehold right.
 - d) ST Property & Logistics Co., Ltd., ST Hill Co., Ltd. and ST Hub Co., Ltd. registered their properties as collateral to guarantee their performance throughout the term of their lease and/or sublease properties to KTBSTMR.

The Group considered that the subleases of investment properties of ST Hill Co., Ltd. and ST Hub Co., Ltd. are sales of assets. The Group recorded gains on sales of investment properties amounting to Baht 136 million (after deducting provision for rental guarantee and eliminating the transaction in proportion of investments held by the Group) in the consolidated statement of comprehensive income for the year ended 31 December 2021.

The Group presented the cash received for the leasehold rights of ST Property & Logistics Co., Ltd., (the subsidiary) as advance rental income in the consolidated statement of financial position.

19.4 The fair value of the investment properties as at 31 December 2022 and 2021 stated below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The fair value of land for rent	329,737	329,737	401,727	403,879
The fair value of land, buildings and warehouse for rent	2,536,991	2,339,927	-	-

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land for rent has been determined based on market prices, while the fair value of other investment properties has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

20. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land and land improvements	Buildings and construction	Machinery, tools and equipment	Office equipment, furniture and fixtures	Motor vehicles	Right-of-use assets (Note 25)	Assets under installation and under construction	Total
Cost:								
1 January 2021	699,314	1,877,247	1,665,234	241,051	121,636	296,965	1,466,776	6,368,223
Additions	455	891	5,325	1,858	-	42,947	2,951	54,427
Disposals	-	(409)	(18,476)	(4,443)	(1,911)	(4,626)	(4,952)	(34,817)
Transfers in (out)	(172)	172	21,035	-	-	-	(21,035)	-
Transfer to investment properties	(319,717)	-	-	-	-	-	-	(319,717)
31 December 2021	379,880	1,877,901	1,673,118	238,466	119,725	335,286	1,443,740	6,068,116
Additions	-	1,123	62,505	7,853	960	3,334	1,866	77,641
Disposals	(1,915)	-	(78,340)	(1,485)	(620)	(3,084)	(7,971)	(93,415)
Transfers in (out)	-	-	2,395	8	-	-	(2,403)	-
31 December 2022	377,965	1,879,024	1,659,678	244,842	120,065	335,536	1,435,232	6,052,342
Accumulated depreciation:								
1 January 2021	108,347	1,462,921	1,426,834	211,515	98,901	179,256	-	3,487,774
Depreciation for the year	2,482	41,370	61,829	8,814	4,255	30,420	-	149,170
Depreciation on disposals	-	(311)	(18,165)	(4,439)	(1,315)	(1,739)	-	(25,969)
31 December 2021	110,829	1,503,980	1,470,498	215,890	101,841	207,937	-	3,610,975
Depreciation for the year	2,602	40,925	60,633	9,031	4,071	21,731	-	138,993
Depreciation on disposals	(939)	-	(47,763)	(1,423)	(620)	(1,681)	-	(52,426)
31 December 2022	112,492	1,544,905	1,483,368	223,498	105,292	227,987	-	3,697,542
Allowance for impairment loss:								
1 January 2021	-	-	29,894	-	-	-	-	29,894
Increase during the year	-	-	4,789	-	-	-	-	4,789
31 December 2021	-	-	34,683	-	-	-	-	34,683
Decrease from disposals	-	-	(29,944)	-	-	-	-	(29,944)
31 December 2022	-	-	4,739	-	-	-	-	4,739
Net book value:								
31 December 2021	269,051	373,921	167,937	22,576	17,884	127,349	1,443,740	2,422,458
31 December 2022	265,473	334,119	171,571	21,344	14,773	107,549	1,435,232	2,350,061
Depreciation for the year								
2021								149,170
2022								138,993

(Unit: Thousand Baht)

Separate financial statements

	Land and land improvements	Buildings and construction	Machinery, tools and equipment	Office equipment, furniture and fixtures	Motor vehicles	Right-of-use assets (Note 25)	Assets under installation and under construction	Total
Cost:								
1 January 2021	629,780	1,622,992	1,351,647	215,131	106,193	101,773	21,218	4,048,734
Additions	249	891	4,866	1,744	-	41,925	2,952	52,627
Disposals	-	(409)	(10,897)	(4,327)	(358)	-	-	(15,991)
Transfer in (out)	(172)	172	21,035	-	-	-	(21,035)	-
Transfer to investment properties	(319,717)	-	-	-	-	-	-	(319,717)
31 December 2021	310,140	1,623,646	1,366,651	212,548	105,835	143,698	3,135	3,765,653
Additions	-	611	66,191	7,569	960	2,419	1,868	79,618
Disposals	-	-	-	(1,375)	(620)	-	(2,403)	(1,995)
Transfer in (out)	-	-	2,395	8	-	-	-	-
31 December 2022	310,140	1,624,257	1,435,237	218,750	106,175	146,117	2,600	3,843,276
Accumulated depreciation:								
1 January 2021	100,979	1,375,997	1,216,379	196,687	86,300	83,338	-	3,059,680
Depreciation for the year	1,951	27,296	31,843	4,945	3,144	11,876	-	81,055
Depreciation on disposals	-	(311)	(10,877)	(4,323)	(358)	-	-	(15,869)
31 December 2021	102,930	1,402,982	1,237,345	197,309	89,086	95,214	-	3,124,866
Depreciation for the year	1,936	27,124	34,772	5,309	3,216	11,220	-	83,576
Depreciation on disposals	-	-	-	(1,354)	(619)	-	-	(1,972)
31 December 2022	104,866	1,430,106	1,272,117	201,264	91,683	106,434	-	3,206,470
Net book value:								
31 December 2021	207,210	220,664	129,306	15,239	16,749	48,484	3,135	640,787
31 December 2022	205,274	194,151	163,120	17,486	14,492	39,683	2,600	636,806
Depreciation for the year								
2021								81,055
2022								83,576

A waste-to-energy plant under construction of WPGE Phetchaburi Company Limited (a subsidiary), which net book value as at 31 December 2022 of Baht 1,481 million (2021: Baht 1,487 million), was temporarily suspended in 2019 as discussed in Note 21 to the financial statements.

As at 31 December 2022, certain items of plant, machinery and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2,773 million (2021: Baht 2,638 million) (The Company only: Baht 2,525 million, 2021: Baht 2,481 million).

The Group have pledged land with structures thereon with total net book values as at 31 December 2022 amounting to approximately Baht 398 million (2021: Baht 429 million) (The Company only: Baht 206 million, 2021: Baht 224 million) as collateral against credit facilities received from commercial banks.

As at 31 December 2022, plant and equipment of the Company with net book values totaling Baht 89 million (2021: Baht 73 million) are located on land under lease agreements which expired during the year 2020. The Company is negotiating with the landlord to extend the terms of these land lease agreements.

In the consolidated financial statements for the year 2022, depreciation of Baht 111 million was recorded under cost of sales and services, cost of rental of property, factory overhead not allocated to cost of fabrication work and cost of fabrication work (2021: Baht 104 million) (Separate financial statements: Baht 72 million, 2021: Baht 62 million). The balance was recorded in selling and distribution expenses and administrative expenses.

21. Rights to produce and sell electricity from municipal waste

The net book value of rights to produce and sell electricity from municipal waste as at 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)		
Consolidated financial statements		
	<u>2022</u>	<u>2021</u>
Cost	933,829	933,829
Less: Allowance for impairment loss	(499,531)	(499,531)
Net book value	<u>434,298</u>	<u>434,298</u>

In 2019, WPGE Phetchaburi Company Limited (a subsidiary, held by STP&I Services Company Limited) temporarily suspended the construction of a waste-to-energy plant due to a dispute with the design and construction contractors, as discussed in Note 37.5 to the financial statements, which resulted in production and distribution of electricity falling behind schedule and the need to rectify the power plant to make it fit for purpose and its intended use. The Group's management believes that the effect of the dispute will not result in any damage to the subsidiary. However, the dispute is still in the arbitration process and its outcome cannot be determined and depends on future judicial processes.

As at 31 December 2022, the Group considered whether rights to produce and sell electricity from municipal waste were impaired. The Group determined the recoverable amounts based on value in use, using cash flow projections determined based on financial estimates approved by management.

Key assumptions used in value in use calculations are as follows:

	(Unit: Percent per annum)	
	<u>2022</u>	<u>2021</u>
After-tax discount rate	9	9
Growth rate	3	3

Management has considered the above and believes that allowance for impairment loss, which was recorded, is appropriate.

22. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(% per annum)		financial statements		financial statements	
Promissory note	-	1.65	-	100,000	-	-
Total			-	100,000	-	-

The Group's bank overdraft and credit facilities from financial institutions are secured by the Group's fixed deposits as discussed in Note 13 to the financial statements and the mortgage some of the Group's land with structures thereon as discussed in Note 20 to the financial statements, and are guaranteed by the Group.

As at 31 December 2022, the bank overdraft of the Group which has not yet been drawn down amounted to Baht 75 million (2021: Baht 75 million).

23. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties (Note 6)	-	-	2,253	647
Trade payables - unrelated parties	312,036	255,357	299,823	179,735
Other payables - related party (Note 6)	3,947	4,691	-	-
Other payables - unrelated parties	154,971	149,075	8,886	2,268
Retention payable - related party (Note 6)	4,468	-	-	-
Retention payable - unrelated parties	33,169	18,921	30,339	15,330
Dividend payable	7,285	7,306	7,285	7,306
Accrued expenses - related party (Note 6)	3,272	-	-	-
Accrued expenses - unrelated parties	63,905	50,816	57,848	30,813
Derivative liabilities	251	5,579	-	5,719
Total trade and other payables	<u>583,304</u>	<u>491,745</u>	<u>406,434</u>	<u>241,818</u>

24. Long-term loans from financial institutions

(Unit: Thousand Baht)						
Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
1	Fixed rates for the first to fourth years and at THBFIX plus a margin or a fixed rate from the fifth to eleventh years	Quarterly installments with full settlement due within March 2029	225,560	253,604	-	-
2	Fixed rates for the first to fifth years and at THBFIX plus a margin or a fixed rate from the sixth to seventh years	Monthly installments with full settlement due within October 2026	548,000	692,000	548,000	692,000
Total			<u>773,560</u>	<u>945,604</u>	<u>548,000</u>	<u>692,000</u>
Less: Current portion			<u>(174,504)</u>	<u>(172,044)</u>	<u>(144,000)</u>	<u>(144,000)</u>
Long-term loans - net of current portion			<u>599,056</u>	<u>773,560</u>	<u>404,000</u>	<u>548,000</u>

Movement of the long-term loans account during the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	945,604	1,826,700	692,000	836,000
Repayment during the year	(172,044)	(881,096)	(144,000)	(144,000)
Balance at end of year	773,560	945,604	548,000	692,000

The loans of the Group are secured by the Company's land with structures thereon, as discussed in Note 20 to the financial statements and the mortgage of land, office buildings and warehouse for rent of subsidiary, as discussed in Note 19 to the financial statements.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiary to maintain a debt-to-equity ratio and a debt service coverage ratio at the rates prescribed in the agreements.

25. Leases

25.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 32 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Land	Buildings	Motor vehicles	Machinery and equipment	Total
1 January 2021	33,682	4,858	17,133	62,036	117,709
Additions	10,251	32,696	-	-	42,947
Disposals	-	-	-	(2,887)	(2,887)
Depreciation for the year	(5,846)	(6,178)	(5,477)	(12,919)	(30,420)
31 December 2021	38,087	31,376	11,656	46,230	127,349
Additions	914	2,420	-	-	3,333
Disposals	-	-	-	(1,403)	(1,403)
Depreciation for the year	(5,253)	(5,628)	(4,854)	(5,996)	(21,731)
31 December 2022	33,748	28,168	6,802	38,831	107,549

(Unit: Thousand Baht)

	Separate financial statements			
	Land	Buildings	Motor vehicles	Total
1 January 2021	3,931	4,455	10,049	18,435
Additions	9,230	32,695	-	41,925
Depreciation for the year	(3,701)	(6,178)	(1,997)	(11,876)
31 December 2021	9,460	30,972	8,052	48,484
Additions	-	2,419	-	2,419
Depreciation for the year	(3,596)	(5,627)	(1,997)	(11,220)
31 December 2022	5,864	27,764	6,055	39,683

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment properties which are presented in Note 19 to the financial statements.

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	360,579	289,780	41,600	50,693
Less: Deferred interest expenses	(71,593)	(16,629)	(3,997)	(5,271)
Total lease liabilities	288,986	273,151	37,603	45,422
Less: Portion due within one year	(26,155)	(26,667)	(10,718)	(10,146)
Lease liabilities - net of current portion	262,831	246,484	26,885	35,276

A maturity analysis of lease payments is disclosed in Note 39.2 to the financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation of right-of-use assets	21,731	30,420	11,220	11,876
Interest expenses on lease liabilities	5,340	5,094	1,959	891

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 26 million (2021: Baht 50 million) (The Company only: Baht 12 million 2021: Baht 12 million), including the cash outflow related to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

25.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of buildings and warehouse, community mall and office buildings (see Note 19) of the lease terms are between 12 - 30 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 and 2021 as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Within 1 year	82,080	42,999	-	-
Over 1 and up to 5 years	266,539	171,996	-	-
Over 5 years	136,853	128,997	-	-
Total	485,472	343,992	-	-

26. Provision for long-term employee benefits

Provision for long-term employee benefits comprised severance payment obligations and other long-term employee benefits, long service awards, as detailed below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Severance payment obligations	80,877	65,596	77,482	61,945
Long service awards	3,395	3,258	2,713	2,580
Total	84,272	68,854	80,195	64,525

26.1 Provision for long-term employee benefits, which represents compensations payable to employee after they retire, was as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits				
at beginning of the year	65,596	50,014	61,945	47,060
Included in profit or loss:				
Current service cost	22,307	19,040	21,370	18,388
Interest cost	669	739	619	556
Benefits paid during the year	(7,695)	(4,197)	(6,452)	(4,059)
Provision for long-term employee benefits				
at end of the year	<u>80,877</u>	<u>65,596</u>	<u>77,482</u>	<u>61,945</u>

26.2 Provision for other long-term employee benefit which is long service awards, was as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits				
at beginning of the year	3,258	3,223	2,580	2,637
Current service cost	558	600	463	443
Interest cost	31	28	26	24
Benefits paid during the year	(452)	(593)	(356)	(524)
Provision for long-term employee benefits				
at end of the year	<u>3,395</u>	<u>3,258</u>	<u>2,713</u>	<u>2,580</u>

The Group expects to pay Baht 22 million of long-term employee benefits during the next year (Separate financial statements: Baht 21 million) (2021: Baht 7 million, Separate financial statements: Baht 6 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits is 1 - 12 years (Separate financial statements: 3 - 10 years) (2021: 1 - 12 years, Separate financial statements: 3 - 10 years).

Significant actuarial assumptions are summarised below.

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	0.5 - 1.48	0.5 - 1.48	0.6 - 1.48	0.6 - 1.48
Salary increase rate	1.0 - 3.5	1.0 - 3.5	1.0 - 3.5	1.0 - 3.5
Employee turnover rate				
(depending on age of employees)	3.5 - 35.0	3.5 - 35.0	3.5 - 35.0	3.5 - 35.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5 %	Decrease 0.5 %	Increase 0.5 %	Decrease 0.5 %
Discount rate	(1,845)	2,064	(1,695)	1,896
Salary increase rate	2,807	(2,542)	2,611	(2,367)
Employee turnover rate	(214)	216	(198)	199

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5 %	Decrease 0.5 %	Increase 0.5 %	Decrease 0.5 %
Discount rate	(1,716)	1,933	(1,587)	1,787
Salary increase rate	2,205	1,992	2,046	(1,849)
Employee turnover rate	(172)	174	(158)	159

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

28. Treasury shares

As at 31 December 2022 and 2021, there are 26,180,900 treasury shares (par value of Baht 0.25 each) bought back by the Company, representing 1.61 percent of the total number of shares in issue, for a total of Baht 121 million (excluding costs of buying back the treasury shares). The treasury shares are to be resold through the Stock Exchange of Thailand between 3 April 2022 and 1 October 2023.

The Company set aside the retained earnings of Baht 121 million as a reserve for the treasury shares, equal to the amount paid for the treasury shares, which must be maintained until all of the treasury shares are sold or its paid up share capital is reduced by canceling unsold treasury shares, as the case may be.

29. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries, wages and other employee benefits	1,405,921	601,291	1,357,898	547,921
Depreciation and amortisation	189,085	253,225	87,702	85,246
Construction materials and subcontractors	1,616,004	671,985	1,594,229	654,609
Utilities expenses	50,001	37,233	46,337	24,640
Repair and maintenance expenses	50,365	27,449	47,727	21,007
Professional service fees	56,256	66,783	4,356	6,126
Purchases of finished goods, spare parts and factory supplies	131,574	320,879	10,541	1,734
Changes in finished goods, spare parts and factory supplies	262,328	(126,759)	237,305	(143,222)

30. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current corporate income tax charge	10,172	12,247	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,230)	130,242	(15,529)	3,384
Income tax expenses (benefit) reported in profit or loss	<u>5,942</u>	<u>142,489</u>	<u>(15,529)</u>	<u>3,384</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to				
Gain (loss) on investments in equity designated at fair value through other comprehensive income	(5,522)	2,971	(5,522)	2,971
	<u>(5,522)</u>	<u>2,971</u>	<u>(5,522)</u>	<u>2,971</u>

The reconciliation between accounting profit (loss) and income tax is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit (loss) before tax	(184,986)	416,120	(86,945)	346,214
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(36,997)	83,224	(17,389)	69,243
Tax loss for the year which unrecognised to deferred tax assets	31,375	26,628	-	-
Utilisation of the tax benefits in the current year which unrecognised to deferred tax assets	(4,613)	(53,521)	(4,613)	(53,521)
Effects of:				
Non-deductible expenses	21,572	116,340	11,230	982
Additional expense deductions allowed	(1,994)	(18,376)	(1,355)	(1,559)
Exempted revenue	(3,401)	(11,806)	(3,402)	(11,761)
Total	16,177	86,158	6,473	(12,338)
Income tax expenses (benefit) reported in profit or loss	5,942	142,489	(15,529)	3,384

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Allowance for expected credit losses	548	375	-	-
Allowance for diminution in value of inventories	2,789	2,684	-	-
Accumulated depreciation - plant, machinery and equipment	13,234	22,865	24,892	31,131
Trade and other payables				
(Difference from lease calculation method)	(218)	(324)	-	-
Provision for long-term employee benefits	22,937	13,944	21,864	12,905
Other provisions	912	1,548	-	-
Prepaid land rental expenses	9,548	10,180	-	-
Unrealised loss on changes in fair value of investments	5,607	-	5,402	-
Others	9,517	11,950	692	502
Total	64,874	63,222	52,850	44,538

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax liabilities				
Unrealised gain on changes in fair value of investments	-	(12,792)	-	(12,739)
Rights to produce and sell electricity from municipal waste	(86,860)	(86,860)	-	-
Gain on sales of investment properties	(132,978)	(128,286)	-	-
Total	(219,838)	(227,938)	-	(12,739)
Deferred tax assets (liabilities) - net	<u>(154,964)</u>	<u>(164,716)</u>	<u>52,850</u>	<u>31,799</u>
Deferred tax assets (liabilities) presented in the statements of financial position:				
Deferred tax assets	57,599	36,527	52,850	31,799
Deferred tax liabilities	(212,563)	(201,243)	-	-
	<u>(154,964)</u>	<u>(164,716)</u>	<u>52,850</u>	<u>31,799</u>

As at 31 December 2022, the Group has unused tax losses amounting to Baht 1,714 million (2021: Baht 1,781 million) (The Company only: Baht 1,027 million, 2021: Baht 1,232 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire by 2023 - 2027 (2021: 2022 - 2026).

31. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Gain on sales of investments	-	35,370	-	33,829
Exchange gain	-	186,671	-	184,497
Others	27,640	49,397	28,436	27,978
Total	<u>27,640</u>	<u>271,438</u>	<u>28,436</u>	<u>246,304</u>

32. Other expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Loss on changes in fair value of investments	65,571	7,635	62,922	7,415
Impairment loss on investments in subsidiary (Note 15)	-	-	-	14,669
Loss on sales of investments	22,612	-	23,164	-
Loss on exchange and derivatives	93,375	-	95,444	-
Others	443	620	-	-
Total	<u>182,001</u>	<u>8,255</u>	<u>181,530</u>	<u>22,084</u>

33. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expenses on borrowings	31,538	69,266	23,761	29,928
Interest expenses on lease liabilities	5,340	5,094	1,959	891
Bank charges	1,309	3,217	878	1,300
Total	<u>38,187</u>	<u>77,577</u>	<u>26,598</u>	<u>32,119</u>

34. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, net of the treasury shares held by the Company.

The following table sets forth the computation of basic earnings (loss) per share:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the year (Thousand Baht)	(144,905)	320,295	(71,417)	342,830
Weighted average number of ordinary shares (Thousand shares)	1,598,650	1,598,650	1,598,650	1,598,650
Earnings (loss) per share (Baht)	(0.09)	0.20	(0.04)	0.21

35. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the executive committee.

For management purposes, the Group is organised into business units based on its products and services, with six reportable segments as follows:

- (a) Fabrication work for construction and industrial purpose
- (b) Sale of construction machines, and servicing of machinery and maintenance
- (c) Sale of electricity (As at 31 December 2022, the subsidiary has not yet sold electricity under the power purchase agreement, as discussed in Note 21 to the financial statements)
- (d) Rental of property
- (e) Operation of community automated gas stations (Discontinued since December 2021)
- (f) Production and distribution of hemp products (In 2022, the Group has not yet generated any revenue because the subsidiary considers postponing the investment because the plantation area would require significant capital expenditure in order to generate yields at an acceptable level).

No operating segments have been aggregated to from the above reportable operating segment.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

(Unit: Million Baht)

	Fabrication work (a)		Sales and services (b)		Rental of property (d)		Community automated gas station (e)		Elimination of inter-segment transactions		Consolidated financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from external customers												
Revenue from domestic	857	537	326	430	108	219	-	12	-	-	1,291	1,198
Revenue from export	2,462	733	3	328	-	-	-	-	-	-	2,465	1,061
Total	3,319	1,270	329	758	108	219	-	12	-	-	3,756	2,259
Inter-segment revenues	-	1	12	1	-	-	-	-	(12)	(2)	-	-
Total revenues	3,319	1,271	341	759	108	219	-	12	(12)	(2)	3,756	2,259
Segment operating profit (loss)	174	78	145	307	54	130	-	(2)			373	513
Unallocated net expenses excluding income tax											(558)	(97)
Profit (loss) before income tax											(185)	416
Income tax expenses											(6)	(142)
Equity attributable to non-controlling interests of the subsidiaries											46	46
Profit (loss) attributable to equity holders of the Company											(145)	320

Geographic information

Revenue from external customers of the Group is based on locations of the customers as the following:

(Unit: Million Baht)

	For the years ended 31 December	
	<u>2022</u>	<u>2021</u>
Thailand	1,246	1,198
Japan	1,052	684
Spain	1,458	346
England	-	17
Others	-	14
Total	3,756	2,259

Major customers

For the year 2022, the Group had revenue from three major customers amounting to Baht 3,359 million derived from the fabrication work for construction and industrial purpose segment and provision of services.

For the year 2021, the Group had revenue from two major customers amounting to Baht 1,513 million derived from the fabrication work for construction and industrial purpose segment.

36. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 3 or 5 percent of employees' basic salary and its employees contribute to the fund monthly at the rate of 3, 5, 10 and 15 of basic salary. The fund, which is managed by Bangkok Capital Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The Group's contributions for the year 2022 amounting to Baht 3 million (The Company only: Baht 2 million) (2021: Baht 3 million, The Company only: Baht 2 million) were recognised as expenses.

37. Commitments and contingent liabilities

37.1 Capital commitments

As at 31 December 2022, the Group had capital commitments of approximately Baht 5 million (2021: Baht 28 million), relating to power plant construction, land improvement, construction and improvement of factory buildings and acquisition of machinery.

37.2 Machine and spare parts purchase contracts

As at 31 December 2022, a subsidiary had contract commitments in relation to the acquisition of machine and spare parts for sale amounting to Baht 8 million, EUR 0.4 million, USD 0.4 million and JPY 51 million (2021: Baht 4 million, EUR 0.2 million, USD 0.1 million and JPY 260 million).

37.3 Other commitments

As at 31 December 2022, the Company had no outstanding letter of credit with overseas supplier (2021: JPY 203 million).

37.4 Bank guarantees

As at 31 December 2022, there were outstanding bank guarantees of approximately Baht 198 million, USD 22 million and EUR 0.2 million (2021 Baht 223 million, USD 27 million and EUR 0.2 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 124 million, USD 22 million and EUR 0.2 million (2021: Baht 125 million, USD 27 million and EUR 0.2 million) to guarantee contractual performance, Baht 33 million (2021: Baht 58 million) to guarantee performance as stipulated in the agreements and Baht 41 million (2021: Baht 40 million) to guarantee electricity use and others.

37.5 Dispute and litigation

In 2016, WPGE Phetchaburi Co., Ltd. (a subsidiary) entered into contracts for the design and construction of a waste-to-energy plant with key contractors, and the construction was started in late 2016. However, due to non-compliant work, in 2019 the subsidiary seized the performance bonds of JPY 131 million and USD 0.4 million. Thereafter, the contractors filed a request for arbitration with the International Chamber of Commerce, claiming approximately Baht 158 million, JPY 352 million and USD 0.4 million, mainly for unpaid invoices and other costs. The arbitral tribunal was officially formed in November 2019. The subsidiary denied all allegations and filed counterclaims of approximately Baht 480 million, JPY 1,286 million and USD 4 million for damages resulting from the contractors' breaches. This arbitration is still ongoing.

In addition, in 2019, the subsidiary was sued by another civil contractor in the Civil Court of Thailand, with claims for unpaid invoices and damages of approximately Baht 180 million plus interest. The subsidiary denied all allegations and filed a counterclaim of approximately Baht 12 million plus interest for damages resulting from the contractor's breach. In October 2020, the Civil Court pronounced the judgement dismissing the contractor's case and ordered the contractor to pay for damages arising from breach of the agreement of Baht 7 million to the subsidiary, plus interest at the rate of 7.5% per annum thereon, from 7 November 2019 until full payment is made. The contractor filed an appeal in January 2021, and the subsidiary submitted an answer brief on 1 April 2021. Subsequently, on 18 January 2022, the Court of Appeal pronounced a judgement ordering the contractor to pay damages to the subsidiary of Baht 7 million, plus interest at the rate of 7.5% per annum from 7 November 2019 until 10 April 2021, and interest at a rate of 5% per annum from 11 April 2021 until full payment is made. On 5 April 2022, the contractor appealed against the judgement by the Court of Appeal to the Supreme Court. Subsequently, on 16 June 2022, the subsidiary filed an objection against the plaintiff's petition to the Supreme Court. On 2 February 2023, the Court issued a letter of appointment to hear the orders of the Supreme Court scheduled to be held on 22 March 2023.

The management of the Group has carried out an assessment and is of the opinion that the subsidiary is not contractually and legally liable to the counterparties as claimed. Consequently, these disputes and litigation should not result in any material damage to the subsidiary and thus it is not necessary to set aside any provision for loss in the accounts.

37.6 Tax assessment

- a) In May 2020, STIT 2011 Company Limited (a subsidiary) received a tax assessment notice for the year 2009 from the Revenue Department, assessing corporate income tax amounting to approximately Baht 37.9 million (including penalties and surcharges). The subsidiary has submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department and the appeal is currently under consideration by the committee. The management of the Group believes that the assessment will have no significant impact on the subsidiary.
- b) In June 2018, the Company received a notice of assessment / collection of import duties and value-added tax from the Customs Department since the Office of the Board of Investment had issued an order revoking some of its tax privileges and benefits of the Company. Therefore, the Company was required to pay import duties for construction materials at rates applied at the date of import, including other related taxes and penalties.

In 2018, the Company recorded expenses regarding duty penalties as set out under the notice of assessment and paid the full amount in order to ensure eligibility for further appeal and prevent the accumulation of penalties pending the appeal. The Company then filed an appeal with the Office of the Board of Investment, the Customs Department and the Revenue Department, seeking to nullify an order revoking tax privileges and benefits and the tax assessment. The Office of the Board of Investment upheld its earlier decision on the revocation of certain tax privileges and benefits offered to the Company. The Company brought the case to the Central Administrative Court, requesting that the Office of the Board of Investment nullify its revocation order and the tax assessment. On 20 December 2022, the Central Administrative Court rendered a judgment revoking the Board of Investment's appeal decision, requiring that the appeal be reconsidered in accordance with the administrative proceedings. At present, the Office of the Board of Investment, the Customs Department, and the Revenue Department, has yet to render their judgement.

38. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)				
As at 31 December 2022				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity instruments	100	-	-	100
Debt instruments	-	1,456	-	1,456
Financial assets measured at FVOCI				
Equity instruments	218	-	-	218
Derivatives				
Foreign exchange forward contracts	-	72	-	72
Assets for which fair value are disclosed				
Investment properties	-	-	2,867	2,867

(Unit: Million Baht)				
As at 31 December 2021				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity instruments	216	-	-	216
Debt instruments	-	1,555	-	1,555
Financial assets measured at FVOCI				
Equity instruments	246	-	-	246
Derivatives				
Foreign exchange forward contracts	-	3	-	3
Assets for which fair value are disclosed				
Investment properties	-	-	2,670	2,670
Liabilities measured at fair value				
Derivatives				
Foreign exchange forward contracts	-	9	-	9

(Unit: Million Baht)

As at 31 December 2022				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity instruments	100	-	-	100
Debt instruments	-	1,216	-	1,216
Financial assets measured at FVOCI				
Equity instruments	218	-	-	218
Derivatives				
Foreign exchange forward contracts	-	72	-	72
Assets for which fair value are disclosed				
Investment properties	-	-	402	402

(Unit: Million Baht)

As at 31 December 2021				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity instruments	216	-	-	216
Debt instruments	-	1,091	-	1,091
Financial assets measured at FVOCI				
Equity instruments	246	-	-	246
Derivatives				
Foreign exchange forward contracts	-	3	-	3
Assets for which fair value are disclosed				
Investment properties	-	-	404	404
Liabilities measured at fair value				
Derivatives				
Foreign exchange forward contracts	-	9	-	9

39. Financial instruments

39.1 Derivatives

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 3 to 12 months.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	72,156	2,709	72,048	2,501
Foreign exchange options	-	235	-	235
Total derivative assets	<u>72,156</u>	<u>2,944</u>	<u>72,048</u>	<u>2,736</u>
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	251	8,523	-	8,455
Total derivative liabilities	<u>251</u>	<u>8,523</u>	<u>-</u>	<u>8,455</u>

39.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise the following:

Financial assets

- Cash and cash equivalents
- Other current financial assets
- Trade and other receivables
- Loans to subsidiary
- Restricted bank deposits
- Other non-current financial assets

Financial liabilities

- Loans from financial institutions
- Trade and other payables
- Lease liabilities

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade receivables, contract assets, loans, cash at banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, outstanding trade receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash at banks

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties. The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Currency	Consolidated		Separate		Average exchange rate	
	financial statements		financial statements			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>Financial assets</u>						
US dollar	55.9	57.8	55.9	57.8	34.5624	33.4199
Euro	0.1	0.1	0.1	0.1	36.8274	37.8948

Currency	Consolidated		Separate		Average exchange rate	
	financial statements		financial statements			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>Financial liabilities</u>						
US dollar	1.4	0.6	1.3	0.6	34.5624	33.4199
Euro	-	0.1	-	-	36.8274	37.8948
Japanese yen	3.6	206.1	1.9	-	0.2609	0.2906

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2022				
Currency	Consolidated	Separate	Contractual	Contractual
	financial statements	financial statements	maturity date	exchange rate
	(Million)	(Million)		(Baht per 1 foreign currency unit)
<u>Sold amount</u>				
US dollar	34.6	34.6	1 February 2023 - 13 June 2023	34.21 - 37.67
Euro	0.1	0.1	20 January 2023	37.18
<u>Bought amount</u>				
JPY	141.9	-	3 February 2023 - 18 April 2023	0.26 - 0.27
US dollar	0.1	-	5 July 2023	34.05
As at 31 December 2021				
Currency	Consolidated	Separate	Contractual	Contractual
	financial statements	financial statements	maturity date	exchange rate
	(Million)	(Million)		(Baht per 1 foreign currency unit)
<u>Sold amount</u>				
US dollar	35.5	35.5	31 May 2022	32.50 - 34.00
Euro	0.1	0.1	13 January 2022	38.67
<u>Bought amount</u>				
JPY	103.6	-	24 January 2022	0.28 - 0.29
US dollar	0.1	-	20 May 2022	32.74 - 33.20
Euro	0.1	-	24 May 2022	37.22 - 37.82

As at 31 December 2022, the Company had no foreign exchange options. However, as at 31 December 2021, the outstanding foreign exchange options were as below.

Currency	Consolidated financial statements	Separate financial statements	Contractual maturity date	Contractual exchange rate
	(Million)	(Million)		(Baht per 1 foreign currency unit)
US dollar	2.5	2.5	27 May 2022	33.75 - 34.00

The Group entered into foreign exchange option with other details as specified in the conditions of such contract.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in the US dollar, Euro and Japanese yen exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2022		2021	
	Increase/decrease	Effect on profit	Increase/decrease	Effect on profit
		before tax		before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+1.00	18,844	+1.00	18,465
	- 1.00	(18,844)	- 1.00	(18,465)
Euro	+1.00	30	+1.00	31
	-1.00	(30)	-1.00	(31)
Japanese yen	+1.00	(9)	+1.00	(599)
	-1.00	9	-1.00	599

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing cash at banks and short-term and long-term borrowings. However, because of most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Group does not use derivatives to manage its interest rate risk.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December											
	Consolidated financial statements											
	Fixed interest rates				Floating		Non-interest		Total		Interest rate	
	Within 1 year		1 - 4 years		interest rate		bearing				(% per annum)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial assets												
Cash and cash equivalents	3	592	-	-	310	373	17	15	330	980	0.04 - 0.50	0.04 - 0.50
Trade and other receivables	-	-	-	-	-	-	761	483	761	483	-	-
Retention receivables	-	-	-	-	-	-	120	25	120	25	-	-
Other current financial assets	799	1,031	-	-	-	-	970	1,239	1,769	2,270	1.53 - 9.03	0.51 - 10.00
Restricted bank deposits	62	74	-	-	-	-	-	-	62	74	0.20 - 0.50	0.05 - 0.25
Other non-current financial assets	-	-	-	-	-	-	462	246	462	246	-	-
Long-term loan to other company	-	-	-	80	-	-	-	-	-	80	-	6.00
Financial liabilities												
Short-term loans from												
financial institutions	-	100	-	-	-	-	-	-	-	100	-	1.65
Trade and other payables	-	-	-	-	-	-	583	492	583	492	-	-
Long-term loans from												
financial institutions	144	151	24	168	606	627	-	-	774	946	Note 24	Note 24
Lease liabilities	26	27	263	246	-	-	-	-	289	273	2.11 - 9.29	2.02 - 9.29

(Unit: Million Baht)

As at 31 December												
Separate financial statements												
	Fixed interest rates				Floating		Non-interest				Interest rate	
	Within 1 year		1 - 4 years		interest rate		bearing		Total		(% per annum)	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Financial assets												
Cash and cash equivalents	3	590	-	-	214	232	17	15	234	837	0.04 - 0.50	0.04 - 0.50
Trade and other receivables	-	-	-	-	-	-	770	451	770	451	-	-
Retention receivables	-	-	-	-	-	-	120	25	120	25	-	-
Short-term loans to subsidiary	620	520	-	-	-	-	-	-	620	520	1.50	1.50
Other current financial assets	800	1,031	-	-	-	-	730	775	1,530	1,806	1.53 - 9.03	0.51 - 10.00
Restricted bank deposits	23	23	-	-	-	-	-	-	23	23	0.20 - 0.50	0.20 - 0.50
Other non-current financial assets	-	-	-	-	-	-	362	246	362	246	-	-
Long-term loans to subsidiary	-	-	1,133	1,061	-	-	-	-	1,133	1,061	4.50	4.50
Long-term loan to other company	-	-	-	80	-	-	-	-	-	80	-	6.00
Financial liabilities												
Trade and other payables	-	-	-	-	-	-	406	242	406	242	-	-
Long-term loans from												
financial institutions	144	144	24	168	380	380	-	-	548	692	Note 24	Note 24
Lease liabilities	11	10	27	35	-	-	-	-	38	45	3.80 - 9.29	2.02 - 9.29

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on floating rate loans affected as at 31 December 2022 and 2021.

Currency	2022		2021	
	Effect on profit		Effect on profit	
	Increase/decrease	before tax	Increase/decrease	before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+1.00	(420)	+1.00	(3,568)
	-1.00	420	-1.00	3,568
US dollar	+1.00	1,256	+1.00	1,160
	-1.00	(1,256)	-1.00	(1,160)

The above analysis has been prepared assuming that the amounts of the floating rate loans from and all other variables remain constant over one year. Moreover, the floating legs of loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group manages the liquidity risk by establishing a suitable short-term and long-term capital structure. In addition, the Group has a liquidity policy to ensure that it has sufficient liquidity for its current and future needs.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	583,304	-	-	583,034
Long-term loans from financial institutions	197,218	568,414	53,617	819,249
Lease liabilities	31,614	67,591	261,374	360,579
Total non-derivatives	812,136	636,005	314,991	1,763,132

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	100,086	-	-	100,086
Trade and other payables	444,249	41,709	5,787	491,745
Long-term loans from financial institutions	202,002	725,094	94,154	1,021,250
Lease liabilities	29,639	69,316	190,825	289,780
Total non-derivatives	775,976	836,119	290,766	1,902,861

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	406,434	-	-	406,434
Long-term loans from financial institutions	162,304	415,321	-	577,625
Lease liabilities	12,348	29,252	-	41,600
Total non-derivatives	581,086	444,573	-	1,025,659

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	231,698	5,618	4,502	241,818
Long-term loans from financial institutions	167,761	577,569	-	745,330
Lease liabilities	12,042	33,993	4,658	50,693
Total non-derivatives	411,501	617,180	9,160	1,037,841

39.3 Fair values of financial instruments

The majority of the Group's financial instruments are short-term in nature and deposits at financial institutions and loans bear interest at rates that closed to the market interest rate, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates and forward rate of foreign currencies. The Group considers counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

40. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2022, the Group's debt-to-equity ratio was 0.4:1 (2021: 0.5:1) and the Company's debt-to-equity ratio was 0.2:1 (2021: 0.2:1).

41. Events after the reporting period

41.1 On 11 January 2023, a meeting of the Company's Board of Directors passed a resolution approving an investment of the Company and/or its subsidiaries in the 600-megawatt Monsoon Wind Power Project operated by Monsoon Wind Power Company Limited ("MWPCCL"), located in the Lao People's Democratic Republic. MWPCCL is principally engaged in the generation and sale of electricity under the Power Purchase Agreement made with Vietnam Electricity, Vietnam. Such investment was made by way of the Company and/or its subsidiaries acquiring 49% interest in ordinary shares of Impact Monsoon Holdings Limited ("IMH"), the juristic entity registered under the Hong Kong Special Administrative Region of the People's Republic of China from Earth Power Investment Limited, with the total investment of USD 44.2 million. Subsequent to the acquisition of shares in IMH, the Company and/or its subsidiaries will have an indirect shareholding of 15.87% in MWPCCL.

41.2 On 20 January 2023, a meeting of the Company's Board of Directors passed a resolution approving establishment of the following 3 subsidiaries.

- ST Clean Planet (Asia) Ltd. was registered on 20 January 2023 and incorporated in Hong Kong Special Administrative Region of the People's Republic of China, with a registered share capital of HKD 100. This subsidiary is principally engaged as a holding company.
- ST Evolution Pte. Ltd. was registered on 21 February 2023 and incorporated in the Republic of Singapore, with a registered share capital of SGD 1,000. This subsidiary is principally engaged as a holding company.
- ST Clean Planet Ltd. was registered on 27 February 2023 and incorporated in Thailand, with a registered share capital of Baht 1 million. This subsidiary is principally engaged as a holding company.

41.3 On 22 February 2023, a meeting of the Board of Directors of the REIT Manager of KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (an associate) passed a resolution to approve a distribution of Baht 0.1777 per unit trust from the operating results for a period as from 1 October 2022 to 31 December 2022. The Trust will pay the distribution to its unitholders on 21 March 2023.

42. Approval of the financial statements

These financial statements were authorised for issue by the Company's authorised directors on 27 February 2023.



Part 4

Appendix

/Appendix 1

Details of who was assigned the responsibility of overseeing the company's accounts.

Mr. Wasan Sonkaew

Age 47 Years

Finance & Accounting Section Manager

Subject	Description
Stock Holding	- None
Qualification	<ul style="list-style-type: none"> - Master of Accountancy Kasetsart University, Bangkok - Bachelor of Business Administration (Accounting) Rajamangala University of Technology Lanna - Orientation Course - CFO Focus on Financial Reporting Class 2/2018 (Federation of Accounting Professions Under The Royal Patronage of His Majesty The King & The Securities and Exchange Commission, Thailand) - Effects of the New Financial Reporting Standards on Revenue from Customer Contracts (TFRS 15) and Leases (TFRS 16) on Financial Reporting (The Stock Exchange of Thailand) - Insight Financial management - Empower the business through professional financial management (The Stock Exchange of Thailand) - Transfer Pricing Act - The preparedness and prevention of the case are examined. (Investor Club Association)
Experience	<ul style="list-style-type: none"> - Revenue Department Officer Revenue Department / Chainat - Accounting Officer (General Ledger) STP&I Plc.
Relationship with other Executives	- None
Prohibited Qualifications/Committed an Offence	- None

Details of the Directors of the Subsidiary

Names of subsidiaries		STIT Co., Ltd.	STIT 2011 Co., Ltd.	STP&I Services Co., Ltd.	WPGE Phetchaburi Co., Ltd.	ST Property & Logistics Co., Ltd.	Fill Up Network Co., Ltd.	ST Hill Co., Ltd. (By STP&L)	ST Hub Co., Ltd. (By STP&L)	Cannatory Co., Ltd.	SinoPower Co., Ltd.	Growth Warehouse Co., Ltd.
Name of Directors		(100% of Holding)	(100% of Holding)	(100% of Holding)	(60% of Holding)	(100% of Holding)	(100% of Holding)	(100% of Holding)	(100% of Holding)	(100% of Holding)	(60% of Holding)	(90% of Holding)
Mr. Chamni Janchai										X		
Mr. Masthawin Charnvirakul		/ //				X	X			/		
Mr. Yanyong Nitisaraj			/									
Mrs. Attaya Charnvirakul					/	/ //	/ //	/ //	/ //		/	/ //
Mr. Choavalit Limpanich		/		/ //	X	/	/ //			/	/	
LT.JG. Kitti Junsangsrī		/ //		/ //	/							
Mrs. Anitrat Nitisaraj					/ //	/ //		/ //	/ //	/ //	/ //	/ //
Ms. Supattra Yangtrong		/			/ //	/ //	/					/ //
Ms. Romchalee Chanprasit					/ //							
Mr. Tanee Plookchareon					/							
Mr. Tanawat Tishabhiramya					/							
Mr. Navin Sachdev											/ //	
Mr. Varun Sachdev											/ //	
Mr. Utit Neerasmith											/ //	
Mr. Pichai Promma												/ //

Remark : X = Chairman of the Board / = Director // = Executive Director

/Appendix 3

Details of the head of internal audit

Ms. Ramrada Khangrang

Age 40 Years

Internal Audit Manager

Subject	Description
Stock Holding	- None
Qualification	<ul style="list-style-type: none"> - MBA, General Management Ramkhamhaeng University - BA, Accounting information system The University of the Thai chamber of commerce - ISO 9001:2018 Quality Management System - COSO 2013 Internal control frameworks - Risk Management - Smart Disclosure Program (SDP) - PDPA for Internal Auditing
Experience	<ul style="list-style-type: none"> - Internal Auditor <ul style="list-style-type: none"> * Sino-Thai Engineering and construction Pcl. - Senior internal Auditor <ul style="list-style-type: none"> * Ananda Development Pcl - Assistant Vice President <ul style="list-style-type: none"> * Origin Property Pcl.
Relationship with other Executives	- None
Prohibited Qualifications/Committed an Offence	- None

Duties and responsibilities of the head of internal audit

1. Supervise the performance of internal auditors and senior internal auditors in accordance with professional standards.
2. Define the objectives, goals and scope of the internal audit along with annual audit plans (Audit plan) proposed to top management (Managing Director) and the Audit Committee of the Company to consider and approve
3. Set performance standards and review the performance in accordance with the established standards.
4. Review processes as planned for the year and provide suggestions and consultation with relevant departments in the audit.
5. Prepare audit programs that are suitable for the company's time period.
6. Review the audit report and give suggestions for improvement before presenting the top management (Managing Director) and Audit Committee
7. Follow up the performance according to the audit plan, to improve work efficiency of the Internal Audit Department in providing services to the executives of various departments of the company
8. Follow up audit results of every process and report the progress of correction periodically.
9. Provide training to develop the potential of internal auditors at all levels to have the knowledge and ability for working to achieve the target and to have the performance appraisal at all levels in the internal audit department.
10. Providing advice, opinions and recommendations on guidelines for compliance with regulations, orders and internal controls with the examination departments
11. Perform special tasks as assigned by top management (Managing Director) and Audit Committee
12. Managing of the personal management and administrative management of the Internal Audit Department

/Appendix 4

Details about the property appraiser.

- None -

/Appendix 5

Report of the Audit Committee for the year 2022

Audit Committee of STP & I Public Company Limited which consists of a panel of experts that are independent experience and meet the requirements of the Stock Exchange of Thailand with Dr. Wicha Jiwalai Chairman of the Audit Committee Police General Jate Mongkolhutthi and Miss Sirangrong Chowiwatana are Member of Audit Committee.

In 2022, the Audit Committee convened a total of five meetings, all with a quorum present. The Audit Committee has performed their duties and responsibilities as assigned by the Board of Directors in accordance with the Audit Committee Charter in reviewing the Company's financial statements, related transactions, risk management, internal audit system and law compliance, as well as having discussion and exchanging ideas with the management and internal auditor, and meeting with the auditor without the management to discuss independently on important matters of the preparation of the financial statements and the annual audit plan. This is in line with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) in its entirety.

Summary of the duties of the Audit Committee are as follows.

1. Review of Financial Statements

The Audit Committee reviewed the Quarterly and Annual Financial Statements 2022 of the Company and its subsidiaries and received clarification from the management and the Independent Auditor relating to the accuracy and the completeness of the financial statements, and the adequacy of information disclosure. Therefore, the Audit Committee agreed that the aforesaid financial statements are correct in all material respects in accordance with Thai Financial Reporting Standards; and the information disclosure in those financial statements is punctual, correct and complete.

2. Review The Structure of Good Corporate Governance

The Audit Committee has reviewed the good corporate governance structure. in accordance with the guidelines of the Stock Exchange of Thailand. The management structure consists of the Board of Directors, Sub-Committee and Executive Committee which clearly defines scope of work and responsibilities of each committee. Including being considered for approval of important policies that are reviewed annually. To announce and communicate to the Board of directors, managements and employees for general acknowledgment. Including, Risk Management Policy, Anticorruption Policy and Good practices on the receiving and giving gifts or other benefits, etc.

3. Review of Risk Management and Internal Control System

The Board of Directors has assigned the Audit Committee to supervise the Corporate Risk Management so that the operations achieve the business goals. The Audit Committee therefore places importance on risks according to international standard guidelines COSO-ERM (The Committee of Sponsoring of the Tread way Commission – Enterprise Risk Management), to ensure that the Company has set guidelines for continuous and systematic risk management. Including having a mitigation plan to cope with unusual situations that may occur in the future with efficiency and effectiveness, and has regularly reviewed important risks and considered risk management to be at an acceptable level. In this regard, the Audit Committee discussed with management team, External Auditor and Internal Audit Section to review the adequacy of the internal control system covering all 5 aspects of the COSO framework as follows: 1.) Control Environment 2.) Risk Assessment 3.) Operational Control 4.) Information and Communication Systems and 5.) Monitoring System. To ensure that the company has a good internal control system in terms of operations, protection of assets, data leakage, fraud and legal compliance regulations.

4. Review and Supervise the Internal Audit

The Audit Committee considered roles, responsibilities, independence, manpower and budgets of the Internal Audit Section to be appropriate and conformity with the internal audit guidelines of the Stock Exchange of Thailand (SET). The Audit Committee realizes the importance of internal auditing and therefore has appointed the head of the internal audit unit with education and work experience to manage the Internal Audit Section. Including the approval of the annual internal audit plan with Risk assessment (Risk Based Audit) for all important processes and regularly review the internal control system with internal auditors and considered all internal audit reports that were approved in accordance with the annual internal audit plan.

The Audit Committee provided its opinions on the Company's internal control has adequate, appropriate and always updated to reflect the changing activities. As a result, the operations of the Company and its subsidiaries achieve the objectives in accordance with COSO guidelines. In addition, the Audit Committee has instructed the management to continuously improve the internal control system to be effective.

5. Compliance with the Law and the Government Regulations

The Audit Committee reviewed the compliance with Rules and Regulations of the Securities and Exchange Commission, regulations of the Stock Exchange of Thailand, the law relating to the Company's business operations; and deemed that there is no significant issue relating to non-compliance with the law, regulations, and other related laws.

6. Review and Comments on Related Transactions or those with Potential Conflict of Interest

The Audit Committee reviewed the Related Transactions and those with Potential Conflict of Interest, as well as reports by relevant directors. These transactions were correctly reviewed and disclosed to the Stock Exchange of Thailand in a timely manner.

7. Group and Individual Self-Performance Appraisal

To comply with the best practices guidelines for the Audit Committee, the Audit Committee conduct the self-performance appraisal annually. In 2022, the self-performance appraisal result of the Audit Committee can be summarized that the Audit Committee has performed its duties fully according to its Charter and complied with the best practice guidelines for the Audit Committee, which will result in effective implementation of the rules of good corporate governance and report the result to the Board of Directors to acknowledgement.

8. Selection, Nomination, and Remuneration of the Independent Auditor

The selection, nomination and remuneration of the Independent Auditor of 2022 shall be proposed for the Board of Directors to request for approval in the Annual General Meeting (AGM) 2022, whereas, the Audit Committee considered work performance, independence, and appropriateness of the remuneration, which shall not be contrary to the Notification of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand governing the circulation of auditors. Therefore, it is deemed expedient to appoint the certified public accountants of EY Office Limited as the Company's Independent Auditor of 2022, with a total remuneration of 1,550,000 baht and acknowledging the remuneration of subsidiaries audited by EY Office of 2,390,000 baht and other auditors of 35,000 baht.

9. Reporting of the Resolution of the Board of Directors

The Audit Committee reported all minutes of its meetings and the internal audit appraisal to the Board of Directors in accordance with the guidelines of best practices of the Audit Committee.

10. Review and update the Charter of the Audit Committee

The Audit Committee meeting approved the revision of the Audit Committee Charter and proposed to the Board of Directors for approval on 9 December 2022. There is an amendment to the content to be appropriate and covers the current duties of the Audit Committee.

In summary for the year 2022, the Audit Committee performed its duties fully in accordance with its Charters approved by the Board of Directors. The Audit Committee gave opinion that the Company has implemented its good corporate governance practice, prepared its financial statements in accordance with Thai Financial Reporting Standards, disclosed the correct, complete, and adequate information in the financial report, provided its appropriate internal control, adhered to the business ethics, and complied with the rules, regulations, and related laws, thus, in conformity with the Notification of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

On behalf of the Audit Committee

Dr. Wicha Jiwalai

Chairman of the Audit Committee

Appendix 6

Report of Board of Director on the Company's Financial Statement

The Company's Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as well as financial information presented in the annual reports. The financial statements for the year ended 31 December 2022. In preparing the financial statements, appropriate accounting policies have been adopted and regularly adhered to, using careful discretion and reasonable estimates. As well, key information has been adequately disclosed in the notes to the financial statements. The purpose is to ensure that the disclosed information rightly reflect the Company's financial status, performance and cash flows in a transparent manner, which are beneficial to the investing public. Importantly, the certified auditor from EY Office Limited has audited the financial statements and issued an unqualified opinion on them.

The Board of Directors has also put in place and maintained risk management systems, internal control systems, internal audit systems and appropriate and efficient corporate governance to ensure that accounting records are accurate, reliable, timely and adequate to protect the company's assets as well as to prevent fraud and significant irregular operations. In this connection, the Board of Directors has appointed the Audit Committee with all of its members being independent directors. The Committee is responsible for reviewing accounting policies and ensuring the quality of financial reports. It is also responsible for reviewing internal control systems, the internal audit systems, and the risk management systems. As well, it is responsible for ensuring that the disclosure of information about related party transactions is complete, adequate and appropriate. The opinion of the Audit Committee is given in its report which is already included in this Annual Report.

The Board of Directors is the overall internal control systems are adequate and appropriate and gives rise to the reasonable confidence that the separate financial statements of the Company as well as the consolidated financial statements of the Company and its subsidiaries for the year ended 31st December 2022 are reliable and in compliance with Thai Financial Reporting Standards as well as the related laws and regulations.

(Mr. Chavarat Charnvirakul)
Chairman of the Board

(Mr.Masthawin Charnvirakul)
Director and Managing Director

/Appendix 7

Company policies

1. Corporate governance policy

The company disclosed “Corporate governance policy” at the company website. You can view the full version by following the QR Code below.



Corporate governance policy

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

2. Code of Business Conduct

The company disclosed “Code of Business Conduct” at the company website. You can view the full version by following the QR Code below.



Code of Business Conduct

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

3. Corporate Social Responsibility

The company disclosed “Corporate Social Responsibility” at the company website. You can view the full version by following the QR Code below.



Corporate Social Responsibility

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

4. Anti Corruption Policy

The company disclosed "Anti Corruption Policy" at the company website. You can view the full version by following the QR Code below.



Anti Corruption Policy

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

5. Good practices on the receiving and giving gifts or other benefits

The company disclosed "Good practices on the receiving and giving gifts or other benefits " at the company website. You can view the full version by following the QR Code below.



Good practices on the receiving and giving gifts or other benefits

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

6. Risk Management Policy

The company disclosed "Risk Management Policy" at the company website. You can view the full version by following the QR Code below.



Risk Management Policy

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

7. Personal Data Protection Policy

The company disclosed “Personal Data Protection Policy” at the company website. You can view the full version by following the QR Code below.



Personal Data Protection Policy

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

8. Inside Information Prevention and Securities Trading Policy

The company disclosed “Inside Information Prevention and Securities Trading Policy” at the company website. You can view the full version by following the QR Code below.



Inside Information Prevention and Securities Trading Policy

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

9. Human Rights Policy

The company disclosed “Human Rights Policy” at the company website. You can view the full version by following the QR Code below.



Human Rights Policy

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>

10. Information Technology Security Policy

The company disclosed “Information Technology Security Policy” at the company website. You can view the full version by following the QR Code below.



Information Technology Security Policy

Or click on the link <https://www.stpi.co.th/investor-relations-th/corporate-governance/>



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