

Ref. no. STPI.FAD.003/2022

13th May 2022

Subject: Clarification on Financial Statements for the First Quarter of 2022

To: President of the Stock Exchange of Thailand

In addition to the submission of STP & I Public Company Limited for the quarterly Financial Statements, ended 31 March 2022, the Company would like to provide more explanation for the changes in financial performance as follows:

- In the 1st quarter of 2022, the Company reported Revenue from operations of Baht 820 million, an increase of Baht 494 million or 151% compared to Baht 326 million in the 1st quarter of 2021; mainly due to higher value of projects on hand which resulting in the higher work volume from operation that could be recognized during the reporting period. Revenue from sales and services was at similar level as previous year. Revenue from real estate rental segment dropped around 60% because a subsidiary has sold leasehold rights and/or sublease rights to the KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (REIT) at late 2021.
- The increase in Revenue from fabrication work was partly due to the successful negotiation for partial contract value increase from project clients. Since some of the cost was previously recorded, the gross profit margin from fabrication work improved to 10.89% (from the previous gross loss). 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 43 million, which is around the same amount compared to that of previous year.
- The Company reported a foreign exchange gain of Baht 9 million in the 1st quarter of 2022, which decreased from Baht 60 million gain for the same period in 2021, due to an adjustment in book value of USD assets based on the exchange rate at the end of the reporting period.
- The Russia and Ukraine War Crisis has continued to cause negative impact on global investment markets. Value of both debt and equity securities have declined sharply. The Company must present investments at fair value, as a result, there are unrealized losses from the change in investment value and loss on sale of investment in the reporting quarter of Baht 42 million, while the same period of last year reported a profit of Baht 12 million.
- From the aforementioned reasons, the Company reported a net profit attributable to the shareholders of the Company of Baht 18 million for the 1st quarter of 2022, but this was 58% lower when compared to the net profit of Baht 44 million in the 1st quarter of 2021.

Please kindly be informed.

Best regards,

(Ms. Supattra Yangtrong)

Finance & Accounting Department Manager