

Ref. no. STPI.FAD.012/2022

15<sup>th</sup> August 2022

Subject: Clarification on Financial Statements for the Second 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 30 June 2022, the Company would like to provide more explanation for the changes in financial performance as follows:

- In the 2<sup>nd</sup> quarter of 2022, the Company reported Revenue from operations of Baht 669 million, an increase of Baht 272 million or 69% compared to Baht 397 million in the 2<sup>nd</sup> 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, including the resumption of a major project. However, there was no further service fee from this same project on preservation and mobilization of work during construction. Revenue from real estate rental segment dropped around 55% 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.
- Since the cost of preparatory work at the resumption of the project is quite high, but the Company was still unable to recognize relevant revenue in accordance with financial reporting standards, thus resulting in gross loss. Moreover, 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 loss of Baht 11 million in the current period, which decreased from Baht 50 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 current economic recession has continued to cause negative impact on global investment markets. Value of both debt and equity securities have declined sharply. Since the Company must present investments at fair value, as a result, there are unrealized losses from the change in investment value in the reporting quarter of Baht 34 million, while the same period of last year reported a profit of Baht 14 million.
- From the aforementioned reasons, the Company reported a net loss attributable to the shareholders of the Company of Baht 163 million for the 2<sup>nd</sup> quarter of 2022, compared to the net loss of Baht 5 million in the same period of 2021.

Please kindly be informed.

Best regards,

(Ms. Supattra Yangtrong)

Finance & Accounting Department Manager