



Star Sitthi Solution Public Company Limited

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EC 003/2023

27 February 2023

Subject : Explanation of Financial Performance for the year ended 31 December 2022

To : Managing Director

The Stock Exchange of Thailand

According to the Financial information of Star Sitthi Solution Public Company Limited (“the Company”) and its subsidiaries for the year ended 31 December 2022, which have been audited by the auditor. The company reported a net loss of Baht 132.12 million compared to last year, which the Company reported a net gain of Baht 12.99 million, changed by (145.11 million) which is (1,117.24)% The Company would like to clarify the significant change in the performance summarized as follows;

Performance for the year ended 31 December 2022

1. In 2022, the Company has revenue from sale and service amount of THB 1.32 million and cost of goods sold and service amount of THB 0.49 million which came from a subsidiary that has a business in IT solution. The subsidiary has entered into an agreement with a company to provide services to government and private companies. The services included of IT consulting, AI chatbot, HR management and services related to IT. The subsidiary has started to earn income from this business in December 2021.
2. Other income decreased by THB 6.99 million, or 78% comparing with the prior year. The reason is from decreasing in interest income, since the Company has proceeds from short-term loan to other parties in 2022 for amount of THB 62.50 million.
3. In 2022, There is decreasing in revenue from reversal of allowance for expected credit losses for amount of THB 57.63 million from receiving the repayment from short-term loan to other parties in 2022 for amount of THB 62.50 million (101.55 million in 2021). On 31 December 2022, the Company has no balance in short-term loan from other parties.
4. The subsidiary has received advance for purchase of goods back from the supplier amount of THB 5.35 million and recorded revenue from reversal of allowance for expected credit losses for the same amount which the subsidiary recorded loss for expected credit losses in 2021.
5. The Company has recorded impairment loss of investment in associated company for amount of THB 104.32 million which is increasing for amount of THB 68.85 million or 194.08% when comparing to the prior year.

6. On June 16, 2022, the Company sold the entire investment in an associated company in Australia. This resulted in a loss on disposal of investment in an associated company for amount of THB 24.64 million and a loss from write-off the debt from the associate for amount of THB 7.02 million.
7. Finance costs decreased by THB 3.85 million or 95.13% comparing to the prior year. The reason is from decreasing in interest expense since the Company has repayment loan from other party in 2022 for amount of THB 19.00 million. The Company has paid all of short-term loan from other party in Q1 2022.

Please be informed accordingly.

Sincerely Yours,

Thanakit Acharyasombat

(Mr. Thanakit Acharyasombat)

Authorized to sign on behalf of the Company