

Ref. no. STPI.FAD.001/2023

28th February 2023

Subject: Clarification on Financial Statements for the year 2022

To: President of the Stock Exchange of Thailand

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

- In 2022, the Company reported Total Revenue of Baht 3,756 million; a sharp increase of Baht 1,497 million or 66% compared to Baht 2,259 million in 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, there was no further service fee from this same project on preservation and mobilization of work during construction. In addition, the machinery sales segment was still affected by the economic slowdown. Revenue from real estate rental segment dropped around 50% because the subsidiaries have sold leasehold rights and/or sublease rights to the KTBST Mixed Freehold and Leasehold Real Estate Investment Trust (REIT) since late 2021.
- The gross profit margin from operation in 2022 has dropped slightly from that of previous year, mainly from higher raw materials cost and the substantial cost of preparation for the resumption of a large project. 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 189 million.
- The Company reported a foreign exchange loss of Baht 93 million in 2022, which decreased from Baht 187 million gain in 2021, due to an adjustment in book value of USD assets and liabilities based on financial reporting standards.
- 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.
- 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.

- At the end of 2021, the Company used the money received from the transfer of assets to the Trust 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.
- 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 the year 2021.

Please kindly be informed.

Best regards,

(Ms. Supattra Yangtrong)

Finance & Accounting Department Manager