

Ref. no. STPI.FAD.003/2023

15th May 2023

Subject: Clarification on Financial Statements for the First Quarter of 2023

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 2023, the Company would like to provide further explanation for the changes in financial performance as follows:

- The Company reported Total Revenue from operation of Baht 969 million for 1st quarter of 2023; an increase of Baht 149 million or 18% compared to the same period of 2022, mainly due to higher revenue recognition from increasing work volume from operation in this reporting quarter. However, there was no further service fee from preservation and mobilization of work during construction so Sales and services income dropped year on year. Revenue from rental of real estates rose around 28% from more investment in warehousing business.
- During the 1st quarter of 2023, partial Revenue from fabrication work was recognized while its cost was booked in previous year; resulting in improving gross profit margin in this period. Nevertheless, the workload is still not at full capacity so the Company still needed to record Factory overhead not allocated to the cost of fabrication work of Baht 55 million or 28% higher than the same quarter of 2022.
- The Company reported a foreign exchange loss of Baht 10 million in this reporting period, compared to Baht 9 million gain of last year, from an adjustment in book value of USD assets and liabilities based on financial reporting standards.
- During the 1st quarter of 2022, the crisis of the Russian-Ukrainian war impacted on investment markets around the world; causing investment values in both debt and equity securities to decline drastically and thus the Company needed to recognize losses related to investments of Baht 42 million. However, in 2023 various situations have been getting better so the Company could recognize a profit of Baht 12 million.
- Administrative expenses for the 1st quarter of 2023 were Baht 55 million; a saving of 46% 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 2022.

- From the aforementioned reasons, the Company reported a Net profit attributable to the shareholders of Baht 122 million for the 1st quarter of 2023 which improved more than 6 times over the Net profit of Baht 18 million during the same period of 2022.

Please kindly be informed.

Best regards,

(Ms. Supattra Yangtrong)

Finance & Accounting Department Manager