

Ref. no. STPI.FAD.011/2023

15th August 2023

Subject: Clarification on Financial Statements for the Second 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 30 June 2023, the Company would like to provide further explanation for the changes in financial performance as follows:

- The Company reported Revenue from fabrication work of Baht 604 million for the 2nd quarter of 2023; a slight increase of 3% from Baht 584 million of the same period last year due to similar level of revenue recognition from operation, but a 30% decrease compared to the 1st quarter of 2023 because some work in the reporting quarter were in accelerating mode for the installation process and have not reached the point where revenue can be recognized under the accounting practices. Sales and services income and Revenue from rental of real estates were about the same value with those of previous year.
- The gross profit margin of all business segments improved, compared to the same quarter of the previous year, but the cost incurred from work acceleration on the part that still could not recognize revenue has led to some gross loss during the 2nd quarter of 2023. Moreover, the workload was still not at full capacity so the Company still needed to record Factory overhead not allocated to the cost of fabrication work of Baht 52 million or 22% higher than the same quarter of 2022.
- The Company reported a foreign exchange gain of Baht 109 million in this reporting quarter, compared to Baht 11 million loss of last year, from an adjustment in book value of USD assets and liabilities at period end.
- During the 2nd quarter of 2022, the economic crisis impacted on global investment markets; 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 35 million. In this same period of 2023 various situations have been improving so the losses from investments reduced to only baht 6 million. Nevertheless, there are still concerns about the US Federal Reserve's interest rate hike.
- From the aforementioned reasons, the Company reported a Net loss attributable to the shareholders of Baht 25 million for the 2nd quarter of 2023 while during the same period of 2022 the Company had a much higher net loss of Baht 163 million.

Please kindly be informed.

Best regards,

(Ms. Supattra Yangtrong)

Finance & Accounting Department Manager