

ONE REPORT

แบบแสดงรายการข้อมูลประจำปี / รายงานประจำปี 2564



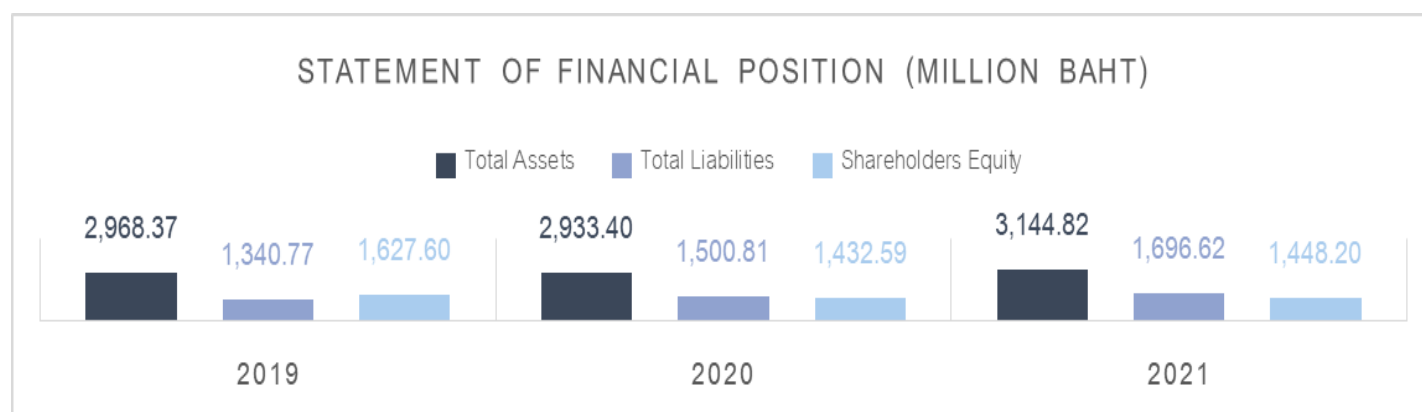
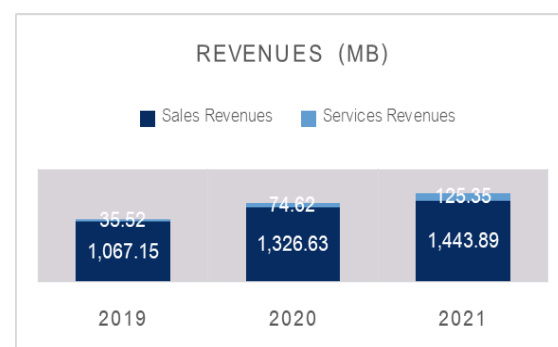
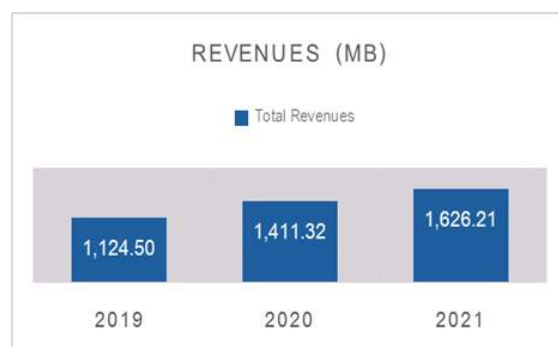
Lifetime Responsibility

บริษัท เอสซีไอ อิเล็คทริก จำกัด (มหาชน)

Financial Highlights

December 31, 2021 2019 2020 2021

Statement of Income (Million Baht)			
Sales Revenues	1,067.15	1,326.63	1,443.89
Services Revenues	35.52	74.62	125.35
Total Revenues	1,124.50	1,411.32	1,626.21
Total Costs	1,007.94	1,211.34	1,437.15
Gross profit	94.72	189.92	132.09
Selling and administrative expenses	199.69	173.62	161.37
Net Profit	-137.45	-182.96	1.60
Statement of Financial Position (Million Baht)			
Total Assets	2,968.37	2,933.40	3,144.82
Total Liabilities	1,340.77	1,500.81	1,696.62
Shareholders Equity	1,627.60	1,432.59	1,448.20
Shares and Fully Paid-up Share Capital (Mil.Shares)	750.00	750.00	750.00
Key Financial Ratios			
Gross Margin (%)	8.59%	13.55%	8.42%
Net Profit Margin* (%)	-11.91%	-12.80%	0.21%
Return on Equity* (ROE) (%)	-7.86%	-11.81%	0.24%
Return on Total Asset* (ROA) (%)	-3.60%	-6.12%	0.11%
Debt to Equity (D/E) (Times)	0.82	1.05	1.17
Earnings per Share (EPS) (Baht)	(0.180)	(0.241)	0.005



Message from Chairman

Dear Shareholders,

Due to the current economic situation is directly affected by the COVID-19 pandemic as well as the global living conditions and also affected the Company in various ways, such as work from home by changing the traditional of work with technology, increasing caution in financial management, and the project was delayed due to the inability to operate locally. These impacts are all significant lessons that will enable the Company to learn, improve and develop further.

In 2021, it was a difficult year to increase the Company's revenues and profits, the Company operates its best by focusing on profitable sales in order to create utmost benefit to shareholders even in the face of high material prices. Therefore, the Company has developed a service method to customers, partners, business alliances of the Company in order to achieve the maximum satisfaction by developing the personnel, work systems, and improving operations to be more efficient as well as adjusting the organization in order to support the new technology for becoming a great organization in the near future. In addition, the Company always appreciates the safety of its employees and the preservation of employment conditions by adopting various sanitary measures and optimizing the way of working efficiently while managing costs appropriately.

The Company expects that in the year 2022, the epidemic of Covid-19 will continue to affect the business, but the overall business opportunity still exists such as the electricity and energy infrastructure market, as can be seen from the past 2021, the Company bid for several projects of the Provincial Electricity Authority and the Electricity Generating Authority of Thailand, information and communication technology market including digital market as a factor of entering the country's digital economy, etc. In addition, the Company focuses on developing new businesses in consistence with the current situation for the utmost benefit and sustainable returns in the future.

Finally, on behalf of the Board of Director, I would like to thank all shareholders, business alliances, business partners, communities, and supporters from all sectors who have always trusted and supported the Company's operations. May everyone have the discipline to protect yourself from the spread of COVID-19 so that we, our families and society can move forward together in the country.



Mr. Noppol Milinhanggoon
Chairman and Independent Director

Board of Directors



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1. Mr. Sumeth Chailertvanitkul : Chairman of Nomination and Remuneration Committees / Independent Director
2. Mrs. Pranee Phasipol : Chairman of Audit Committees / Nomination and Remuneration Committee / Independent Director
3. Mrs. Chattong Tippayakalin : Audit Committee / Independent Director
4. Ms. Chaovana Viwatpanachati : Audit Committee / Independent Director
5. Ms. Aunada Phrutinarakorn : Nomination and Remuneration Committee / Director / Chairman of Executive Committees
6. Mr. Kiangkrai Pheanvitayaskul : Director / Chief Executive Officer
7. Mr. Thanawat Yanisrangkul : Director / Chief Financial Officer
8. Mr. Sirichai Phrutinarakorn : Director / Chief Operation Officer
9. Mr. Vichai Yanisrangkul : Director / Chief Operation Officer
10. Mrs. Wanida Phrutinarakorn : Company Secretary*

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1. Business and Operation Results

1.1 Policy and Business Overview

Business under SCI Electric public co., Ltd., including its affiliates consists of 4 main groups as follows:

- Manufacturing and distributing switch boards, cable trays and support systems.
- Manufacturing and distributing transmission towers, telecommunication towers, general steel fabrication and hot-dip galvanized services.
- Renewable energy power plant business. (Presently, the Company has a small sized hydro-power plant).
- Contracting service business on installing high voltage transmission line system and power distribution system.

1.1.1 Vision Mission Goal and Strategy

The company has clearly defined guidelines for business operations and has announced to the Company's employees through training, and periodic notice to lead the company towards common goals. The formulation of the aforementioned guidelines is a clear, concrete guideline for the Company's best interests and can be implemented as described in detail as follows;

Vision

Aim to be an Asean leading company in producing, constructing High Voltage Transmission Line System and Electricity Distribution System, as well as investing in public utility and renewable energy prospects.

Mission

- Join partnership with leading alliance for expanding the production base and investment both domestically and internationally by adhering to the principle of honesty and reliability as the philosophy of business operation.
- Develop personnel potentials to increase their knowledge and capabilities for enhanced competitiveness in international level under changing environment and fierce competition.
- Strictly maintain the quality of products and services as well as customer satisfaction.
- Firmly be committed to create optimal and sustainable returns to all shareholders and interested persons.
- Manage by the principle of good corporate governance as well as social and environmental responsibility and Anti-Corruption

Main Organization Goals

- Increase investments in renewable energy power plants both domestic and overseas.
- Expand production base to Regional Level to back up the growth of ASEAN country group.
- Cooperate with allies in order to take jobs in regional Level in order to expand customer bases.
- Issue new products in order to back up business expansion in the future and customers' diversified needs.

- Retaining the brand and the products of the company to be reliable and trusted by customers.

1.1.2 Milestones

On October 13, 2015, the company was listed on the Stock Exchange of Thailand. In the resource group / energy and utilities category, registered capital 750,000,000 baht, consisting of 750,000,000 ordinary shares.

Summary of our milestones

Month / Year	Events
1987	Established “S.C.I. Electric Manufacturer Company Limited” (“SCI”) at Bang Bo, Samut Prakan to manufacture switch boards and cable trays.
1988-2002	Invest in subsidiaries, namely World Coating Process Company Limited (“WCP”) and Ajikawa & SCI Metal Tech Company Limited (“AG&SCIMT”)
2003-2010	Began to study the hydroelectric power plant concession project in Lao PDR and registered “Tad Salen Power Company Limited” in Lao PDR, 100% owned by SCI, entered into a power purchase agreement with the Electricite du Laos for a period of 30 years, pursuant to the concession agreement for the procurement, installation, management and maintenance of hydroelectric power generation (small sized); and ownership must be transferred to Lao PDR at the end of the concession agreement.
2009-2012	Received a project to install transmission lines in Lao PDR and started to develop a power distribution system.
2013	<p>On January 16th, it officially started generating electricity from a small power plant under the name "Tad Salen Power Company Limited" in four major cities of Lao PDR.</p> <p>In June, established SCI Holding Company Limited (SCIH) to operate business for investment in renewable hydroelectric power plants (small sized) (100% stake in Tad Salen)</p> <p>In December, SCI increased its registered capital to 165.0 million Baht by offering to the existing shareholders and shareholders of WCP and AG&SCIMT to restructure the group of companies with AG&SCIMT as a subsidiary after the merger with WCP and repay loans from directors.</p>
2015	<p>In March, SCI transferred its TAD shares to SCIH in order to clearly restructure its energy business.</p> <p>In April, increase paid-up capital by 397.5 million Baht, from 165.0 million Baht to 562.5 million Baht, offered to the existing shareholders in proportion.</p> <p>In May, the Company registered its transformation into a public company by changing its name to “SCI Electric Public Company Limited” (“SCI”) and listing the company's ordinary shares on the Stock Exchange of Thailand. (“SET”) on October 13 in Resources / Energy and Utilities Section.</p>

Month / Year	Events
2015	In December, a subsidiary was established in Myanmar to invest in the business of manufacturing high-voltage transmission towers and telecommunication towers and galvanized by registering under the name of “SCI Metal Tech Myanmar Company Limited” (“SCIMTMM”)
2016	<p>In February, jointly invested in T-Utilities Company Limited (“TU”) to invest in infrastructure projects in which the Company holds 40% of the registered capital of 200,000,000 Baht.</p> <p>In May, jointly invested in SCI Enesys Company Limited (“SE”) to operate the business of generating electricity with solar energy and contracting to install solar power generation systems in which the Company holds 40% of the registered capital of 10,000,000 Baht;</p> <p>In May, signed a contract for the construction of a high-voltage transmission line and a 500/230 kV power station from Mueang Houn Station to Mueang Nan Station with the Electricite du Laos (EDL) for 1 project, with a total value of 416,551,763.82 US\$ or approximately 14,579,311,730 Baht.</p> <p>In December, SCIMTMM signed a loan agreement with Export-Import Bank of Thailand (EXIM Thailand) to invest in the construction of a factory for transmission line tower, telecommunication towers, and galvanizing services at the Thilawa Special Economic Zone of the Republic of the Union of Myanmar with a loan of 14.1 million US\$ or 493.50 million Baht.</p>
2017	<p>In April, received ISO 14001:2015 environmental management system certification and OHSAS 18001:2007 occupational health and safety management system.</p> <p>In December, received a certificate of work “Development of Power Distribution System in four major cities of Lao PDR, PDSR 1” from the Electricite du Laos;</p> <p>And T-Utilities Company Limited (“TU”), a joint venture company, has started to recognize revenue from the project to increase its shareholding to 45%.</p>
2018	<p>In August, Interasia Trading Company Limited (INTERASIA) was established, with the Company holding 99.99% of the registered capital of 10,000,000 million Baht;</p> <p>Construction of SCIMTMM at Thilawa Special Economic Zone of the Republic of the Union of Myanmar, 100% completed and ready for operation;</p> <p>Signed a Memorandum of Understanding (MOU) with Powerchina Chengdu Electric Power Fittings to study the possibility of jointly investing in high voltage transmission line equipment business.</p>

Month / Year	Events
2019	<p>In January, invested in Yuemmai Company Limited (“YUEMMAI”) to engage in trading and renting of mobile phones, including spare parts for all types of mobile phones, in which the Company holds 49% of the shares.</p> <p>In July, increased production efficiency with laser metal cutting machines, allowing for more versatility and quality work.</p> <p>In December, improved the wastewater treatment system with chemicals and bring the treated water back into the production process.</p>
2020	<p>Started domestic construction work by the Company as a contractor for the construction of power stations with partners – construction work for Buntharik Power Station, Ubon Ratchathani.</p>
2021	<p>In March, the Company was certified ISO 45001:2018 Occupational Health and Safety Management System Certification.</p> <p>In April, the Company's products received the Made in Thailand (MIT) certificate from the Federation of Thai Industries.</p> <p>In September, T-Utilities Company Limited (“TU”), a joint venture company, was selected to participate in the community power plant project for the foundation economy, amounting to four projects.</p>

1.1.3 Report on the purpose of using the proceeds from the fundraising

1) Use of fund from Offering of Bond

- None –

2) Laws Governing Bond

- None –

1.1.4 Commitments provided in the Registration Statement and/or the Approval Conditions (if any)

- None-

1.1.5 Company Information

Company Name	:	SCI Electric Public Company Limited
Abbreviation	:	SCI
Headquarter	:	107/1 Moo 1 Bangna-Trad Km. 27Rd. T. Bangpleang A. Bangbo, Samutprakarn 10560
Business Type	:	Manufacturing and distributing switchboards, cable trays and support system Manufacturing and distributing transmission towers, telecommunication towers, general steel fabrication and hot-dip galvanized services under subsidiary company Renewable energy power plant business (Presently, the Company has a small sized hydro-power plant), under subsidiary company Contracting service business on installing high voltage transmission line system and power distribution system
Juristic person registration	:	0107558000202
Telephone	:	02-3381414-7
Facsimile	:	02-7080326-7
Website	:	http://www.sci-mfgr.com
Investor Relation	:	02-3618014-5 (ir@sci-groups.com)
Registered Capital	:	At December 31, 2021 The company has a registered capital of 750,000,000 Baht and paid up 750,000,000 Baht

1.2 Nature of Business

The Company divides the characteristics of products and services of SCI Group into four main businesses as follows:

- Manufacturing and distributing switch boards, cable trays and support systems.
- Manufacturing and distributing transmission towers, telecommunication towers, general steel fabrication and hot-dip galvanized services.
- Renewable energy power plant business. (Small sized hydro-power plant).
- Contracting service business on installing high voltage transmission line system and power distribution system.

1.2.1 Company's revenue structure

The company has income from main business consists of :

Revenue Structure***	Operated by	Consolidated financial statements			
		2021		2020	
		THB(M)	%	THB(M)	%
1. Manufacturing of switch boards & cable trays	SCI	448.19	27.56	460.76	32.67
2. Manufacturing of towers, general steel fabrication and hot-dip galvanized services	AG&SCIMT + SCIMTMM	978.84	60.19	857.62	60.82
3. Small sized hydro-power plant	TAD	16.87	1.04	8.26	0.59
Total Sales Revenue		1,443.89	88.79	1,326.64	94.08
4. Contracting of project management	SCI	114.18	7.02	19.13	1.36
5. Contracting of Railway bridges repair service	AG&SCIMT	11.17	0.69	55.49	3.93
Total Service Revenue		125.35	7.71	74.62	5.29
Total Sales & Service Revenues		1,569.24	96.50	1,401.26	99.29
Other Revenues**		56.98	3.50	10.62	0.71
Total Revenues		1,626.22	100.00	1,411.32	100.00

Remark : *** Other incomes are Profit from scrap sales, Interest income, Asset insurance compensation, Gain on foreign exchange and Profit from selling investment in open-end funds, etc.

1.2.2 Product and Service Information

The Company divides the characteristics of products and services of SCI Group into four main businesses as follows:

1) Business of manufacturing and distributing switch boards, cable trays and support system

- Switch boards; also known as MDB (Main Distribution Board) and various control boards by designing according to electrical circuits, producing and assemble boards with complete set of equipment according to International Electrotechnical Commission Standards (IEC) under customer requirements. The appearance of the switch board is a large power distribution panel, commonly used in medium sized buildings to large sized buildings as well as industrial plants using large amount of the power, which receives power from the electricity supplied, load to the distribution transformer into the MDB and distributes to the sub-panels in various parts of the building. Switch boards are usually large with various designs depending on the voltage (V), and the ampere (A), therefore are often placed on the floor.
- Switch boards are ordered regularly from customers can be divided into four main groups namely low-medium voltage switchgear electrical boards / ABB-ProE License & SCI Fully Type Tested / High-voltage control and protection boards are designed for high-voltage control and protection ranging from 115kV to 500kV, and protect substation power distribution

systems / boards or metal work for various uses including RMU Metering Enclosure Outdoor, Transformer Housing, LV&MV Mobile Substation.

- The manufacture of switch boards is designed to be highly safe for operators, electrical equipment, must comply with relevant standards, namely the National Electrical Code (NEC), USA, and IEC. In addition, it must comply with the standards of the Electricity Generating Authority of Thailand (EGAT), the Provincial Electricity Authority (PEA), and the Metropolitan Electricity Authority (MEA).
- Cable trays and support system; the Company manufactures cable trays along with switch boards due to the expansion of large sized industries such as petrochemical, construction, real estate or mass transit, these all require electricity and the need for cable tray as a part of the installation of electrical equipment. Cable tray is commonly used in electrical cable industrial applications due to its quick and easy installation, able to place a large number of cables, proper ventilation, can be used for both medium and low voltage electrical systems to prevent external shocks by hiding the electrical cable inside. The Company produces cable tray for buildings and factories, as well as Bangkok's metro system projects.
- The product appearance of the cable tray under the trademark "SCI" are divided into five main categories: Cable Tray (Perforate

Type / Corrugate Type), suitable for medium to large cable applications, high strength, can bear a lot of weight, proper ventilation and maintains normal temperature for internal installation. Cable Ladder, a strong, durable with edge decorations to prevent shock and damage suitable for placing a general electrical cable, both large mains, and outdoor work in all environments. Cable Duct, suitable for placing a general electrical cable, especially large, heavy and outdoor installation in all environments and adjust the size accordingly by using a single sheet of steel and is assembled using screw heads. Cable Trunking (wire way) is only used in the internal installation and must be accessible after installation; if it is an outdoor type, it must be rainproof and not be used in places where there is a physical danger, the installation of the cable tray must be firmly fixed at every distance of not more than 1.50 meter, there is not permitted at the point through a wall or floor, and the installation shall not be used as a grounding conductor. Support is used with cable tray such as C-rail steel, rail support equipment and sub-devices for assemble cable tray. In addition, there is also made to order by customer's drawing services and various coupling equipment.

Innovation Development

In 2020, the Company has developed products to make it safer by testing the cable tray with NEMA-VE 1:2017 and IEC 61537:2006 standard

with the Institute for Scientific and Technological Research and Services (ISTRs), the Company passed the test and received the certificate in April 2021 with the cost of product development approximately 200,000 Baht.

Marketing and Competition

Contribution and Target Customer

Users of the Company's products are in the energy, petrochemical, high-rise, industrial, infrastructure, public transport sectors, and exporting for distribution, etc. In addition, there is also the government department requiring installing the electrical system and power distribution with new switch boards and cable trays throughout the system including the agencies requiring improving the electrical system to be more secure. The Company provides sale channels to reach the end user group as follows:

SCI > Customer groups (System Contractors, Project Owners, Trading) > End User (Private Business Entities, Government Agencies or State Enterprises)

The Company's customer groups are divided into three types:

1) Contractors; a main target groups such as Italian-Thai Public Company Limited, Sino-Thai Engineering & Construction Public Company Limited, etc. The normal nature of doing a construction business with systems will be contractors from customers in various infrastructure construction projects such as the BTS project, the subway project, and the Suvarnabhumi Airport. The building construction projects such as office buildings, condominiums, hotels, hospitals. The contractors for heavy industrial projects such as power plants, petrochemical plants, and the foreign

contractor wastewater treatment plant such as Siemens, GE, ABB, Mitsubishi, etc. The contractor will order the product according to the design of the system designer for the construction in various parts, which the designer will determine the vendor list of equipment, so that the contractor can order products according to specification, the Company therefore, has to offer a price quote to the project contractor for consideration of the budget. The Company has received orders from contractors both the switch boards and the cable trays projects. The consideration of selecting a contractor to reduce the risk of receiving payments, the Company considers its history reputation in the industry, performance and the contractor's financial position to assess the potential for sufficient debt repayment. In addition, the Company may charge the customer an advance deposit of 10-30% of the order value in the event that an order is placed without a scheduled delivery date and/or in the event that the price confirmation is due. In the case of new customers or risk customers, the Company enables the customer to issue an Aval, which is another way to reduce the risk of billing in which the Company has a policy of crediting the payment for no more than 90 days.

2) Project Owners; the directly quoted by the Company include industrial plant owners as well as government agencies that own projects such as EGAT, PEA, and MEA who require to install electrical systems for new projects or quality improvements. The Company has the same risk management in billing from project owners as contractor customers.

3) Trading; the Company distributes the products

to the electrical equipment distributors without specific contracts to appoint as the Company's distributors, most of the electrical equipment distribution stores sell many products of many brands to end users who are companies, department stores, or residences, etc. In addition, there are also overseas distributors who purchase cable tray products from the Company and sell them by such dealers as trading companies in countries such as Japan, Korea, Laos, etc. However, the influencer purchasing orders from both the contractors and project owners above are consultants and designers due to the designer is the determiner person who specified vendor list, so that contractors can order products according to the specification, if the Company is listed in the vendor list, it enables the Company to sell more products. Hence, since starting the business, the Company has been trying to build its own brand from scratch and offer products to contractors and project owners by monitoring at the embassy as there are a lot of foreign companies at that time and the Company must build a good relationship as well as provide a good understanding of the Company's products to consultants and designers. The Company does not charge any additional costs in this regard and guarantees the product for a period of one year.

In 2021, the Company's revenue from domestic switch boards and cable trays sales accounted for approximately 92% of total sales, the proportion of foreign sales is only about 8% from Japan. In this regard, the first 10 customers in 2020 and 2021 account for approximately 70% and 75% of the revenue from the sale of switch boards and cable

trays, respectively. In 2021, there are 2 customers with sales proportion exceeding 10% of the company's total revenue.

Pricing

The Company has a product pricing policy as follows:

Standard product form: Most of them are standard size boards or cable trays. The selling price is determined according to the price list and will be considered to adjust the sales quotation in accordance with the production cost quarterly (especially steel prices that have changed)

Non-standard products: The products are ordered by customers with different unique designs such as ordering switch boards with specific brands of electrical accessories or project layouts with specifically designed. The selling price is determined using the mark up on cost method based on the cost price of the product plus the appropriate gross margin and in accordance with market demand and supply conditions.

The Company establishes the competitive price without price competition policy by cutting prices with other operators, but focuses on product quality and fast service, offers trade discounts according to the Company's policy. In the event that the steel cost price fluctuates, the Company will consider the price increase by closely monitoring the movement of raw material prices and purchasing raw materials to manage the cost gross profit not to fluctuate according to the raw materials price in the world market.

Industry and Competition

In the past 2021, the Covid-19 situation still affects the global economy, causing the overall economic

decelerate recovery than expected. As for Thailand, the outbreak of the Delta virus at the beginning of the year, delayed vaccination, lockdown and other control measures, including the outbreak of the Omicron virus at the end of the year affecting domestic activities and slowing down the Thailand economy recovery, especially the hospitality and tourism industry, despite the government has tried to issue various economic stimulus measures.

In 2021, the switch boards and cable trays results declined from the previous year as a result of the new wave of Covid-19, causing the projects were temporarily halted as well as the control measures and lockdowns in some areas have disrupted and delayed work, travel and logistics. In addition, private investment continued to decelerate despite the government's efforts to expedite the disbursement of large infrastructure investments. Private construction in 2021 will continue to decelerate, especially housing construction that has been continuously affected by the Covid-19 situation. The deteriorating economy has caused demand for developers to postpone the several new projects, including sales and leasing of land in industrial estates also decelerated. As a results, the slowdown in investment of both Thai and foreign investors due to the uncertainty of the Covid-19 situation, causing the construction of new factories to decline.

Although the private construction business was affected by the Covid-19 situation, the government construction in 2021 has grown from 2020.

The significant factor is the several constructions of large-scale infrastructure projects of state-owned

enterprises as continuation projects from the previous year such as the Pink Line and Yellow Line under the construction as well as the factors supported by the construction of large projects in the EEC area.

In 2022, the Company expects that the situation of Covid-19 will improve from the accelerated distribution of vaccinations, including booster vaccinations, enable Thailand and other countries around the world reopening the country, resulting in the Thailand and global economy expand gradually. The domestic construction outlook in 2022 is likely to have a positive trend as the government tries to push for government investment projects to stimulate the economy, the latter would help to stimulate greater private investment. In addition, reopening the country enable the Thailand economy to have a positive outlook, thus the foreign investors are more confident for the investment in Thailand.

The Company expects the switch board and cable tray business to grow in 2022. As government investment is a significant factor in the growth of the switch board and cable tray business in 2022 still, especially in large-scale infrastructure projects, including ongoing projects for state-owned enterprise infrastructure projects such as Bangkok's metro system, including those connected to the Eastern Economic Corridor (EEC), e.g., Development Project of Map Ta Phut Industrial Port Phase 3 and High-Speed Rail Linking the Airport Project. The revision of Thailand's Power Development Plan (PDP 2022) is another positive business impact, which increases the proportion of clean energy in the system. Hence, the Company

expects that the increase in investment in renewable energy projects will increase the demand for the Company's products.

The market size of switch boards :

grows according to the construction industry and real estate development, as well as domestic power consumption. Most of the market share leaders are owned by both licensed and unlicensed Type Test board manufacturers, SCI's market share is still small, less than 3% of the total market estimated by the Company's management. However, in the past year 2019, the Company has been approved to produce License Type Test boards from ABB, which originally designed and installed by Japanese customers in the Japanese market. Thus, in the 2020 – 2021, the Company gained more market share. Furthermore, the Company is pending for the results of bids for mass transit, government and industrial works, which expected to gain market share in 2022.

- For the competitive market conditions, it is quite high as it is a product to control the electrical distribution for projects in various industries, all types of construction work which can be categorized by many competitors. Therefore, the several operators, small and large, as well as some competitors who may partner with equipment distributors, are collaborating in the bidding process or cooperating with the designer, thus requiring the use of equipment or raw materials according to specifications and is non-negotiable, causing the Company to have a disadvantage because it is not tied to a

particular brand of equipment distributors or marketed to the customer of EGAT, PEA, and MEA. As for the animal husbandry group, the Company uses strategies to build confidence in products and services to customers by promoting sales and building good relationships with designers, customers and representatives as important as the Company purchases raw materials and equipment used in large quantities to negotiate prices as well as to produce and store raw materials and products to serve the demand, which in the animal husbandry factory has a short delivery time.

The market size of cable trays : grows according to the industrial development and expansion of heavy industry and utilities, mass transit, energy, and construction and real estate industries as it is used to support cables in petrochemical plants, power plants, metro system, office buildings, residences, hotels, hospitals, etc. As for the market share, SCI focuses on the market that requires quality products, therefore, the competition is quite high because the production process is not complicated and many small manufacturers are not focused on quality, including imported products such as Malaysia. Therefore, the cable tray market has a competitive price in the middle and lower markets. Most of the competitors in cable tray products are self-contained manufacturers, affiliates, or customer partners who can produce and receive work from projects or contractors is similar to SCI.

Competitive Advantage

The Company has a policy to produce a variety of products to serve the customer needs with continuous product development plans to reach new customers. From the past experience, the Company is ready in various aspects which the executives believe that the Company has advantages or strengths in the competition as follows :

- Being able to get the jobs from all industries that require switch boards and cable trays, including industrial / building / electrical work (EGAT/PEA/MEA) / mass transit system and utilities group.
- Being the top five company leading the cable tray market in Thailand and provided a wide variety of electrical equipment for switchboards, as there are no contractual obligations with a particular brand of equipment owners, enabling customers to choose the right equipment to support their diverse needs. As the Company uses modern machinery for efficient production, using raw materials cost-effectively, with the least amount of metal remaining in order to save the use of raw materials for customers, as well as provides advice on products including the installation of switch boards and cable trays.
- The product has been certified by Thai Industry Standards (TIS) and has been certified for product quality according to international standards, such as UL standard (Underwriters Laboratories

INC.), etc., and has been certified for quality management systems ISO 9001, ISO 14001 and ISO 45001 and TIS 18001.

- Created the brand “SCI” as widely known among the electrical system designers, construction business, and real estate owners for a long time. The Company's products under the brand "SCI" are one of the Vendor List of the Mass Rapid Transit Authority of Thailand (MRTA) project and other standard projects in both the public and private sectors.
- In 2021, the company sells products to various projects which can summarize the example as follows:

Power Plants & substations : Gulf Sriracha, Gulf Pluak Daeng, Bangpakong Power, B-Grim Power, Glow phase2, GPSC, Bang-khen Substation, On-Nut Substation, Rayong Substation, Phang-Khon Substation, Pha Chuk Hydro Power, Bangkok Cogeneration, Tha-Li Substation, Pichit Substation, Surin Substation, Bang Phil Substation

Other Projects : Saha Group solar rooftop, Thai Food solar rooftop, TPSC Amata, RCOX Navanakorn, Bang-Ao Wastewater, Thai Oil, PTTGC, IRPC, Nissan, Goodyear Ruby, Covestro, Lenzing T3, AGC, BJC, Ajinomoto, True Digital Park#2, TOA Bangna, MRT Yellow Line, MRT Pink Line, MRT Gold Line, Huahin-Prachuab Double Track Line, Mabkabao-Jira Double Track Line, High Speed Train Nongnampun, Yotaka Railway Station

Exports: Nam-Theun#1, JFE-KURASHIKI, IHI-SODEGAURA, KOBELCO, AIOI BIOMASS MILL AREA, IHI-KOBE,JN1365COMBODIA, LONGSONPETROCHEMICALS, CAMBODIA , 230/115KV GS2 S/S etc.

Procurement of Products and Services

Raw material procurement and product procurement value

The main raw materials for the production of switch boards are steel sheets, zinc, aluminum, stainless steel sheets, powder paint, acrylic paint, electrical equipment and copper wires. As for the main raw materials for the production of cable tray are steel, zinc, aluminum, stainless steel sheets, powder coating, acrylic paint, hot dip galvanized (HDG), nuts and bolts as follows:

Steel, Zinc, Aluminum, Stainless Steel : The proportion of raw material purchases in the category of steel, galvanized steel sheet, aluminum, and stainless-steel sheet will be the highest proportion, approximately 40-45% of the total purchase, which such raw materials are important for the manufacture of switch boards and cable tray, most of them are purchased from four local distributors. The Company will consider the supplier based on their credibility and having been in contact with the raw material for a long time. In 2021, the Company's proportion of orders for galvanized steel, aluminum and stainless-steel sheets accounted for approximately 44% of the total raw material purchase orders, which are the Company's main raw materials, will change in the same direction as the price of Cold-Rolled Coil and steel prices in the world market.

Electrical equipment inside the switch board: Electrical equipment used to assemble the switch board include: Circuit Breaker, Current Transformer (CT) and Selector Switch, etc., depending on the customer's order, which brands included: ABB, SIEMENS, Schneider, LS. The customer purchases the electrical equipment themselves or the Company sometimes, the Company can purchase according to the customer needs or according to the designs received or the Company will offer products to customers depending on the design, usage, efficiency and quality of that product. The Company has selected products of international standard, acceptable, good quality at reasonable prices for its customers by purchasing directly through distributors or other distributors. Most of the time, the Company will purchase electrical equipment through distributors of electrical equipment manufacturers in the domestic. In 2021, the Company's purchase proportion of electrical equipment accounted for approximately 47% of the total raw material purchase order, respectively.

The Company mainly purchases raw materials, namely steel, zinc, aluminum, and stainless-steel sheets through domestic steel distributors. During the year 2021, the Company has ordered through a distributor, TMT Steel Public Company Limited with an average purchase proportion of 17% of the total purchase of raw materials, as a distributor of raw materials to the Company long continuous time due to such companies are timely delivering raw materials that serve the requirements within the specified period. As for electrical equipment, the Company is imported from abroad, which accounts

for an average of 22 % of the total raw material purchases.

Procurement Policy

To ensure that the procurement of raw materials is efficient, according to the quality and quantity ordered at a reasonable price, taking into account the use requirements of the production unit, there must be a safety stock to be able to produce products promptly and sufficiently, including fast ordering, timely delivery, quality standards according to the requirements (spec), storage and condition must be checked to be ready for use. In addition, the Company has compared each supplier in order to select the most suitable both in terms of price and quality of raw materials to serve the Company need to maintain product standards, which is what the Company has been trusted by customers. Furthermore, the Company has considered the bargaining power with suppliers in case of large quantity orders.

The policy for purchasing raw materials will consider the following factors:

- Regarding the quality of raw materials, the Company will choose to order from reliable distributors and delivery history of raw materials that match the order. The executive has a process to qualify the quality of raw materials, the Company then randomly inspect raw materials every time it is received to ensure the quality of raw materials used in the production process.
- The ordering policy must be related to the delivery time of raw materials for adequate and efficient inventory management.

- Due to steel is a commodity whose price will change according to the world market price. Therefore, in each raw material purchase, the quantity of raw materials to be ordered and the order period will be considered appropriately as well as closely monitoring the movement and trend of steel prices, during the falling steel price, the Company may order more steel reserves than usual.
- The Company has a policy to reserve raw materials appropriately and avoid any shortage problems by estimating the amount of use, storage period, and purchase by meeting with the sales and marketing department, engineers, or production units, together with the estimated usage during the year or the past year, including the classification of raw materials for control, determining the order quantity and the storage quantity is not overdue, as well as the stock movements and components must be monitored at specified intervals to prevent product shortages, thus when receiving an order from a customer, the Company is able to use reserved raw materials to produce and deliver products to customers. The Company has a production plan in accordance with the plan to purchase raw materials sufficiently by ordering raw materials approximately two months in advance, depending on the demand for raw materials and customer orders in each production period.

Therefore, the Company considers the selection of raw material suppliers by considering the quality of raw materials, services, delivery, and the credit term to obtain standardized raw materials in the production of products and benefit the Company in terms of cost savings as much as possible.

Production Capacity and Production Policy

Currently, the Company has a factory located in Bang Bo, Samut Prakan on an area of approximately 5 rai, with a total usable area of 7,200 square meters, comprising more than 30 machines. The main machinery for the production of switch boards and cable trays consists of cutting machines, laser cutting machines, folding machines, CNC machines, stamping machines, welding machine, and paint washing system, etc. The Company operates one shift per day, six days a week from 8:00 AM to 5:00 PM, and has overtime work depending on the volume of orders from customers. The Company has classified the production capacity and average production volume according to the main products as follows:

Product Types	Unit	2019	2020	2021
1. Switch Board				
Capacity	Panel/Yr	1,500	1,500	1,500
Utilization	Panel/Yr	1,950	2,260	2,032
Capacity utilization rate	%	130.33	150.67	135.46
2. Cable Tray				
Capacity)	Ton/Yr	5,500	5,500	5,500
Utilization)	Ton/Yr	4,900	5,600	5,633
Capacity utilization rate	%	89.09	101.82	102.42

Information: * Production capacity is estimated by executives based on the capacity utilization rate of switch board over 100% due to the Company temporarily outsourcing personnel and having employees work overtime during high volume orders.

Production Policy

The Company has a policy to produce products according to product quality standards both domestically and internationally, such as IEC, UL, NEMA VE1, TIS, ANSI, NEC, etc. by planning production in advance along with inventory management, so that products can be delivered in accordance with the quality and time specified.

Management System and Product Standards

The standards received by the Company are divided into management system standards and product standards as follows:

(1) Management Systems : ISO 9001 :2015 , ISO 14001 : 2015 , TIS 18001 : 2554 and ISO 45001 : 2018

(2) Products Standards : IEC 61439, IEC 60439, IEC 62271, NEMA VE-1, IEC 61537

In addition, products of the company has also been registered by the Bureau of Industrial Standards, Electricity Generating Authority of Thailand and certified by the Federation of Thai Industries (MIT).

Quality Control

The Company has produced quality control by the Quality Control Department to inspect finished products to ensure quality products and meet customers' needs. In addition, the Company also has a Quality Assurance Department to check the mechanical properties at every step of the production to ensure that every product is quality when finished. The Company's products must be inspected with tools and equipment that have been tested for compliance with standards, including checks and measurements for a specified period of time.

Environmental impact

The Company does not have any environmental disputes and has no record of committing any offenses under environmental regulations with government agencies. In addition, the Company has complied with the regulations of the Department of Industrial Works, Provincial Industry, and the requirements of the Sub-District Administrative Organization. In the past, there has never been a complaint on the environment, which the Company attaches great importance to and is aware of the potential impacts on the environment and neighboring communities. The Company therefore hires an outside company that has expertise and experience in working and has received a valid license from the Department of Industrial Works, the Ministry of Industry according to the announcement of the Ministry of Industry conducts measurement and analysis of the working environment once a year. The results of the inspection as of November 2021 are as follows:

Check List	Result
1. Typical sound level measurement results	
1.1 The area behind the factory	PASS
2. Effluent quality test results	
2.1 The amount of dissolved oxygen used by microorganisms to decompose or metabolize organic matter in water. (BOD)	PASS
2.2 The water pollution value resulting from the use of total oxygen to oxidize the organic matter in the water to carbon dioxide. (COD)	PASS
2.3 อุณหภูมิ (Temperature)	PASS
2.4 ค่าน้ำมันและไขมัน (Oil & Grease)	PASS
2.5 ค่าความเป็นกรดต่าง (pH)	PASS
2.6 สี (Color at Original pH)	PASS
2.7 ของแข็งละลายน้ำได้ (Total Dissolved Solids)	PASS
2.8 ของแข็งแขวนลอย (Total Suspended Solids)	PASS
2.9 ปริมาณไนโตรเจน (TKN หรือ Total Kjeldahl Nitrogen)	PASS
โลหะหนัก (ทองแดง, ตะกั่ว, นิกเกิล, สังกะสี)	

Privileges from Investment Promotion Certificates from the Board of Investment

-None-

Work Pending Deliver

As of December 31, 2021, there are a number of projects received and is in the process of production with a total value of 240.75 million Baht, as detailed below:

Products	Pending works (THBM)	Approx. Delivery Schedule Plan
Switch Board	175.41	Quarter 2/22
Cable Tray & Support Systems	65.34	Quarter 2/22
Total	240.75	

2) Business of Transmission Line Tower, Telecommunication Towers, and Galvanizing Services

Ajikawa & SCI Metal Tech Company Limited ("AG&SCIMT"), a subsidiary of SCI, is a manufacturer and distributor of galvanized steel structure, the factory is located in Phan Thong, Chonburi. AG&SCIMT has divided galvanized steel products into four categories and one service type as follows:

- Transmission Line Tower: AG&SCIMT, manufactures and distributors the transmission line tower that support the voltage connected from the power generation system to the power station or from one power station to another. The production of transmission line tower must use galvanized steel to prevent rust, corrosion and prolong service life, the appearance would be a steel lattice tower as a special structure.
At present, AG&SCIMT has a production capacity of approximately 24,000 tons per year, mainly distributed to contractors who bid from government agencies or organizations that operate in the electric power sector both domestically and internationally.
- Substation Steel Structure: AG&SCIMT, designers and manufactures the substation steel structure, it must be used galvanized steel to prevent rust, corrosion, and prolonged service life. There are many types of the substation steel structures and varying in power sizes, including 115kV, 230kV, 500kV. Generally,

it consists of Take-Off Structure which is the structure of steel lattice tower and equipment support or structure to support the equipment inside the substation.

The volume of substation steel structure production depends on the expansion of electricity demand in various areas, with EGAT, PEA, and private power plants planning and bidding on all construction works and purchasing substation steel structure. The main customers of the Company are contractors who accept work from EGAT, PEA and private sectors.

- Telecommunication Tower: AG&SCIMT manufactures the telecommunication towers as high towers designed to install communication equipment in telecommunication systems such as broadcasting systems, mobile phone signal transmission system. The telecommunication towers produced by the Company are galvanized steel. The Company's telecommunication tower products can be divided into two types as follows:

1) Self Supporting Tower ;A galvanized steel tower with a height of 35 – 100 meters, without cables attached to the tower and are structured directly to the foundation. Self-supporting tower is designed to be self-sustaining wind, therefore suitable for installation of telecommunication towers in limited space. A popular self-supporting tower is a steel lattice tower.

2) Guyed Mast Tower ;A galvanized steel tower with a height of 16 - 120 meters, with stranded steel wire attached to the base to support wind loads or is a tower that requires other structures to be supported by Guyed Mast Tower.

The Company has a production capacity of about 2,000 telecommunication towers per year, of which steel lattice towers can be manufactured using machinery. (The same as the transmission line tower), but stub towers and guyed mast towers require welded fabrication which mainly requires skilled personnel. Typically, the Company usually accepts production from contractors of government agencies and the private sector, namely contractors of mobile operators such as True Corporation Public Company Limited (TRUE), Total Access Communication Public Company Limited (DTAC), and Advanced Info Service Public Company Limited (AIS), etc.

- General Steel Fabrication: In addition to the substation steel structure, the Company also produces galvanized steel structures according to customer requirements. There are many types of galvanized steel structures that the Company produces, such as steel structure in the steel structure for mounting solar panels, steel bridge over railway, and steel railway sleepers. The Company's customers are contractors

who receive work in the form of turn-key mainly from the project owner, which are EGAT, State Railway of Thailand, and Solar Power Generation Company, etc. The amount of work will depend mainly on the amount of project work and the order from the contractor

- Hot Dip Galvanizing Service: AG&SCIMT provides to SCI some of the cable tray products are galvanized in addition to the transmission line tower products, telecommunication tower, substation steel structure, and other structure, it also provides third party galvanizing services, of which AG&SCIMT galvanized all its own products approximately 80 % of its production capacity. The remaining capacity will galvanize the cable trays for SCI and other products to regular customers are charged by weight. The Company has a capacity galvanizing at about 2,000 tons per month or 24,000 tons per year. Galvanized products by the Company are the transmission line tower structures, telecommunication tower, cable tray, steel bridge, guard rail, electric pole, road signs pole, building structure, warehouse, etc. Normally, the Company will not accept work from outside customers if the production capacity is insufficient and prioritize service to the group of companies.

Project References

During 2020-2021, the Company has supplied transmission line tower, telecommunication tower and galvanized steel structure as follows:

Transmission Line Tower		Project Value
Electricity Generating Authority of Thailand	Project 500kV TILS-L-01	300 THBM
Electricity Generating Authority of Thailand	Project 230kV TS12-L-18	100 THBM
Electricity Generating Authority of Thailand	Project 500kV IPP3-L-02	50 THBM
Electricity Generating Authority of Thailand	Project 500kV IPP3-L-04	470 THBM
Electricity Generating Authority of Thailand	Project 500kV TILS-L-02	610 THBM
Substation Steel Structure		
Electricity Generating Authority of Thailand	Project 500kV TS12-S-12	14 THBM
Electricity Generating Authority of Thailand	Project 500kV TILS-S-01	15 THBM
Telecommunication Tower		
True Corporation	TRUE Phase 2021	2 THBM
Total Access Communication	DTAC Phase 2021	1 THBM
General Steel Fabrication		
Steel Structure (Train)		12 THBM

Marketing and Competition

Marketing Strategy

As the main customers of AG&SCIMT in terms of transmission line tower are contractors who receive work from EGAT PEA, including contractors from telecommunication towers from various mobile phone service providers such as TRUE, DTAC, and AIS. Therefore, the Company has formulated a strategy enabling to continuously obtain work from this group of customers to maintain its market share as follows:

- Maintain quality standards of work Due to the production of steel structure tower in Thailand, there are a few cases; all of them are required for vendor list approval from the project owner, causing AG&SCIMT focusing on continuous quality improvement and in every process starting from the customer's order, the right design serve the customer needs, preparing the correct production drawings, precise

production with exact production lead times, and the delivery of goods was complete and correct according to the agreed schedule. Therefore, the Company has been trusted on the product due to provide a standard one-year warranty

- Good Service In addition to production, the Company also focuses on customer satisfaction from meeting to consult the customer's application requirements for suitable design, as well as providing various technical consultation, and guidance or training for correct product installation, this includes tracking the results of products delivered. Thus, the Company has the policy to focus on providing services to build a reputation, credibility, and acceptance by the project owner.
- Complete production of steel structure tower, the Company designs, plans, manufactures a complete range of steel structure tower, whether transmission line towers, telecommunication towers and galvanized steel structure for use in various types of work with more than 20 years of experience, providing services to several types of customers such as government power generation agencies, private power generation companies, and mobile phone service providers, etc. In this regard, the Company has Japanese alliances with experience in manufacturing various types of steel columns to support new production

technologies to better serve customers' needs.

- Maintain a good relationship with existing customers The Company focuses on maintaining its current customer base, which will focus on building relationships between the Company and those customer bases. The marketing department will visit the existing customers regularly by themselves or via phone or internet, to inquiring about new projects due to some customers are government agencies that will have projects related to continuous electric power expansion.
- Maintaining a good relationship with constructor / manufacturer / supplier The Company is a manufacturer of steel structure tower for project work; therefore, it receives work from contractors for various system installations such as electrical systems, telecommunication systems. The most important to get a job from these contractors is the product, standard, quality production processes that have been inspected and certified by EGAT, and listed in the approved vendor list (AVL) of mobile phone system operators. The Company has been certified and approved for AVL of the above-mentioned companies as well as maintain a good relationship with this group of contractors for a long time, including the past work of the Company has been accepted. Therefore, the

Company has a policy to maintain good relationship continuously.

In addition, the Company will purchase steel and galvanized products, the main raw materials for production. Therefore, the Company realizes to maintain a good relationship with steel manufacturing companies who are regularly contacted suppliers, which enable the Company to procure products from manufacturers on time and at reasonable prices.

- Cost Control Due to the products of each manufacturer are not so different, the cost reduction affects the competitiveness of each manufacturer. Therefore, the Company has a cost control policy at the competitive level, such as there is enough steel in stock for production, employing subcontractor in case of insufficient full-time labor, whereby those labors must be tested to be able to meet the Company's production standards. The subcontractors have received work pieces according to the order. Thus, the amount of labor is reduced when the job is completed to save on fixed costs.

Customer Target

Users of the Company's products are in the businesses in the energy sector, electricity group, telecommunication sector, railway sector, infrastructure sector, there are also government agencies and state enterprises. The Company divides customers to reach the end user group into two main groups as follows:

Group#1 Contractors: The Company's main customer bidding for the distribution of transmission line tower used in the business of EGAT, PEA, and MEA for the construction of the power transmission system. As for the main contractor bidding for the telecommunication tower production, the project owner is DTAC, TRUE, or AIS, will be contracted directly with the project owner. This is because the construction structure of a power transmission or telecommunication system is a turnkey project with the construction and installation of electrical or other communication equipment. The production of electric towers or telecommunication towers is part of the construction project only, which accounts for approximately 30 – 60 % of the project value received by the main contractor each project. Therefore, the main contractor will choose or employ a sub-contractor for work that has a particular production capability. AG&SCIMT itself is one of the companies that produce steel towers with quality, which is acceptable to the project owner. The Company may be selected as a sub-contractor by bidding on the main contractor. Selecting a contractor to reduce the risk of receiving payments, the Company will consider the history and reputation in the industry, past performance, and financial status of the contractor. It will be assessed on the adequacy of the debt repayment potential. In addition, the Company may charge the customer an advance deposit of 10-30% of the order value in the event that an order is placed without a scheduled delivery date and/or in the event that the price confirmation is due. In case of new customers or risk customers, the Company

will allow the customer to pay by advance check or Aval, which reduces the risk of being unable to charge. However, the Company has a policy of crediting payments between 60 - 90 days.

Group# 2 Project Owners: The project owner customer groups directly quoted by the Company, which are mostly government agencies, such as EGAT, PEA, and SRT. The Company manages the risk of billing from project owners as well as contractor customers, where the proportion of direct bidding is less than 5% of the production and distribution of steel towers. The top 10 customers in 2021 account for approximately 94.42% of AG&SCIMT's sales and service revenue, respectively. There are customers with sales proportion of more than 10% of total revenue, namely Joint Ventures of STC-Benyapha-NEPC and Benyapha Power Line Company has a large auction project for 500kV high voltage transmission towers from EGAT.

Pricing Policy

The Company has a pricing policy based on the cost of products and services plus an appropriate gross margin. The sales department collects the steel prices, galvanizing costs, and labor costs are included as cost and determined as the price of each product in accordance with the product design considering the following elements: 1) Raw material cost: checked with the factory for the quantity of each type of steel used, the amount of loss from production, the amount of galvanized iron and the number of other materials, such as nuts and check the price of various raw materials in the market at that time, 2) Wage: calculated from the number of hours of production labor in that job, and 3) Operating costs.

In addition, other factors will be considered in bidding, such as competition, the number of competitors at that time, etc. If it is a large project, the bid approval must be approved by the Company's executives under the approval authority.

Distribution Channels

The Company has several channels to receive the steel structure production work by assigning the sales department, which is divided into two teams, namely the electrical industry group and the general communication industry group, responsible for contacting for project work from contractors who have been selected from both government and private agencies that own the project, which has announced the contractor will join the tender and direct contracting from the customer, including the work recommended by the contractors of the main project. In addition, the Company monitors news from various sources such as newspapers, the internet to stay informed about the power generation business and telecommunication network expansion, thereby increasing the channels of acquiring new customers and keeping track of the progress of new projects and auctions regularly. The Company monitors customer feedback and satisfaction when presented and explained in detail or completed the Company's various work processes, as well as building good relationships for future business opportunities.

Advertising and Promotion

The Company has a policy to use advertising and public relations media by emphasizing the promotion of the Company's products to target

customers who are directly users of the products by presenting them through various media such as magazines, and the Company's website. The Company realizes the importance to providing closing service, including building a good relationship with customers, especially after-sales service as it builds customer confidence and provides advice on towers design with follow-up every 12 months. In this regard, the Company also invites customers, contractors, and project owners to visit factories to ensure that customers can be confident in the Company's product quality.

Industrial Situation

The production of transmission line tower, telecommunication towers, which will be related to the growing industry of power generation and telecommunication industry by the Power Development Plan (PDP), affects the expansion of work in all parts of the power system.

Telecommunication Industry Situation

Situation in 2021, as a result of the economic decelerate and the coronavirus outbreak since the first wave of 2020 and the next wave in Thailand, the telecommunication industry situation has not expanded, this will be able to recover after the acceleration of government vaccinations and the reduction of the spread of the coronavirus, causing network operators to not start new projects, only building new towers as urgent needed or moving towers.

Telecommunication Numbering Management Bureau (Reference: <http://numbering.nbt.go.th> on April 20, 2021)

	เลขหมายจัดสรร สะสม	เลขหมายที่มีการใช้ งาน
AWN	52,050,074	41,436,800
DTN	29,987,368	18,856,331
TUC	49,773,427	30,600,000
CAT	4,986,966	2,215,747
TOT	6,664,504	314,894

Fitch forecasts GDP growth of just 2.9% in 2021 and 4.5% in 2022, after contracting 6.1% in 2020. Thailand economy is still affected by the high dependence on the tourism sector, which takes time to recover.

(Reference: <https://www.prachachat.net/finance/news-679016>)

However, in November 2021, it was announced that the cooperation of two network operators, TRUE and DTAC, was to strengthen both companies. DTAC does not have a fixed network, no fiber optic or home internet, as for the spectrum auction; DTAC does not have a spectrum is similar other two operators as well as 5G may not be covered at all. If there is a merger, it will increase the efficiency of TRUE and DTAC customers to combine services or use a common market strategy with more diverse packages.

(Reference: <https://www.dailynews.co.th/news/496985/>)

The merger should provide DTAC and TRUE a long-term mutual benefit in competitive pricing in data services and network service scalability. The merger will strengthen Merged Entity's market position and become the largest mobile operator in

Thailand with the market share based on mobile phone service revenue of more than 50 % from TRUE's 32% market share and DTAC's 22% at the end of September 2021. In addition, the higher the frequency spectrum, the better the Merged Entity competes with AIS. In this regard, Fitch believes the merger will stabilize telecom industry services and support long-term profitability. The price competition for mobile phone service in 2021 will remain mild.

(Reference: <https://www.prachachat.net/finance/news-807999>)

Therefore, the telecommunication situation depends on factors such as coronavirus control, vaccine distribution, as well as the restructuring of TRUE and DTAC, causing no progress in expansion and investment.

Power Generation Industry Situation

The economic deceleration and the aforementioned coronavirus outbreak continue to affect transmission tower and substation construction businesses, with projects delaying at least 6-12 months, causing in 2021, auctions have been postponed to 2022.

However, the Electricity Generating Authority of Thailand has a long-term plan to strengthen the network of 500kV, 230kV transmission towers, and many projects that have not been auctioned in 2021 and are in the 2022 plan, which will gradually open for bidding in 2022.

- Power transmission system improvement project in the northeastern region, the lower northern region, the central region,

and Bangkok to enhance the stability of the electrical system.

- Power transmission system improvement project in the eastern region to enhance the stability of the electrical system.
- Power transmission system improvement project in the western and southern regions to enhance the stability of the electrical system.
- Power transmission system improvement project in the lower southern region to enhance the stability of the electrical system.
- Power transmission system expansion project, Phase 12

While the Provincial Electricity Authority is having a project to expand the substation work gradually, there are still projects coming out continuously. As a result of the coronavirus outbreak since 2020 around the world, it also affects raw material prices. In the production of structural steel, many countries around the world have decelerate investments, especially China, which is a major producer and consumer, coupled with adaptation by reducing production capacity and reducing energy consumption to maintain climate and reduce China's carbon emissions. As a result, the world steel prices to fluctuate since the beginning of January 2021, moving up every month until July 2021, rising more than 30-40 % in each type of steel.



Competition

The demand for galvanized steel tower production is quite high due to the trend of government and private investment in the expansion of electric power systems, which the Company is one of the manufacturers that has been in business for more than 20 years by accepting work from the main contractor who undertakes the whole project. The main contractors usually have many subcontractors is similar with AG&SCIMT, as a hedge against non-exclusive exposure to one or another party, in which subcontractor can accept work from other main contractors as well. Currently, the Company forecasts to produce about 60,000 transmission line towers nationwide in 2021-2022, based on the amount of work that EGAT will auction in 2022 onwards. In terms of market share, the Company estimates from experience to be similar with competitors in the same market as they are also EGAT-approved manufacturers. There are about four companies in the group of transmission line tower manufacturers with production capacity similar to AG&SCIMT, which are capable of producing products that are recognized by EGAT as follows:

- Ua Withaya Public Co., Ltd. (formerly) or Sky Tower
- Thai Scandic Steel Co., Ltd, or TSS
- Siam Steel Tower Co., Ltd. or SST
- Demco Power or DEMCO

As for the telecommunication tower market nationwide, the number of manufacturers is expected to be close to the Company around 7-8% with average market share, which is estimated from the tower production plans of the three mobile operators. In 2019, there has been a project to continuously expand the network of telecommunication towers of TRUE, DTAC, and AIS, among which other significant competitors are:

- Ua Withaya Public Co., Ltd. (formerly) or Sky Tower
- Thai Scandic Steel Co., Ltd, or TSS
- Siam Steel Tower Co., Ltd. or SST
- Demco Power or DEMCO
- TCC Industrial Engineering or TCC
- KCP Master Engineering or KCP
- DKK Sino-Thai or DKK

Competitive Advantage

The Company has a policy to provide quality and timely service to serve the customer needs and to improve the operation even further with continuous product development plans to reach new customers. From the past experience, the Company is ready in various aspects which the executives believe that the Company has advantages or strengths in the competition as follows:

- The Company has been established for a long time and has been known in the industry for more than 20 years, with past results that are accepted by both government agencies and the private sector.
- Personnel are knowledgeable, competent, and have expertise in their responsibilities.
- On-time delivery / quality serve the customer specifications with the performance warranty.
- Apply modern technology to the operation such as the use of computers in planning and procurement, which takes up most of the work time at the factory and as little as possible on-site assembly.
- Able to accept all types of galvanized steel structure construction in a full range, having its own galvanized plant.
- Having a good alliance company to work with in various fields, such as companies providing services for system implementation, as well as supplier companies.

Procurement of Products or Services

Raw material

The main raw materials of the subsidiary are as follows:

- Steel for structural products such as Steel Angle, H-Beam Structural Steel, Steel Plate, or Steel Tube.

- Raw materials for coating products such as zinc ingot, various chemicals.
- Others such as bolt and nut, etc.

In 2021, the average proportion of steel and zinc purchases accounted for approximately 70.81% and 10.48% of AG&SCIMT's total raw material purchases.

The procurement of steel used in the production of the Company's products must pass the Thai Industrial Standard (TIS), therefore the Company has to order all raw materials from the country. Currently, the Company purchases steel from various distributors, but the largest steel raw material supplier of the Company is Udom Lohakit (1975) Co., Ltd., as a steel supplier for 2021. Due to the said company able to supply the amount of steel and the type of steel with the reasonable prices. The raw material purchase price, the Company will agree on the price before offering to the customer to reduce the risk of changing the raw material price.

As for the purchase of zinc that the Company uses in the Hot Dip Galvanizing process, the Company purchases from JD Resources (Thailand) Co., Ltd. and Padaeng Industry Plc., in case of zinc shortage in the domestic, will purchase from abroad. In 2021, the Company purchased zinc raw materials for 10.48% of the total raw material value.

Raw material Procurement Policy

As the raw materials ordered by the Company are of similar standard, the Company's raw material purchase policy focuses on inventory management in order not to cause long-standing inventory to

create interest expenses. The Company plans to purchase raw materials according to the project received by estimating from the schedule and the quantity of deliveries to customers, the Company then informs the raw material supplier of the schedule and quantity of raw materials required. In addition, the Company also determines the purchasing plan according to the safety stock plan in order to prevent the Company from losing production opportunities. The policy for purchasing raw materials will consider the following matters:

- Regarding the quality of raw materials, the Company will choose to order from reliable distributors and delivery history of raw materials that match the order. The executive has a process to qualify the quality of raw materials, the Company then randomly inspect raw materials every time it is received to ensure the quality of raw materials used in the production process.
- The ordering policy must be related to the delivery time of raw materials for adequate and efficient inventory management.
- Due to steel is a commodity whose price will change according to the world market price. Therefore, in each raw material purchase, the quantity of raw materials to be ordered and the order period will be considered appropriately as well as closely monitoring the movement and trend of steel prices, during the falling steel price, the Company may order more steel reserves than usual.

The Company has a policy to reserve raw materials appropriately and avoid any shortage problems, thus when receiving an order from a customer, the Company is able to use reserved raw materials to produce and deliver products to customers. AG&SCIMT has a production plan in accordance with the plan to purchase raw materials sufficiently by ordering raw materials approximately two months in advance, depending on the demand for raw materials and customer orders in each production period. Therefore, the Company considers the selection of raw material suppliers by considering the quality of raw materials, services, delivery, and the credit term to obtain standardized raw materials in the production of products and benefit the Company in terms of cost savings as much as possible.

Production Capacity and Production Policy

Currently, the factory produces transmission line towers, telecommunication towers, and steel structures and galvanized plating services are located at 49, 49/1 Moo 9, Sukprayun Road, Map Pong, Phan Thong, Chonburi. It covers an area of approximately 50 rai with a total usable area of approximately 80,000 square meters, comprising more than 60 production machines such as CNC, CNC Plate, CNC Punch, Pump machine, Band Saw, Bend Machine, etc. The galvanized pond plant, 9.5 meters wide, 1.2 meters wide, 2 meters deep, 1 pond and 8 ponds in the plating process. In the metalworking segment, the Company operates 2 shifts per day, 8 hours per shift (Depending on the department's workload and customer's fast

demands). The plating segment operates in 2 shifts per day, both working 6 days a week and working overtime depends on the order from the customer. The Company has classified the production capacity and average production volume classified by main products as follows:

Product & Service	Unit	2019	2020	2021
1. Transmission Line Tower				
Capacity	Ton/Yr	11,000	11,000	11,000
Utilization	Ton/Yr	8,534	15,985	19,652
Capacity utilization rate	%	77.58	145.32	178.65
2. Telecom Tower & Poles				
Capacity	Ton/Yr	11,000	11,000	11,000
Utilization	Ton/Yr	1,021	768	1,094
Capacity utilization rate	%	9.28	6.98	9.95
3. Substation Steel Structure & Steel Fabrication				
Capacity	Ton/Yr	2,000	2,000	2,000
Utilization	Ton/Yr	3,347	3,041	1,624
Capacity utilization rate	%	167.35	152.05	81.2
Total of (1+2+3)				
Capacity	Ton/Yr	24,000	24,000	24,000
Utilization	Ton/Yr	12,902	19,794	22,370
Capacity utilization rate	%	53.76	82.48	93.21
4. Hot Dip Galvanized Service				
Capacity	Ton/Yr	24,000	24,000	24,000
Utilization	Ton/Yr	19,369	25,290	25,227
Capacity utilization rate	%	80.7	105.38	105.11

Subsidiaries have a policy to produce products in accordance with quality standards both domestically and internationally. The raw materials used in the production of the Company are certified by several standards, such as the American Society for Testing and Materials (ASTM), Japanese Industrial Standards (JIS), American National Standards Institute (ANSI). The Company has planned production in advance together with inventory management so that products can be

delivered in accordance with the quality and time specified. The Company also employs subcontractors for certain types of work that do not require much expertise, such as plate cutting work to reduce the hiring of full-time staff, increase flexibility in accepting work and manage costs in case customers need urgent deliveries.

Management System and Product Standards

(1) Management Systems: ISO 9001:2015, TIS 18001: 2554 และ ISO 45001: 2018 (2) Products Standards: Product Registration by Electricity Generating Authority of Thailand and certified by the Federation of Thai Industries (MIT).

Environmental Impact

The Company regularly checks the working environment without any environmental disputes and has no record of committing any offenses under environmental regulations with government agencies. In addition, the Company has complied with the regulations of the Department of Industrial Works, Provincial Industry, and the requirements of the Sub-District Administrative Organization, which the Company has passed the audit of the Sub-District Administrative Organization for the year 2021 and has never had any environmental complaints.

Waste Water Disposal

In the production process of the Company, there may be wastewater from the production process in some steps. In order to ensure the water quality meets the standards as required by law and the Ministry of Industry, the Company invests in the construction of water storage ponds and

wastewater treatment systems. Therefore, the Company hires outside companies who have expertise and experience in environmental quality monitoring and are licensed properly from the Department of Industrial Works, the Ministry of Industry to measure the quality of wastewater on a monthly basis, the results of the measurements as of December 2021 are as follows:

Check List	Result
1. ค่าความเป็นกรดด่าง (pH)	PASS
2. The amount of dissolved oxygen used by microorganisms to decompose or metabolize organic matter in water. (BOD)	PASS
3. The water pollution value resulting from the use of total oxygen to oxidize the organic matter in the water to carbon dioxide. (COD)	PASS
4. ค่าน้ำมันและไขมัน (Oil & Grease)	PASS
5. ของแข็งละลายน้ำได้ (Total Dissolved Solids)	PASS
6. ของแข็งแขวนลอย (Total Suspended Solids)	PASS

Disposal of waste or used materials

Disposal of the Company's sewage or used materials such as salt, zinc ash, iron scrap, grinding wheel shavings, used oil by separating each type of sewage and outsourcing companies that have been licensed by the Department of Industrial Works and have been properly licensed according to the notification of the Ministry of Industry with expertise and experience in environmental management and restricting waste or used materials for proper disposal. In addition, the Company has also appointed officers to take care of occupational health and working environment to comply with environmental laws in order to develop the establishment not to affect the environment.

Air Pollution Management

In the Company's production process may cause dust and gas dispersion. In order to prevent the dispersion of particulate matter and various gases, the Company uses a vacuum and treatment system by bag filter system before releasing it to the outside in order to control pollution to meet the requirements, including workplace safety and improve environmental quality.

The Company has inspected the air from the chimneys that release polluted air into the environment by assessing and controlling emissions twice a year. As of December 2021, the audit results are as follows:

Environmental Quality	Result
1. Air quality from the boiler stack	The amount of total particulate matter and contaminants in the air emitted from the factory was within the standard range.
2. Air quality from zinc furnace chimney	The amount of particulate matter and contaminants in the air emitted from the factory is within the standard.
3. Air quality from galvanizing furnace chimneys	The amount of particulate matter and contaminants in the air emitted from the factory is within the standard.

Privileges from Investment Promotion Certificates from the Board of Investment

-None-

Work Pending Deliver

As of December 31, 2021, there are a number of projects received and is in the process of production with a total value of 630 million Baht, of which 7.79% of the project value has been delivered. As for the value of work in progress is pending delivery at 580 million Baht, details are as follows:

Products	Pending works (THBM)	Approx. Delivery Schedule Plan
Transmission Tower	623.00	Quarter 1/22
Substation Steel Structure	7.00	Quarter 1-2/22
Telecom Tower	-	
General Steel Fabrication	-	
รวม	630.00	

3) Renewable Energy Power Plant Business - Hydro Power (small sized) "Tadsalen"

The Products of renewable energy-hydro power plants (small sized) with run-of-river hydro plant; the capacity determination will be based on the annual water flow rate at the lowest interval to run the electricity generators consistently throughout the year. The capacity can be shown as follows:

Small Hydro Power Plant	Unit	2019	2020	2021
Target Capacity*	Gigawatt-Hr / Yr	15.00	15.00	15.00
Utilization	Gigawatt-Hr / Yr	14.20	9.20	3.74
Capacity utilization rate	%	94.70	61.00	25.00

Remark: *The amount of production capacity is calculated in years.

4) Business services for the installation of high voltage transmission and distribution systems

Originally, the Company is manufacturer and distributor of electrical products such as Switch Board, Cable Tray, and Transmission Tower, etc. Subsequently, the Company continued its business in providing services relating to the installation of high voltage transmission and distribution systems by the Company engaged in the business of designing, surveying, procuring, construction and installation of electrical engineering systems both high-voltage transmission system and turn-key distribution system. The Company is the main contractor by taking the jobs from foreign customer both the government and private sectors and will subcontract or outsource to business partners with expertise in various areas such as project management and technical consultant or engineering, contractors in the construction or

procurement of raw materials, etc. In case that project requires equipment or products of SCI or AG&SCIMT, it will use products of the Company group, which the nature of work covering the service and installation of electrical systems as follows:

- Contracting of High Voltage Transmission Line System construction

A high-voltage transmission system that is connected from a power generating system to a power station or from one power station to another power station by transmitting electricity through high-voltage transmission lines and high-voltage poles, it can be constructed to support voltage from 69 kV, 115 kV, 230 kV to 500 kV.

- Contracting of Substation construction
A construction of structures and systems in substations that receive electricity from power plants before distributing to households or industrial districts. The Company will supply substation steel structure products and other equipment with partners who have expertise in substation installation and construction.
- Contracting of Power Distribution System
A construction work for power distribution system with a voltage of 400 volts up to 22 kilovolt as well as rehabilitating the distribution system by installing equipment in the system for more efficiency. The Company emphasizes the importance on

adopting the advance technology in controlling and monitoring on the functions of the power distribution system, the voltage and efficiency of the power distribution system are reported to the controller in the event that any power distribution system has a problem or damage occurs, the system will report the result back to the Control Center, resulting in the subsequent remedial actions to be able to expeditiously respond to the situation that would reduce the problem caused by the power distribution system failure that may affect the revenue in electricity distribution.

On-Going Project

- The construction of 500 / 230 kV transmission line and substation from Mueang Houn Station to Mueang Nan Station, the Company has signed a memorandum of understanding with the Electricite du Laos to study the feasibility of the said construction project on May 17, 2016, and the project feasibility study report was approved on April 11, 2016. The construction contract (EPC) was signed with the Electricite du Laos (EDL) on May 17, 2016. The 500 kV transmission line has a total distance of 105 kilometers and the 230 kV transmission line, a total distance of 9 kilometers, and construction of the two new 500 kV power stations, the total project value of 416.6 million USD.

- Current status

After the Company has signed a construction contract, it has surveyed the transmission line in order to design materials and equipment that will be used in the project starting from the third quarter of 2016 as well as designing transmission towers and power substations, but the EDL has requested to postpone the project for the planning to sell electricity to neighboring countries such as Thailand, Vietnam, Myanmar, and Cambodia to complete before the start of the construction. Currently, the project is progressing around 8%. The project has not progressed due to the Lao government still delaying the project, which the Company expects to be able to resume next year.

Market and Competition situation

Marketing Strategy

The business services for the installation of high voltage transmission and distribution systems focuses on foreign customers (such as Lao PDR at present), thus the Company must study the rules, regulations, procedures for doing business in that country in addition to considers the standards and quality of the Company's products. The comprehension of the rules, workflows, user's requirements, good relations with government officials in foreign countries are the significant factors working abroad. The Company has working experience in the Lao PDR electricity industry

regularly, so it must maintain its existing customer base and expand to other regional markets in ASEAN such as Myanmar by focusing on building and maintaining good relations with government agencies, partners, and other resources. The working principle of the Company is that in the beginning, the Company hires a subcontractor and/or experts in project implementation by employing independent project consultants to inspect and present progress reports to the Company.

Target Customers

The Company's target customers for the installation of high voltage transmission and distribution systems business focuses on government and private sector customers in various countries such as Lao PDR and Electricity in the Union of Myanmar. The Company's past customers are government agencies in Lao PDR, namely Lao State Electricity Enterprises, whose completed project is the construction of a 150 kilometer long 115kV power system in the southern part of Lao PDR, the project pending is the electricity distribution network improvement project in Lao PDR to increase the efficiency of the medium and low voltage power distribution networks in the four main cities includes Vientiane Capital, Thakhek City, Savannakhet City, and Pakse City.

Pricing Policy

The Company's pricing policy is based on the project cost-effectiveness by comparing the entire cost of the Company, i.e. raw material cost, labor cost, management cost, and consulting fees for

project management and construction, consulting fees in recruitment, etc. where the price is competitive and the project is profitable.

Competitive Situation

The Engineering, Procurement, and Construction (EPC) and Renewable Energy Power Plants in Lao PDR

The energy business generates significant income for Lao PDR, the Lao PDR government has declared its country to be the “Energy Resource of ASEAN” or “Battery of Asia”. Therefore, the government emphasizes the energy projects, especially hydroelectric power, and accelerates the development of energy resources for domestic consumption and exports to foreign countries. In this regard, the Electricite du Laos (EDL) plans to invest in the transmission line structure to connect the northern, central and southern regions of the country, as well as other ASEAN countries to export electricity, making revenue return to their home country.

In 2021, there is no significant development on the project work in Lao PDR, after the announcement of the Electricite du Laos Transmission Company Limited (EDLT) establishment, the Company has not negotiated further with the EDLT due to lockdown measures to prevent the outbreak and control the Covid-19 situation. As a result, the management team still cannot travel to Lao PDR to monitor the progress of the project by themselves. In this regard, in 2021, the Ministry of Energy has focused on the policy "Clean energy" by starting the draft "National Energy Plan", to set out the

supporting Thailand direction toward clean energy era and mitigate net-zero carbon dioxide emissions to attract investment from clean energy-focused countries. On October 28, 2021, at the meeting of Committee on Energy Policy Administration (CEPA) has resolved to approve the improvement of the PDP 2018 Rev.1 plan for the first 10 years (2021-2030) by increasing the proportion of clean energy in the system, which will contain in the new Thailand Electric Power Development Plan (PDP 2022), the clean energy plan has been modified from the PDP 2018 Rev.1 as follows



ประเภทพลังงาน (Energy Type)	แผน PDP 2018 Rev.1 (MW)	แผน PDP 2022 (MW)	การเปลี่ยนแปลง (MW)
พลังงานน้ำ (Hydro)	1,400	2,766	+1,366
พลังงานถ่านหิน (Coal)	1,400	1,400	0
พลังงานก๊าซ (Gas)	1,400	1,400	0
พลังงานนิวเคลียร์ (Nuclear)	0	0	0
พลังงานทดแทน (Renewable)	0	0	0
รวม (Total)	4,200	5,566	+1,366

Source: Energy Policy and Planning Office (EPPO), infoquest

In terms of purchasing hydroelectric power from Lao PDR has changed from the original in 2026, to reduce the purchase amount from 700 megawatts to 469 megawatts. In 2028, the purchase will be increased from 700 megawatts to 897 megawatts, in 2030, the purchase will be increased up to 1,400 megawatts from the original which was no purchase power plan from the Lao PDR at all. As a result, overseas hydropower purchases in PDP 2022 increased by 1,366 megawatts totaled 2,766 megawatts from the original PDP 2018, Rev.1 plan was at 1,400 megawatts. In addition, at the meeting of National Energy Policy Council (NEPC) has approved to expand the electricity purchase

volume framework under the Memorandum of Understanding between Thailand and Lao PDR on cooperation in the development of electricity in Lao PDR from 9,000 megawatts to 10,500 megawatts on May 5, 2021, which corresponds to the recently changed "National Energy Plan"

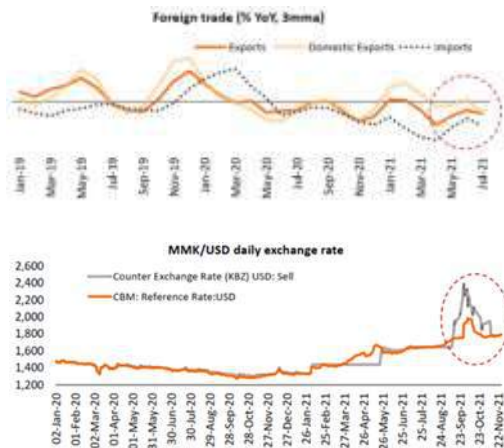
The Company views that the Engineering, Procurement and Construction business (EPC) in Lao PDR still has potential, the revision of the PDP 2022 plan and the expansion of the electricity purchase volume framework under the Memorandum of Understanding between Thailand and Lao PDR will benefit the Company's EPC business and renewable energy power plants in Lao PDR, as there will be more hydroelectric power purchases from Lao PDR in the future, the Lao PDR government accelerates the efficiency of transmission lines, which may require transmission line expansion in some areas from 115 - 230 kilovolts up to 500 kilovolts. Hence, the improvement and investment of the transmission network, especially the backbone, is the necessary project for Lao PDR that needs to be accelerated in order to support the connection in a timely manner. The Company expects that Lao PDR will open their country in 2022; it is possible to monitor the progress of project work conveniently. The increased clarity in electricity trading between Thailand and Lao PDR is likely to allow many delayed dam projects to resume, including transmission line development projects.

Production of Transmission Line Tower in Myanmar

As a result of the coronavirus epidemic situation since 2020, it has severely affected the economic situation in Myanmar due to the lack of health care. As a result, the government has to take decisive measures to shut down the country and lockdown in various areas to control inter-communication until the declaration of martial law is similar to Thailand and many countries, causing the global economic decelerate.

However, Myanmar has to move forward with elections in late 2020, as the civilian government is able to support the country until the end of the term, so significant elections are planned by the end of the year. Myanmar was originally politically sensitive. As NLD was elected by a majority and won more seats than the previous one led Gen Min Aung Lai's coup on February 1, 2021, sparking widespread protests from the CDM and the formation of NUG government caused unrest throughout the country from February until the end of 2021, causing domestic investment conditions to stall, foreign investment decelerated, and some new projects were cancelled.

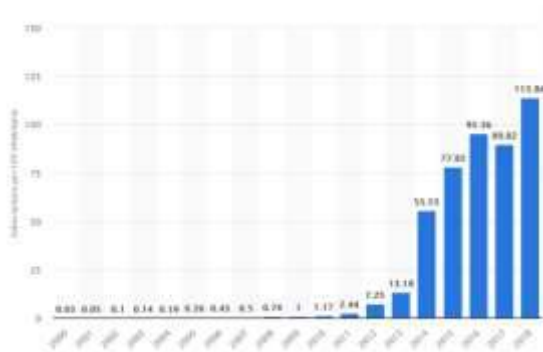
As a result of the coronavirus outbreak and political turmoil, Myanmar is in a state of economic stagnation and severe contraction, the situation continued to affect the financial sector and the exchange rate severely aggravated the economy, all projects from MOEE had to be stopped.



(Regional Economic Outlook 2022, December 2021 Krungsri Research)

Telecommunication tower production in Myanmar

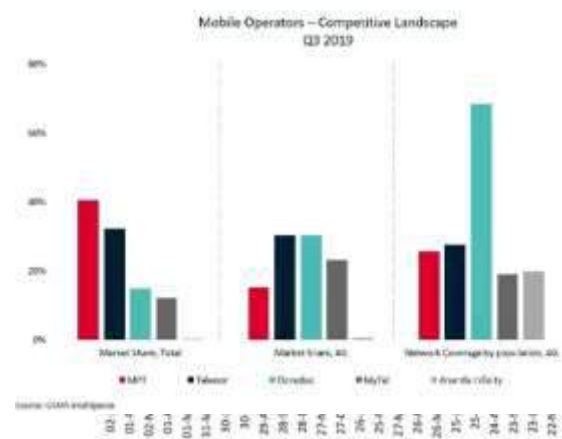
After the licensing of Operator Mobile telecom to Telenor and Ooredoo, MPT has partnered with KDDI to become more competitive and expand the telecommunication industry. Subsequently, additional licenses have been granted to the new Operator, Mytel, resulting in more business expansion from the rate of mobile phone number activation.



Number of mobile cellular subscriptions per 100 inhabitants in Myanmar from 2000 to 2018

Reference : Published by S. O'Dea, Feb 27, 2020
(<https://www.statista.com/statistics/509591/mobile-cellular-subscriptions-per-100-inhabitants-in-myanmar>)

Reference : Intelligence Brief: Where does Myanmar stand today?, Dec 4, 2019



(<https://www.mobileworldlive.com/blog/intelligence-brief-where-does-myanmar-stand-today>)

Compared to Thailand with similar area and population, although growth and business size may differ, to compare the long-term future expansion in Myanmar is private investment Tower Co, making market forecasts as internal expansion plans of each company has not been disclosed.

As previously mentioned, the coronavirus outbreak and political problems have caused Myanmar to lose confidence from foreign investors, especially various aid funds have been suspended until it becomes a political problem. Telenor, a major mobile network operator, has sold its Myanmar operations to a new Lebanese investor. Causing the state of the communication industry to stall until political problems can find a solution, before new elections are completed; preliminary estimates are expected in 2023, the next two years.

Procurement of Products and Services

The Company is the main contractor and delegates to the subcontractor for supplying the products used in the project according to the contract depending on the design, functionality, performance and quality of the product. Therefore,

the Company has selected the main products in the PDSR project that are accepted at international standards with good quality at reasonable prices, namely: Distribution Automation, Supervisory Control and Data Acquisition (SCADA), Substation Automation, etc., in which the Company use its own products only if able produce it themselves.

Policies and procedures for purchasing raw materials

Usually, the products used in the project are based on a contract, such as a PDSR project, when the Company is approved to start the project, therefore, the subcontractor is assigned to design the specification according to the contract, and the consultants are required to review it again prior submitting to EDL for approval. Once the EDL is approved it will lead to the purchase process.

Environmental Impact

The Company is free from any environmental disputes and has no record of committing offenses under environmental regulations with Lao PDR government agencies. Moreover, the Company strictly complies with the regulations and requirements of the Lao PDR government agencies and has never had any environmental complaints.

Major Projects

- SCI Metal Tech (Myanmar)

The Company owns 95% of the shares, the remaining 5 % is held by partners in Myanmar as well as receiving investment promotion privileges from Myanmar. The estimated production capacity of 7,500 tons/year and galvanizing service at

14,000 tons/year to serve future demand for high-voltage transmission towers and telecommunication towers from the country's development in Myanmar as well as increasing the revenues and profits for the Company and expanding other power systems business in Myanmar in the future.

- Current Status

At present, Myanmar is facing the problem of the COVID-19 epidemic as well as its political situation, the sales are not as expected, the Company therefore decided to temporarily halt the production until the situation in Myanmar improves.

- Joint-Venture to invest in infrastructure systems in the domestic and abroad "T-Utilities Co., Ltd."

The Company jointly invested with Property Perfect Public Company Limited and a group of individuals to establish T-Utilities Company Limited with the objective of investing in projects related to infrastructure systems both in domestic and abroad such as renewable energy power plant, project development to sell raw water and tap water to the scarce area, etc. The Company and Property Perfect Public Company Limited own 45% each, the remaining 10 % is held by a group of individuals. At present, it has a registered capital of 300 million Baht with a paid-up capital of 131.25 million Baht.

- Current Status

The Company has participated in the bidding for the community power plant project, the Company was able to pass technical proposals and price competition for 4 projects, divided into 3 power plants of 3 MW and 1 project of 2 MW with a total capacity of 11 MW. It is expected to be able to sign a power purchase agreement with the Provincial Electricity Authority within the first quarter of 2022. As for the investment project to install solar cells on industrial plants, the Company is in the process of signing another 1 MW of power purchase agreement, resulting in an installed capacity of 6 MW. In addition, the Company also invests with Eastern Water Resources Development and Management Pub Co., Ltd. to develop water resources to feed the EEC area in the Eastern region, which is expected to be able to sign water purchases by 2022.

- Joint-Venture to invest in infrastructure systems in the domestic and abroad “SCI Enesys Co., Ltd.”

The Company jointly invested with Tokyo Energy and System Inc, a registered company in Japan, and T.Y.K. Company Limited by establishing SCI Enesys Company Limited with the objective of distributing electrical equipment and wiring to projects in Japan as well as plans to develop as a contractor for power plants

in the country. The Company and Tokyo Energy and System Inc, own 40% each, the remaining 20% is held by T.Y.K. Company Limited. At present, it has a registered capital of 10 million Baht with a paid-up capital of 10 million Baht.

- Current Status

Japan is the Company's main export market was facing the problem of the COVID-19 epidemic last year, causing a slowdown in ongoing projects, the sales are not as expected. The Company expects that the slowdown projects will be able to resume in 2022, resulting in the recognition of sales as planned.

Assets uses in business operation

1. Detail of assets uses in business operation

As of 31 December 2021, the net book value of tangible assets that uses in the business operation as follows:

	Asset Types	Ownership	Net book values (Million Baht)	Obligation
1	Land and land improvement			
	1.1 Title Deed No. 9475 and 9534, areas 7,617 square wah, located at Phan Thong District, Chonburi Province. It is uses for water treatment pond.	Own	0.29	Bank credit guarantee
	1.2 Title Deed No. 8673, areas 1,897 square wah, located at Bangbo District, Samutprakarn Province. It is uses for SCI's office and factory.	Own	2.58	Bank credit guarantee
	1.3 Title Deed No. 19368, areas 314 square wah, located at Prakanong District, Bangkok Province. / It is uses for SCI's head office.	Own	23.55	Bank credit guarantee
	1.4 Title Deed No. 253312, areas 9 and 5/10 square wah, located at Prakanong District, Bangkok Province. It is uses for SCI's head office.	Own	0.95	Bank credit guarantee
	1.5 Title Deed No. 409,1437 and 9442, areas 14,292 square wah, located at at Phan Thong District, Chonburi Province. It is uses for AG&SCIMT's office and factory.	Own	19.86	Bank credit guarantee
2	Buildings and building improvement	Own	276.79	No obligation
		Own	56.44	Bank credit guarantee
3	Machineries and equipments	Own	194.23	No obligation
		Own	0.03	Bank credit guarantee
4	Office equipments	Own	4.55	No obligation
		Financial leases	0.05	Financial lease
5	Vehicles	Own	8.19	No obligation
		Financial leases	5.15	Financial lease
6	Construction in progress	Own	7.90	No obligation
Total			600.56	

2. Detail of intangible assets uses in business operation

As of 31 December 2021, the net book value of intangible assets that uses in the business operation as follows:



- Right in Service Concession Arrangement – It uses for Hydro Power Plant Business. The detail of assets are shown as follows;

	Asset Types	Ownership	Net book values (Million Baht)	Obligation
1	Right in service concession arrangement	Own and transfer right at the end of the contract	204.23	No obligation
2	Expenditure on environmental and water resources implementation	Own and transfer right at the end of the contract	0.27	No obligation
Total			204.51	

- Right-of-use: Prepaid leased land – It is prepaid leased land at the Republic of the Union of Myanmar for SCIMT MM's office and factory. The net boob value is amounting to 93.08 million Baht.
- Intangible asset – the net book value of computer program and accounting program that uses in the business operation, are amounting to 1.52 million Baht.

3. Trade Mark

SCI has registered the trademark "SCI" for the manufacture of Switch Board, Cable Tray & Support Systems, Steel Structure and "SCION" for Type Tested Switch Board for distribution in the country and abroad.

Symbol	Trademark	Licensed Products
	SCI	Switch Board Cable Tray and Support Systems, Others
	SCION	Switich Board (Type Test)

Investment Policy in Subsidiaries and Associated Companies

SCI Electric Public Company Limited ("the Company") operates its business by adhering to the good corporate governance principles for the listed companies. Therefore, the investment decision not only takes into account the interests of stakeholders but also conducts business under the principles of good corporate governance of the Stock Exchange of Thailand and the Securities and Exchange Commission ("the SEC Office") is another factor that the Company attaches importance too. This investment policy was set out by the Company to comply with the rules governing the operations of subsidiaries and associated companies according to the Notification of the Capital Market Supervisory Board, including good corporate governance guidelines of the Stock Exchange of Thailand, details are as follows:

- The Company has the investment policy in subsidiaries or associates which supports the Company's business operations in accordance with the goals, vision and strategic plans as well as the synergy business to increase competitiveness and to achieve the goal of becoming a leading entrepreneur in the Company's core business. However, the subsidiaries and associates may consider investing in the potential businesses to expand the business of the Company group, generating a good return on investment. The Company therefore has a mechanism to supervise the management and be responsible for the operations of the subsidiary as if it were a unit of the Company. In addition, there are measures to monitor the management and determine the internal control system to be appropriate and concise in order to maintain the benefits of the Company's investments in accordance with the specified rules, which the Company sees that it should create mutual benefits in order to increase revenue generating channels and profitability of the Company. The Company will consider the proportion of investment, expected profit, potential risks, and the Company's financial status by having an appropriate investment analysis procedure before investing in any project, such investment decisions must be approved by the Board of Directors' meeting or the shareholders' meeting (as the case may be) as well as the request for approval of such investment must be in accordance with the Notification of the Capital Market Supervisory Board and the relevant Notification of the Board of Governors of the Stock Exchange of Thailand.
- Moreover, the Company will appoint the representative with qualifications and experiences to serve the Board of Directors in that company at least in proportion to its shareholding to set out the significant policies and supervise the operations of such subsidiaries and associated companies.
- Furthermore, the Company has a policy to monitor the management of its subsidiaries and associates companies in order to protect the interests of the Company's investments. The subsidiaries and associates are obliged to submit the annual performance and information for preparing financial

statements to the Company and consents to use such information to prepare consolidated financial statements or report the Company's quarterly or annual results, as the case may be.

- In addition, subsidiaries and associates are responsible for reporting material financial issues when detected or requested by the Company to conduct an audit and report including the transaction between the said company and the connected person, acquisition and disposition of assets, or any other items of such company to be complete and correct.

1.3 Company Group Structure

As of 31 December 2021, SCI Electric Public Company Limited (“the Company”) invests and/or joint venture in 6 affiliates as follows:



Company	Nature of Business	Hold share (%)
Subsidiaries		
Ajikawa & SCI Metal Tech Co., Ltd. (AG&SCIMT)	Manufacturing and distributing Transmission Line Tower, Telecom Tower and Galvanized Steel Structure	99.99
SCI Holding Co., Ltd. (SCIH)	Investing in renewable energy business (Presently, investing in Hydropower Plant in Laos named Tad Salen Hydropower Plant “TAD”)	99.96
SCI Metal Tech Co., Ltd. (Myanmar) (SCIMTMM)	Manufacturing and distributing Transmission Line Tower, Telecom Tower and Galvanized Steel Structure (in Myanmar)	95.00
Inter Asia Trading Co., Ltd. (INTERASIA)	Procurement of raw materials, tools and equipment including various supplies	99.99
Joint Venture Companies		
T-Utilities Co., Ltd. (TU)	Investing in Energy and Infrastructure Business	45.00
SCI Enesys Co., Ltd. (SE)	Distributing Connecting Box, Switch Board, Cable Tray and Support Systems	40.00

In addition, there are other businesses that are not included in the group of companies, 2 companies, as detailed and reasons are as follows:

1) FRP Company Limited

- Nature of Business : Manufacture of plastic packaging such as CD boxes
- Target Customer : CD Manufacturers
- Establishment : 3 December 1990
- Capital / Paid up : 6.25 MB / 6.25 MB

Shareholders / Shares Holding

- 1) Mr. Kiangkrai Pheanvitayaskul* / 20%
- 2) Mr. Thanawat Yanisrangkul* / 20%
- 3) Mrs. Wanida Phruttnarakorn* / 20%
- 4) Ms. Orajid Pheanvitayaskul* / 10%
- 5) Mr. Jetnipat Phruttnarakorn / 20%
- 6) Ms. Rasamee Phruttnarakorn / 10%

Relationship: * There are directors and executives of the company. Be a shareholder in the company; Mr.Kiangkrai Pheanvitayaskul, Mr.Thanawat Yanisrangkul, Mrs. Wanida Phruttnarakorn and Ms. Orajid Pheanvitayaskul and has 3 of FRP directors who are executives of SCI; Mr.Kiangkrai Pheanvitayaskul, Mr.Thanawat Yanisrangkul, and Ms. Orajid Pheanvitayaskul

Other 2 Shareholders ; Mr. Jetnipat Phruttnarakorn and Ms. Rasamee Phruttnarakorn are family member of Phruttnarakorn

The reason for not being included in the group: The nature of business (which is producing CD Box) is different, and the company is managed by Mr. Prasart Assavathawornwanich who is not involved in the administration in SCI

Related Transaction: None

2) Star Rail Company Limited

- Nature of Business: Selling locomotives, signaling systems and is a sub-contractor for the production of prestressed concrete bridges, steel bridges, wrenches, railway sleepers
- Target Customer : Main Contractors of the state railway of thailand
- Establishment: 27 October 2004
- Capital / Paid up: 15 MB / 15 MB

Shareholders / Shares Holding

- 1) Mr. Kiangkrai Pheanvitayaskul / 33.33%
- 2) Ms. Rasamee Phruttnarakorn / 16.67%
- 3) Ms. Sutthisa Amponsak / 24.87%
- 4) Ms. Kasemsri Chareonsith / 21.53%
- 5) Ms. Chaweewan Paoboonproong / 3.33%
- 6) Ms. Keerada Dhammakhampee / 0.27%

The reason for not being included in the group:

The nature of business (which are Selling locomotives, signaling systems and is a sub-contractor for the production of prestressed concrete bridges, steel bridges, wrenches, railway sleepers) is different, by Star Rail Co., Ltd. will mainly focus on concrete products which is different target group from AG&SCIMT (main income of AG&SCIMT mainly from other groups of customers, namely Telecommunication and electrical system contractors) also Star Rail is also managed by another shareholder which is not related to the company

Related Transaction: None

Shareholders

List of the Company's top 10 major shareholders as of 13 December 2021 which is the latest closing date of the shareholder register book as follow:

List of Shareholders		Number of shares	Percent
	Phrutinnarakorn Group :		
1	Phrutinnarakorn Family	383,136,858	51.08
2	Yanisrangkul Family*	31,118,586	4.15
3	Pheanvitayaskul Family*	20,817,424	2.79
	Total of Phrutinnarakorn Group	435,072,868	58.01
4	AG AJIKAWA CORPORATION	26,404,400	3.52
5	Mr. Rath Phongsurapipat	17,700,000	2.36
6	Thai NVDR Co., Ltd.	12,367,001	1.65
7	UBS AG LONDON BRANCH	7,519,000	1.00
8	Ms. Nutch Asavathavornvanich	6,913,485	0.92
9	Mr. Mano Seethasith	6,841,700	0.91
10	Mr. Anawat Worakitcharoenpol	5,000,000	0.67
11	Others	232,181,546	30.96
	Total	750,000,000	100.00

<i>"Phrutinnarakorn Family"</i>	
List of Shareholders	Number of shares
1. Mr. Sirichai Phrutinnarakorn	115,356,300
2. Ms. Aunada Phrutinnarakorn	62,810,586
3. Ms. Rasamee Phrutinnarakorn	86,686,800
4. Mrs. Wanida Phrutinnarakorn	88,715,400
5. Mrs. Prammika Phrutinnarakorn	27,872,786
6. Ms. Hatthaya Phrutinnarakorn	559,662
7. Ms. Buntita Phrutinnarakorn	567,662
8. Mr. Jetnipat Phrutinnarakorn	567,662
Total of Phrutinnarakorn Family	383,136,858

<i>"Yanisrangkul Family "</i> *	
<u>List of Shareholders</u>	<u>Number of shares</u>
1. Mr. Vichai Yanisrangkul	5,762,100
2. Mrs. Benjawan Yanisrangkul*	10,539,186
3. Mr. Thanawat Yanisrangkul	13,400,000
4. Ms. Jarunwan Yanisrangkul	900,000
5. Ms. Sunee Yanisrangkul	300,000
6. Ms. Nuttakarn Yanisrangkul	25,000
7. Ms. Chompoonuch Yanisrangkul	26,000
8. Ms. Jenjira Yanisrangkul	83,000
9. Ms. Alisa Yanisrangkul	83,300
Total of Yanisrangkul Family	31,118,586

<i>"Pheanvitayaskul Family " *</i>	
<u>List of Shareholders</u>	<u>Number of shares</u>
1. Mr. Kriangkrai Pheanvitayaskul	8,643,300
2. Ms. Orajid Pheanvitayaskul	12,174,124
Total of Pheanvitayaskul Family	20,817,424

Remark: The grouping is intended to represent the group of shareholders from the union by surname only. It does not mean that the person in the group is persons under Section 258 of the Securities Act or are a Concert Party in any way

* The family members have the original surname as "Phutthanakorn"

Registered Capital / Paid up Capital

As of 31 December 2021, the company has registered capital as Baht 750,000,000 and Paid up Capital as 750,000,000, which is divided into 750,000,000 ordinary shares with a par value of 1 baht per share.

Dividend Payment Policy

The Company's dividend payment policy

The Company has a policy to pay to the shareholders the dividends of not less than 40% of net profits after deductions of corporate tax and reserve in accordance with the law for the Company's specific financial statements. Nevertheless, such dividend payment is subject to change which, in this respect, it will be dependable on the investment plan, liquidity, necessity and other suitability in the future. In addition, the resolution of the Company Board of Directors approving the dividend payment must as well be submitted for

the approval of the shareholders meeting except the interim dividend payment on which the Company Board of Directors has the power to approve which, in this respect, a report accordingly must be reported to the shareholders in the succeeding shareholders meeting.

Details of dividend payment for the past 3 years of the Company

Detail	2020	2019	2018
Net Profit / Retained earning (Million Baht)	(129.990)	27.954	80.603
	(Net Loss)	(Retained earning)	(Retained earning)
Number of Share (Million Shares)	750.00	750.00	750.00
Dividend paid per share (Baht/Share)	-	-	0.05
- Interim Dividend (Baht/Share)	-	0.02	-
Total Dividend payment (Million Baht)	-	15.00	37.50
Dividend payout ratio (Percent)	-	53.66	46.52
Net Profit / Retained earning		(Retained earning)	(Retained earning)

Dividend Payment Policy of Subsidiaries and/or Joint Venture companies

The company's subsidiaries, namely Ajikawa & SCI Metal Tech Co.,Ltd., SCI Holding Co., Ltd., SCI Metal Tech (Myanmar) Co.,Ltd.and Iner Asia Co., Ltd. has set a policy to pay dividends to the company at the rate of 100 percent of Net profit after corporate income tax and legal reserve for the company's financial statements and if the company has a subsidiaryand/or additional associates Including Tadsalen Power Company Limited will have a policy to pay dividends to the company at the rate of 100 percent of net profit after corporate income tax deduction and legal reserve for the company's financial statements.

However, the subsidiary and/or associated company may require the dividend payment to be less than the rate specified above.If the company has a need to use the said net profit to expand the company's operations, including to reduce Financial burden or reserve for spending and investment.

2. Risk Management

The Risk Management Committee was formed up to be responsible for implementing the risk policy set by the Board of Directors. Including auditing, assessing, monitoring and controlling the risk of each departments in the company and reporting to the Executive Committee and/or the Board of Directors.

The audit committee will audit, monitor and assess the Risk Management Committee to comply with the related regulations as well as review the adequacy of the risk policy and risk management system.

Risk Factor

1. Business Operation Risks

Risk from the dependence on unstable income derived from the projects

In the year 2021, the company turned itself into a project construction of a domestic substation to compensate, and also plans to accept more the power systems construction projects to reduce the uncertainty in the future.

Risk from the non-stability on the investment in high voltage transmission tower and telecommunication tower construction plant project including zinc-plated services in Republic of Union of Myanmar

On the investment in the Republic of Union of Myanmar (Burma) on high voltage transmission tower and telecommunication tower manufacturing plant including zinc-plated services, the Company has formalized actions to lease the land at Thilawa Special Economic Zone as well as making registration of the Company in Myanmar already

and that financial support with a bank loan has been provided by Export-Import Bank of Thailand (EXIM). After the operation in the beginning of 2019, the project that the government announced has been delayed and there are more competitors to open the galvanized factory causing more price competition.

At the end of 2019, the government has started the new fiscal year. There are several Bidding for the transmission tower and the power substation project, gradually open the auction.

At the beginning of 2020, there was a Covid-19 situation outbreak globally, whereas the Outbreak in Myanmar could be controlled during the 1 st Quarter. However, the 2 nd Outbreak from the western area adjacent to neighboring countries, airspace shutdown and controlling access causing an impact on many projects. Investors Officers have to work from home, slowing down on Projects decision. It all waits for a declining trend of new infections, Myanmar is also waiting for a donated millions doses of vaccines and hope to better control the outbreak of Covid-19.

However, in 2021, Myanmar has a coup d'état from the military leaders causing an impact on the slowdown and the investment sector in Myanmar. The company has accelerated the production and delivery of the outstanding work. After that, people gathered against the junta. The repression amid the effects of the Covid-19 situation has severely impacted the business sector and confidence caused the suspension and delay of foreign investment, coupled with the fluctuating exchange rate at the end of the year. From the long-term cumulative impact of 2021, causes the suspension

of various business sectors including the main industries are government projects and large private investments from foreign countries have severely affected.

The company therefore had to temporarily suspend its operations to wait for the situation to unfold and to reduce costs as much as possible, and closely monitoring the situation.

Risk from the dependence on the main customers or less customers

The subsidiary company (AG&SCIMT) has the income from the customer of high-voltage transmission tower and telecommunication tower. The job of high-voltage pole and telecommunication pole is supervised by the subsidiary company (AG&SCIMT). The subsidiary company will receive the job from the main contractor being able to win the auction from state agencies such as EGAT, PEA, and MEA or receive the job from the companies providing the telecommunication services such as TRUE, DTAC, AIS, etc. The customer group of high-voltage transmission tower depends on the bidding job in each year, considering as a mega project, causing the group of customers in each year is in slight quantities. For the job of telecommunication tower, there are several main contractors in order to have the task distributed among the group of telecommunication tower producers. Therefore, the Company has the risk in the income if such customer does not get the job from the auction or gets the job but does not give the job to the Company, including the policy of power productivity expansion, and expansion of telecommunication towers of the current

concessionaire. The Electricity Generating Authority of Thailand continues to expand the high voltage project but in the beginning and mid of 2021, there has been a delay in the auction opening due to the Covid-19 situation and recently started to gradually open the auction again at the end of 2021, but the communication tower sector still focuses on upgrading the old towers due to the number of towers that have expand earlier can still be useful causing the contraction of the communication tower industry. There will be another expansion in early 2022 for the 5G Project.

2. Production Risks

Risk from the fact that the main raw material's price fluctuates following the sale and purchase price of the global market

The main raw materials in the production of the Company and the subsidiary company, including electricity controlling cabinet, electric wire line, and iron structure pole, are iron sheet, angle bar, and zinc bar. In general, the Company uses the iron and zinc calculated in the approximate proportion of 70-80% of the total purchase of raw materials. The Company purchases iron and zinc from the domestic distributors only. However, as the price of iron and zinc bars will change according to the global price; therefore, if the Company cannot increase the price to be in line with the increasing price of raw materials, the fluctuation of price of iron and zinc bars will affect the income, cost, and net profit rate of the Company.

As the domestic price of iron and zinc bars is monopolized by a few distributors, rendering them with superior bargaining power. In this connection,

the Company's business is mostly quoted for the service as fixed contracting price (iron structure pole business) with the price specified from starting the bidding or taking the job until job completion. During such period, the price of iron including materials and other equipment may increase. This will affect the higher cost of operation in each project.

In order to reduce the impact from this risk, the Company will have to make the agreement on the price with the seller before quoting price to the purchaser from the earlier stage of bidding and the price will be remained until the production and delivery period. Moreover, the Company will try to gather the amount of orders of purchase from several projects and make one order in order to increase the bargaining power in purchasing. The Company does not have policy in hoarding the iron for speculating. The Company has the risk management policy by specifying the selling price to have the difference of profits in the level which can serve the change of raw material's price partly.

If the iron price is likely to increase continually, the Company will consider increasing the price following the raw material's price. Moreover, the Company will monitor the iron price closely for predicting the situations and tendency of price and demand for iron use both domestic and international. The Company and the subsidiary company will store the iron at the minimal quantity by using the experience and good relationship with the iron suppliers in making decision to purchase the raw materials and plan for the production appropriately.

In early 2021, the steel industry began to suffer as a result of Covid-19 outbreak in 2020; due to the shrinking consumption, economic slowdown causing the reduction of steel production. The increasing of raw materials price used in the production of structural steel and lacking of the shipping containers. From the aforementioned factors, steel prices in the world market are rising. The company has to plan the procurement and contract in advance to stand the steel price to reduce the impact.

Risk from the dependency on main raw material distributors and manufactures

At present, the Company place the purchase orders for raw materials of iron category from approximately 3-4 distributors. Therefore, if such manufacturing companies could not supply the irons to the Company, our manufactures would be affected. Hence, it is somewhat risky for the Company to depend on such iron and zinc distributors and it is potentially possible that the Company may run into the problem of iron and zinc shortage if such distributors could deliver such feedstock on schedule and we could not procure any raw materials from other sources as the substitutes in time for the manufactures.

Nevertheless, the Company will keep very close tab on the situation and map out the raw material purchase plan in advance as well as adding more names of distributors who can supply the raw materials to our list. The Company never, in the past, experienced any problem on severe shortage of the feedstock; however, the problem of a delay may occur sometimes which we are confident that it will not adversely affect our operations nor our

Company will sustain any damage whatever from the purchase orders from those distributors.

3.The Aspect of financial Risks

Risk from insufficient working capital in the project

Circulating capital is compulsorily required for use in the study of project work wherein there will be expenses on the preparation of the Feasibility Study Report, hiring of Outsource Consultant and pre-expenditures prior to the project approval. In this connection, the Company is compellingly required to sufficiently manage the source of capital. In addition, there is a project attributable to the characteristics requiring the Company to cover the expense payment in advance on some certain part and if there should be a delay in receiving money from the employer, the Company may possibly be faced with the problem on the working capital which, in this respect, the working capital from the other sources must be acquired in a timely manner. Over in the past, we had to map out a plan to administrate the advance acquired from the employer and money compellingly required to be disbursed to raw material sellers and subcontractors to be in the range of time relatively to the period of time which we can collect the remuneration from the employer.

Risk from foreign currency exchange rate fluctuation

According to the Power Purchase Agreement with Lao's Electricity State Enterprise (EDL) which Tad Salen Power Co., Ltd., is the company producing and distributing the power to EDL including the construction project of high voltage transmission cables and power station of 500 kilowatt capacity

from Mueang Houn Station to Mueang Nan Station, the Company earned the revenues in US Dollar currency which, if there should be an implicitly significant change in the US Dollar currency exchange rate, the revenues of the Company and its subsidiaries will definitely be affected. However, for the reason that most of the Company's expense disbursements in Lao PDR are likewise in US Dollars, thus, making the business operations of the Company and its subsidiaries in respect of the risk management from the currency rate of exchange under the natural hedge. Notwithstanding to the foregoing, the Company has set aside the forward reserve as some part of the allowance to tackle problem in a necessary case.

Moreover, the Company's subsidiaries have loans in US Dollar currencies. If, during the period on which the loan principals have not yet been paid off, the currency exchange rate as at the end of the accounting period cycle should have changed, the Statements of Income of the Company's subsidiaries and the consolidated Financial Statements of Company Group then would be affected. If in the case where US Dollar is weakened, the profit transactions will occur from the currency exchange rate, which has not yet occurred or in the case where US Dollar is strong, the loss transactions will occur from the currency exchange rate, which has not yet occurred.

4. Risks affecting rights or investments of Shareholders

the management within the Company will be carried out in a transparent manner.

Risk from the companies with the main shareholders of >50%

As of 13 December 2021 the main shareholders consisted of Phrutinarakorn Group, Yanisrangkul Group, Pheanvitayaskul Group; holding shares in the Company in number of 435,072,868 shares, calculated to be 58.01% of the paid-up capital. The main shareholders can control nearly all resolutions of the meeting whether on the nomination of Directors or request for the rendering of resolutions in other issues requiring the majority of the votes of the shareholders meeting. Therefore, other shareholders may not be able to gather the examining and balancing votes on the matters proposed by the main shareholders except on the subjects which the law or the Company's regulations specify that 3-fourths of the votes of the shareholders meeting must be resolved such as on the issues of the capital increment, capital decrement, sales or transfers of business, wholly or partially, etc.

Nevertheless, the Company has appointed an Audit Committee consisting of 3 Independent Members and 2 Outsource Independent Members totaling in number of 5 from the total number of 10 to attend the Company's Board of Directors Meetings in performing duties to audit and balance the operations of the Company's Board of Directors and the Executives including the consideration to grant the approvals on the transactions before submitting them to the shareholders meeting, in order to create confidence in the shareholders that

3. Business sustainability development

3.1 Policy and objectives of sustainable management

SCI Electric Public Company Limited sees risks and opportunities from various changing factors, whether it is customer expectations that change according to various trends. More emphasis on corporate governance, environment and society for the investors, stakeholder's expectation in the expression of social & environmental responsibility of the product owner. Including the expectations of employees in the organization expecting the organization to treat themselves with fairness and appreciation.

The Company has established policies and guidelines to be used as part of business process management for its development and sustainable growth of the as follows:

Conducting business with fairness

Conducting business with fairness will create confidence with those involved. The company is committed to conduct business with good ethics towards competitors for fair competition as the followed guidelines:

- Operate under the framework of good competition rules, promote free trade competition and avoid favouritism or collusion behaviour.
- Do not seek fraudulently or improperly seeking confidential information of competitors, such as paying bribes to competitors' employees.

- Do not try to damage the reputation of competitors by making unfounded malicious allegations.
- Do not support any action that looks like an infringement of intellectual property, use of products and services that have a valid copyright.

Anti-Corruption

The company has a policy to conduct business with transparency, adhere to the correctness, not promoting business success through fraudulent means. The Board of Directors has a policy to comply with the anti-corruption by defining the guidelines to follow the Company's anti-corruption policy.

The respect of human rights

The respect of human rights means treatment of Stakeholders, community and surrounding society with respect for human values and does not violate their fundamental rights. The Company is committed to respecting and not violating human rights as the followed guidelines:

- Support and respect the protection of human rights by regularly monitoring that businesses are not involved in human rights violations, such as not supporting forced labour, against the use of child labour, etc.
- Promote compliance with human rights requirements within their businesses and encourage the implementation of human rights principles in accordance with international standards.

Fair treatment of Labour

The Company has a policy to treat all employees equally and fairly, take care of well-being workplace safety and hygiene as well as promoting organizational learning and personnel development to enhance the professional work of employees. Develop work systems and create innovations in the organization. The guidelines are as follows:

- Provide fair employment conditions and appropriate compensation according to their potential.
- Provide reasonable welfare for employees, such as employee dormitories, annual leave, reasonable overtime, the medical treatment as necessary and appropriate, etc.
- Appointment of rotation, rewarding and punishing employees will be done in good faith, equal and knowledge-based on the competence and suitability of employees.
- Provide the safety working environment for life and assets of employees.
- Encourage employees to develop skills and potential by giving employees the opportunity to learn thoroughly and regularly as well as strictly complying with the laws and regulations related to employees.
- Avoid unfair practices that may affect the stability of employees' work as well as treat employees with politeness.

Consumer responsibility

The company is committed to producing quality and standard products and services at a reasonable price, maintain customer confidentiality seriously and consistently, constantly seek out channels for the best benefits for customers, and strictly comply with the business conditions. The guidelines are as follows:

- Deliver quality and standard products that meet the needs of customers under the fair business conditions.
- Continuously develop products and services to add value to the business and to increase the benefits for customers.
- Provide accurate, adequate and sufficient products and services information to the customers for their decisions.
- Maintain customer confidentiality and do not use it for the benefit of yourself or those involved in wrongful ways.

Environmental responsibility

The company realizes the importance of environmental care to prevent the cause of various pollution problems, including global warming which affects the quality of human life and the ecosystem. The company has a policy of not taking any action that will cause damage to natural resources and the environment with the following guidelines.

- Use resources efficiently, have energy-saving measures and consider reusing resources.

- Develop products and services that does not affect the environment and safe to use.
- Use standard technology and production processes and taking into account the reduction and treatment of pollution before releasing into nature.
- Regularly support activities that will contribute to the creation of society and the environment.

Participation in community and social development

The company has a policy to promote the use of business processes for the benefit of improving the quality of life, helping to build the economy and strengthening of the community and society. The guidelines are as follows:

- Community employment support.
- Support the social and community creative activities.
- Cultivate awareness of social and environmental responsibility among employees at all levels.
- Control to strictly comply with the laws and regulations.

Innovation and dissemination of innovations through social, environmental and stakeholder responsibilities.

The Company recognizes that the role of stakeholders is important in determining the direction of business operations. Therefore, taking into account all stakeholders both inside and outside the organization is important. The Company therefore has a policy to support and promote participation of stakeholders to develop

innovations that balance the worthiness and value for communities, society and the environment along with sustainable business growth. The guidelines are as follows:

- Analyse the workflow in detail to create development opportunities for business innovation discovery.
- Create opportunities to invent new products with stakeholders for growth along with creating sustainable business profits.
- Cooperating with government agencies in product development to help the underprivileged and society.

3.2 Management of impacts on stakeholders in the business value chain.

The Company divides the main stakeholders into 5 groups according to the nature of the business and assign relevant departments to be responsible for creating engagement, communicating and listening to opinions and issues of interest to stakeholders, to integrate into the company's operations according to the needs of stakeholders.

1. Employee

Expectations

- Fair employment and treatment.
- Fair compensation and consistent with the cost of living.
- Safe and hygienic work environment.
- Knowledge development and career advancement.
- Respect for human rights.

Response to the expectations

- Daily front row meeting / small group conversation.
- Company Information Board.
- Opinion surveys and feedback channels.
- Give employees the opportunity to participate in welfare management and work safety and other matters.
- Company's activities

2. Customers/Suppliers

Expectations

- Received good quality products and services with safety at a reasonable price.
- Obtaining information transparency, accuracy and without distortion.
- Have a system and process for receiving complaints and handle complaints.
- Comply with the contract or conditions as agreed appropriately and strictly.
- Build relationships and maintain a good relationship with partners sustainably on the basis of accuracy and equality.

Response to the expectations

- Provide a process that customers can complain about the quality and the safety of products and services.
- Visiting in various occasions.
- Company Website
- Arrange for a transparent selection and evaluation process for trade partners and can be examined.
- Small groups meeting.

3. Government Agencies

Expectations

- Comply with laws and regulations.

Response to the expectations

- Comply with laws and regulations.

4. Community

Expectations

- Support to each other.
- Pollution Management (Waste, Noise, Dust, Smoke).

Response to the expectations

- Community meetings on various Occasions.
- Community relationship.

5. Shareholders

Expectations

- Treat shareholders equitably.
- Benefit and sustainability growth.
- Transparent management and report correctly and completely.
- Opportunities of participation.

Response to the expectations

- Annual General of shareholders' meeting.
- Annual Report and other involved reports.
- Company Website

Management of significant sustainability

The company has summarized important issues to stakeholders and affects the success and sustainability of the organization that covers 3 dimensions, namely economic, social and environmental as follows:

Economic dimension

- Operate the business to be prosperous and sustainable growth.
- Manage the business with good corporate governance principles.
- Conduct business with transparency, adhere to the correctness and reject all forms of corruption.

The company is committed to conducting business with transparency by taking into account the interests of all stakeholders regularly. , in carrying out the operations in 2021, the Company received a Very Good CG Scoring or 4 Stars from Thai Institute of Directors (IOD).

The company has a code of conduct policy for executives and employees to use as a guideline in business operations and treatment of stakeholders which covers internal control practice, insider information and confidentiality policy.

Anti-corruption issue, the Company has revised the anti-corruption policy in 2021 to be in line with its operations for employees to perform duties in accordance with the guidelines set forth in the Anti-Corruption Policy. The Company provides various communication channels such as employees' training and new employees' orientation and also the test of their knowledge and understanding. In addition, the Board of Directors has assigned the Audit Committee to supervise and examine the impacts related to fraud and corruption risks. The Audit Committee assigned to Risk Management Committee which consists of the Executive Committee of 7 people are responsible for risk

assessment and to report to the Audit Committee's meeting every quarter.

The company has always given importance to conducting business in accordance with the laws and relevant regulations. By improving various working processes to comply with the law including; supervising and reviewing regularly. To ensure and confirm that the company operates in accordance with the relevant laws and regulations, the company requires that the responsible person compile and specify a list of laws and regulations related to operations register into company's Laws and Regulations In order for the relevant departments to strictly comply with as well as allowing the responsible person to regularly review the up-to-date of laws and regulations.

From the compliance with the laws and regulations related to the business operations of the company for the year 2021, the company has implemented in accordance with the law.

Environmental dimension (Details in Section 3.3 Sustainability Management in Environmental Dimensions)

- Conservation and efficient use of natural resources.
- Use resources efficiently, having energy-saving measures and consider reusing resources.
- Develop products and services that do not affect the environment and safe to use.
- Use standard technology and production processes and taking into account the

reduction and treatment of pollution before releasing into nature.

Social dimension (Details in section 3.4

Sustainability management in social dimensions)

- Promote organizational learning and personnel development to enhance the professional work of employees.
- Promote the use of business processes for the benefit of improving the quality of life in order to help build the economy and strengthen the community and society.
- Continuously develop value products and services for customers and society.

3.3 Sustainability Management in

Environmental Dimensions

Environmental Policies and Practices

The Company conducts the business under the requirements of laws and regulations on the aspect of the environment by taking into account the impacts on the stakeholders. At present, the Company has currently been accredited with the Environmental Management System Standard (ISO 14001:2015); applied measure on the environmental impact assessment of each production process both on the aspects of the pollution and resource usage for use in mapping out a suitable prevention or management plan.

In 2021, the company was certified Green Industry Level 3: Green System from the Ministry of Industry in terms of systematic environmental management, continuously follow-up evaluation and review for continuous development.

In addition, the Company has placed the importance on the use of resources by adopting the energy management system, water management used in factories and production waste management for use in the operations as well as providing knowledge to create understanding and awareness upon employees at all levels to realize the value in using resources for optimal efficiency.

Energy Management

The company has established measures for energy conservation in every department. Emphasizing participation to achieve the objectives and goals of energy sharing and have the projects to reduce energy consumption as follows:

Promoting and raise awareness of energy conservation

- Energy conservation campaigns, such as turn off the air conditioning before lunch and 15 minutes before work and control the temperature at 25 C.
- Training / campaigning for all employees to realize the importance of energy conservation.
- Organize activities on Thai Environment Day and World Environment Day.

Performance in 2021: The electricity consumption in the Company (Production processes and Offices) compared to the previous year, was a 2.06% reduction.

Water Management

The Company has a measure on the management of water both for use in the production process and for consumptions:

- Campaign for economical use of water; including the leak or damage inspection of the water supply system in the factory.

Performance in 2021: The water consumption increased by 14.37% year-on-year. Because in 2021, the company has cleaned the treatment pond in the factory.

- Improve the wastewater treatment system from the paint washing process to be 100% chemical treatment, and reuse the treated water in the painting washing process.

Performance in 2021: Reduce the cost of water supply by 5.37% per year compared to traditional heating system.

- Water quality is measured every year in accordance with the standard of Ministry of Industry for the control of the effluents from the factory.

The results of the examination in 2021 were in the normal range.

Waste and Pollution Management

To prevent contamination to the environment, Sludge from the washing system in the production process will be sent for disposal to a hazardous waste disposal company that has been licensed to operate from the Department of Industrial Works.

Waste management in business processes

The Company adopts the 3R Principle (Reduce, Reuse, Recycle) for use in the production process beginning from the production planning, working method improvement and providing knowledge and understanding to employees in order to minimize wastes from the production process.

In addition, there is a system for suitably managing wastes generated from the production processes and each type of garbage in the factory properly in accordance with the law, including requesting for a permission to bring wastes or unused materials out of the factory annually according to the Ministry of Industry Notification, waste or unused Material Disposal, B. E. 2548 (A.D. 2005), before the expiration of the license or in case of the additional wastes or unused materials, a request for permission on the disposal of such additional particulars shall be resubmitted.

Creating awareness among employees by

- Campaign to separate waste before discarding in order to be able to properly manage each type of waste.
- Campaign to use effectiveness consumables in the production process before dispose. Re-use if still usable, not very dirty or not torn; such as cloth, gloves, leather gloves, leather apron or armbands, etc.
- Continuous waste separation campaign by PR boards at every point in the factory and saving of office resources use such as, paper recycle before discarding.

Performance in 2021 : The total amount of garbage and waste disposed of year 2021 is 4,799 kilograms, decrease of 20.06% compared to the amount of year 2020 is 6,805 kilograms, and selling the recyclable wastes such as recycled paper, cardboard boxes, water bottles, cans, various glass bottles, etc. totally 16,602.50 baht.

In addition, the Company conducts environmental quality measurements in its office and surrounding area at least once a year. The air quality standard, smell, noise, and light in year 2021 were in the normal range as required by law and no chemical spill cases from business operations as well as no complaints from the community on the impact of pollution about effluent, air pollution and noise.

Greenhouse Gas Management

The Company attaches great importance to the management of greenhouse gas reduction problems. According to the business operation the activity which causes the highest greenhouse gas emissions is The electricity consume from the production process and from the office such as machinery, various treatment systems, use of water supply, use of electricity, lighting, air conditioning, etc., followed by the fuel consume from corporate vehicles. The company therefore, the company has set up the plan with the control measures to continuously reduce the amount of greenhouse gas emissions.

In 2021, the Company has direct greenhouse gas emissions of 165.15 tons (or kg) carbon dioxide equivalent and indirect greenhouse gas emissions of 405.10 tons (or kg) CO2 equivalent, total 570.25

tons (or kg) CO2 equivalent. The information of 2021 is the base year data collection, the company therefore could not compare as a percentage.

In the next 1-5 years, the company is committed to manage the corporate greenhouse gas emissions to be able to disclose information including assessed by the well-known agencies internationally or an auditor who is registered with the Thailand Greenhouse Gas Management Organization Public (TGO) to ensure confidence in the information.

However, the Company realizes that the energy consume is the cause of greenhouse gas emissions but it is a fundamental factor and necessary for the business operation as well. In the same time, the Company has established a sustainable development environmental policy, including guidelines, strategies and goals for implementing measures to reduce and increase all energy consumption efficiency as well as to create awareness and participation of employees at all levels in working together to reduce energy consumption both in the production process and in the office, to reduce the risks and impacts of energy consumption, to reduce energy costs and reduce greenhouse gas emissions at the same time including prevention and mitigation of climate change impacts. In this regard, the Company has assigned the Sustainable Development Team to follow up the performance, group meeting to summarize the results once a year as well as to communicate and promote the participation of employees at all levels and partners in the supply

chain to have awareness and take action to support the reduction shared greenhouse gas emissions.

3.4 Sustainability Management in

Social Dimensions

1. Employee and Labour

The Company places importance on respecting human rights and business ethics which has guidelines set forth in the Code of Conduct on equality and non-discrimination both in terms of employment, compensation and promotion. The company encourages employees to continuously learn and give importance to the development of knowledge transfer and provide opportunities for career advancement appropriately and fairly including strictly complying with labour laws.

Provide opportunities for employees to have freedom to express their opinions, and gathering feedback through various communication channels such as questionnaires, feedback boxes or complaints, to be presented to the management to improve the quality of employees' life.

Performance in 2021

1. Employment

Number of full-time employees

Male 398 / Female 194

Number of disabled employees 7

2. Employee Engagement

In 2021, 13.40% of employees voluntarily resigned from their jobs, a 3% drop from the previous year (of SCI) and 2.27% with a 2.13% drop from the previous year (of subsidiaries).

3. Compensation and benefits

In addition to direct wages, the Company provides other benefits for employees and their families in other forms such as provident funds, social Security Fund, allowances, diligence allowance, etc.

4. Employees' Competency Development and training

The Company believes that personnel in the organization are deemed to be the important workforce for the sustainable growth and success of the organization to push towards achieving the goal efficiently and effectively which will rely on knowledge, ability and skills together with a positive attitude and happiness in working. The Company therefore places the importance on the development of personnel competency by allowing employees with the comprehensive opportunity to learn and increase their skills, whether it is a training by experts in various fields both internally and externally, teaching by supervisors or skill development at workplace.

In 2021, the Company organized 14 training courses for employees to enhance their skills and potential to work for employees, with the number of training hours or Knowledge development activities averaged 82 hours per employee per year, from a target of 15 hours per person per year. There are 2 environmental courses which are 1) Handbook and preparation for the preparation of greenhouse gas emissions report for listed companies. 2) Meeting to listen to opinions on the Draft of Waste Electrical Product Management Act.

- On the job training courses

Total 142 training courses

18,048 hours of training

Number of participants 18,048 people

- Internal Training courses

Total 33 training courses

1,185 hours of training

Number of participants 183 people

- External training courses

Total 5 training courses

84 hours of training

Number of participants 8 people

5. Occupational Health and Safety, Workplace environmental

The company has been certified for occupational health and safety management system ISO 45001 and TIS 18001 and has established a safety committee which is in charge of planning promote and monitor and report directly to the management. With a commitment to operate the business with the safety of employees as a priority, the company has a policy and management guidelines to be a practice in terms of safety and good workplace environment.

Guidelines

1. 5S Activities, The heart creates discipline to quality.
- Encourage and support employees at all levels to understand and implement them seriously and continuously as if they were a regular mission.
- Executives at all levels must support, promote and closely monitor the

implementation of 5S activities, as well as provide advice on how to solve problems closely and is considered an important mission.

- Provide a measure of the audit results in the KPI data of all departments.
2. Occupational Health and Safety Training for emergency situations
The Company provides training on emergency preparedness such as fire evacuation drills, first aid and rescue, as well as other safety issues for employees at all levels.
 3. Providing to cause the assessments on the occupational health and safety in work process on a regular basis and monitoring follow-ups for use in improving the operations to reduce the risk of work-related injury or illness. Employees performing the risk-related duty will receive special health checks and health care in consistent with the results of the checks obtained. The Company provides the annual health check-up as a measure of comprehensive health care for the employees with additional regular health check-ups depending on their risk factors.

In 2021, the company aims to have 222 employees undergo health check-ups during November 2021, totaling 204 employees or 91.89 percent.

In 2021, one person was injured at work, including absence from work. The Company has taken measures to prevent such accidents, such as the review of personal protective equipment and review the risk assessments related to such activities

Table of performance on safety in 2021

Topic	Target	Actual	Evaluate Result	Note
1. fatal Accident (On duty)	0	0	√	
2. Major accident (Lost organ - On duty)	0	0	√	
3. Major accident (Absent more than 3 day On duty)	0	1 case	X	
4. Other accident (Small Injury - On duty)	0	7 case	X	
5. Property Damage	0	1 case	X	
7.The number of days of death in an accident; or Occupational disease	0	0	√	
8. IFR (All accident Cases)	0	16.70	X	8*1,000,000/478,584 (478,584 = MH Total 11 Months)
8. ISR (All accident Cases)	0	6.26	X	3*1,00,0000/478,584
9. Compliance form internal and external (Count from CAR)	0	1 case	X	

Formula I.FR. The frequency of accidents. (number of employees injured *1,000,000/ total number of hours worked by employees)

Formula I.S.R Severity Rate of Injury (total number of working days that employees lost from injuries * 1,000,000/ total number of hours worked by employees)

CAR = In the event of an accident and an absence from work

6. Employee Care

The Company still adheres to organize the guidance of the Happy Workplace theme for use in caring the employees to make the personnel happy and have a work-life balance.

However, due to the outbreak of COVID-19 during the year 2020-2021, the Company has a policy to refrain from conducting internal activities that require integration or close contact and outside activities to prevent the spread of COVID-19 in workplace. And in order for the business to continue smoothly and with minimal impact, the Company has taken care of employees by providing protective equipment, both masks and alcohol gels; Including keep the working area safe by arranging the Bubbles area within the factory to prevent group gatherings or cross-area activities, the company access control with temperature measurement before entering the work area, enhancing all employees wear masks during work, providing alcohol gel spot, set up social distancing principles, and regulate all employees notify in advance if traveling to a risky area. As well as encouraging employees to get vaccinated against the COVID-19 virus by their voluntarily.

2. Customers and Business Partners

Customer relationship management

The company has a relationship management with customers by defining the guidelines for customer treatment as follows:

- Offering fair and reasonable prices to all customers by considering the trade conditions with equal treatments without any discrimination with any person in particular.
- The customer-related information must be kept in strict confidence and that under no circumstances shall it be used for any benefits of the Company and/or employees themselves.
- Disclosing all related information to the customers with transparency, accuracy without any distortion whatsoever.
- Focusing on creating satisfactions to the customers to receive good products and services with quality and safety at reasonable price.

The Company has conducted customer satisfaction surveys in 3 areas; the quality, delivery and service regularly every year. The survey results will be used to improve and develop various processes to meet the needs of the customers as efficiently as possible. In 2021, it was found that customers were satisfied with all 3 areas, representing ninety-six percent (99.43%).

Supply Chain Management

The company has a Supply Chain management with suppliers by defining the guidelines for supplier treatment as follows:

- The partner selection process must be unbiased and based on quality, service and price.
- Strict compliance with agreed contracts or conditions.
- Shall refrain from demanding or accepting deceitful benefits.
- Developing and maintaining sustainable relationships with business partners based on the righteousness and equality.
- Treating business competitors within a good and fair competition framework.
- Shall not try to damage business competitors' reputation by making false accusations.

Procurement Policy

SCI Electric Public Company Limited is aware of the importance on the procurement process of products or services with transparency and fairness, thus, a procurement policy is mapped out as follows:

- Carrying out actions on the procurements according to the specified criteria efficiently and effectively by making considerations based on quality, price, quantity, service provided and delivery performance as well as social and environmental responsibilities.

- Carrying out actions on the procurements with transparency, fairness that can be verified and strict compliance with all applicable laws and regulations.
- Treating all business partners and subcontractors with fairness, equality and selecting a supplier based on the same criteria.
- Carrying out actions on the procurements of products and services from suppliers who make no environmental impact and promote occupational health and safety.
- Having a policy against all forms of corruption which are strictly complied with.

Business Partner Development

The Company makes an inspection visit to and evaluates the subcontractors on the aspects of the quality and the annual delivery, and the development on the quality of the contractual products including sending letters to inform the suppliers on the practical guidelines in accordance with the Supplier's Code of Conduct regularly every year.

3. Social and Community

The Company operates its business with responsibility to communities and society. Emphasis is placed on reducing environmental impact and avoiding operations that may have a negative impact on the quality of life of the communities surrounding the establishment.

In 2021, the company did not find any complaints on environmental and safety issues due to the announcement of preventive measures related to noise to all company departments that must strictly follow and has been clarified the measures to the community continuously and visiting the community once a month according to the company's policy to take care of the community and society on a regular basis and has always had a good relationship with the community.

In addition, the company has cooperate with the community in various activities, such as vocational training, open to children, or people in the community to take an internship in the company or to be part of working with the company and gifts sharing on important occasions according to the festival each year, housewarming congratulation, or an ordination ceremony, a wedding, or even to express condolences due to the death of a community member, etc.

4. Management discussion and analysis (MD&A)

Analysis and explanation will be discussed below; prepared on the consolidated financial statements for the years ended 31 December 2021. It should be read in conjunction with the consolidated financial statements and notes to those financial statements. The financial statements of the Group has been prepared in accordance with Thai Financial Reporting Standards (TFRS) unless otherwise specified.

Overall performance of 2021

For the operating of 2021, the Group had total revenues of Baht 1,626.22 million, increased by Baht 214.91 million or increased 15.23% compared to the prior year of Baht 1,411.31 million. Most of increased revenue comes from the construction of steel structure construction for domestic transmission line and project management of the construction of a substation. The operation results of equity holders of the parent have a net profit of Baht 3.45 million, decreased of loss by Baht 184.09 million or decreased 101.91% as compared to prior year that the net loss of Baht 180.64 million.

Operations of foreign subsidiary, the Group's management announced the temporary closure of SCI Metal Tech (Myanmar) Co., Ltd. since 26 March 2021 due to Force Majeure from political situation within the country including the Covid-19 situation. As a result, the subsidiary could not earn income as the management's expectation. Currently, the Group's management is in the process of closely monitoring the situation in order to be able to resume normal operations as well as assess the potential impact of such situations.

Table 1: An overview of the operating results comparing 2021 and 2020

Consolidated Financial Statements	FY2019	FY2020	FY2021	Increased (Decreased)	
Operating results	Million Baht	Million Baht	Million Baht	Million Baht	%
Revenues from sales	1,067.15	1,326.63	1,443.89	117.26	8.84
Revenues from services	35.52	74.62	125.35	50.73	67.98
Other income	21.84	10.06	56.98	46.92	466.40
Total revenues	1,124.50	1,411.31	1,626.22	214.91	15.23
Cost of sales	(976.57)	(1,144.06)	(1,314.87)	(170.81)	14.93
Cost of services	(31.38)	(67.28)	(122.28)	(55.00)	81.75
Selling expenses	(42.33)	(39.73)	(39.71)	0.02	(0.05)
Administrative expenses	(123.40)	(131.15)	(120.81)	10.34	(7.88)
Other expense	(34.72)	(2.89)	(0.84)	2.05	(70.93)
Other loss (gains)	0.76	0.16	(0.02)	(0.18)	(112.50)
Finance costs	(24.10)	(20.67)	(15.95)	4.72	(22.84)
Gain and reversal of impairment loss					
(impairment loss) on financial assets	(23.62)	(170.81)	1.23	172.04	(100.72)
Share of loss from investment in joint ventures	(6.28)	(4.72)	(5.95)	(1.23)	26.06
Total expenses	(1,261.63)	(1,581.15)	(1,619.20)	(38.05)	2.41

Table 1: An overview of the operating results comparing 2021 and 2020 (Continue)

Consolidation Statement	FY2019	FY2020	FY2021	Increased (Decreased)	
Operating results	Million Baht	Million Baht	Million Baht	Million Baht	%
Profit (loss) before income tax income (expense)	(137.13)	(169.84)	7.02	176.86	(104.13)
Income tax income (expense)	(0.33)	(13.12)	(5.43)	7.69	(58.61)
Profit (loss) for the years	(137.45)	(182.96)	1.59	184.55	(100.87)
Profit (loss) for the years attributable to:					
Non-controlling interests	(2.62)	(2.32)	(1.86)	0.46	(19.83)
Equity holders of the parent	(134.83)	(180.64)	3.45	184.09	(101.91)
Other comprehensive income:					
Change in fair value of long-term investments	0.21	0.05	(0.17)	(0.22)	(440.00)
Differences on exchange translating of the financial statements	(19.71)	2.90	14.62	11.72	404.14
Actual (loss) gain	3.58	-	(0.43)	(0.43)	100.00
Other comprehensive income for the year	(15.92)	2.95	14.02	11.07	375.25
Total comprehensive income for the years	(153.37)	(180.01)	15.61	195.62	(108.67)
Total comprehensive income for the years attributable to:					
Non-controlling interests	(3.14)	(2.22)	(1.54)	0.68	(30.63)
Equity holders of the parent	(150.23)	(177.79)	17.15	194.94	(109.65)

Revenue

For the year 2021, SCI Group had total revenues of Baht 1,626.22 million, increased by Baht 214.91 million or increased 15.23% compared to prior year of Baht 1,411.32million with details as follows:

Revenue from sales of switchboard and cable tray decreased by Baht 12.57 million or decreased 2.73% due to the delay in the inspection of the power plant station project during the Covid-19 situation.

Revenue from sales of steel structures and galvanized service increased by Baht 121.22 million or increased 14.13% from the ongoing work 2020 of the project to improvement of the power transmission system in the lower South to strengthen the power system security system, solving the problem of power outages in the southern region, including promoting the expansion of the industrial sector to support competition in the framework of the Asean Economic Community ("AEC"), including the power transmission system for purchase electricity from private power producers.

Revenue from electricity sales hydroelectric power plants increased by Baht 8.60 million or increased 104.12% due to the dam can resume the operation since May 2021 after repaired from the flood in late 2020. The Group received compensation for the cost of repair equipment and for the expenses incurred during the repair period from the insurance company, recorded in the other income.

Service revenues increased of Baht 50.73 million or increased 67.98% from project management of the construction of a substation. The high-voltage transmission tower and substation (500kV) project had no progress during the year 2021.

Table 2: Revenue structure of the Group comparing 2021 and 2020

Consolidation Statement	FY2019		FY2020		FY2021		Increased (Decreased)	
Revenue structures	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales :								
Production of switch board and cable tray	399.40	35.52	460.76	32.65	448.19	27.56	(12.57)	(2.73)
Production steel structures and galvanized service	639.44	56.86	857.62	60.77	978.84	60.19	121.22	14.13
Electric power from Hydro Power Plant	19.90	1.77	8.26	0.59	16.86	1.04	8.60	104.12
Revenue from sales	1,058.74	94.15	1,326.64	94.00	1,443.89	88.79	117.26	8.84
Revenue from services								
Contracting of project management	-	-	19.13	1.36	114.18	7.02	95.05	496.86
Contracting of railway bridges repair service	35.52	3.16	55.49	3.93	11.17	0.69	(44.32)	(79.87)
Revenue from services	35.52	3.16	74.62	5.29	125.35	7.71	50.73	67.98
Revenue from sales and services	1,094.26	97.31	1,401.26	99.29	1,569.24	96.50	167.98	11.99
Other income	30.25	2.69	10.06	0.71	56.98	3.50	46.92	466.40
Total revenue	1,124.51	100.00	1,411.32	100.00	1,626.22	100.00	214.90	15.23

Remark:

Other income comprised with sale of scrap, interest income, insurance compensate, gain on foreign exchange rate and gain on disposal of investments in opened-end fund.

Costs and Expenses

SCI Group had costs and expenses of Baht 1,619.20 million, increased by Baht 38.05 million or increased 2.41% compared to that of Baht 1,581.15 million prior year with details as follows:

Cost of sales increased by Baht 170.81 million or increased 14.93% mainly came from the cost of steel, which is the main raw material, has been increased according to the market price. In addition, other key raw material, such as electrical equipment, have increased their cost due to weak exchange rates.

Administrative expenses decreased of Baht 10.34 million or decreased 7.88% due to the Covid-19 situation. The Group has limited recruitment of new employees to replace the resign staff. In addition, the Group could reduce the cost of travel and entertainment during the announcement of the lock down period by the government in 2021.

Financial costs decreased by Baht 4.72 million or decreased 22.84% due to reduced interest rate of the long term loans of a subsidiary in Myanmar from assist the financial institutions due to the COVID-2019 situation.

Impairment loss on financial assets decreased of Baht 172.04 million or decreased 100.72% because there was no impairment loss on the financial assets in 2021. But the expected credit loss on trade receivable and unbilled receivable of 500kV project was recorded in 2020 of Baht 170 million.

FINANCIAL POSITION ANALYSIS

Financial Position as at 31 December	FY2019	FY2020	FY2021	Increased (Decreased)	
Statement of financial positions	Million Baht	Million Baht	Million Baht	Million Baht	%
Assets					
Current assets	1,851.88	1,855.29	2,027.66	172.37	9.29
Non-current assets	1,116.49	1,078.11	1,117.16	39.05	3.62
Total assets	2,968.37	2,933.40	3,144.82	211.42	7.21
Liabilities					
Current liabilities	1,285.82	1,440.12	1,632.86	192.74	13.38
Non-current liabilities	54.95	60.69	63.75	3.06	5.04
Total liabilities	1,340.77	1,500.81	1,696.61	195.80	13.05
Share capital					
Issued and paid-up share capital	750.00	750.00	750.00	-	-
Share premium	879.04	879.04	879.04	-	-
Retained earnings					
Legal reserve	29.40	29.40	29.40	-	-
Unappropriated	(6.33)	(201.96)	(198.94)	3.02	(1.50)
Differences from changes in shareholding proportion	5.85	5.85	5.85	-	-
Other components of equity	(35.74)	(32.90)	(18.77)	14.13	(42.95)
Total equity attributable to the parent company	1,622.22	1,429.43	1,446.58	17.15	1.20
Non-controlling interests	5.38	3.16	1.63	(1.53)	(48.42)
Total Shareholder's equity	1,627.60	1,432.59	1,448.21	15.62	1.09

ASSETS

Total assets of the Group as at 31 December 2021 is Baht 3,144.82 million, increased by Baht 211.42 million or increased 7.21% compared to balance as at 31 December 2020 of Baht 2,993.40 million due to the following;

- Trade and other current receivables decreased due to there was no deliverable of major projects at the end of the year like in 2020.
- Inventory increased in raw materials and work in process that is scheduled for 2022 of the project to improvement of the transmission system and the project of construction power plant station.

- Investment in joint ventures increased from additional investment in TU Utilities Co., Ltd of Baht 35.44 million.
- Property, plant and equipment, Right-of-use assets and Right in service concession arrangement increased from the restructuring of the factory of a subsidiary in Thailand and the depreciation recognized during the year, included the result of foreign currency translation of assets in subsidiary companies in Myanmar and Laos PDR.

LIABILITIES

Total liabilities of the Group as at 31 December 2021 was Baht 1,696.591 million, increased by Baht 195.78 million or increased 13.04% compared to balance as at 31 December 2020 of Baht 1,500.81 million due to the following;

- Trade and other current liabilities increased from purchased inventory reserved for the customer orders;
- Contract liabilities decreased from delivered the construction of the substation in the country, the transmission system improvement project and the control panel projects, including the unearned income of electricity Hydroelectric power;
- Long-term loans increased from the adjusted of exchange rate at the end of the period of the borrowing for a subsidiary in Myanmar;
- Employee benefit obligation increased as a result of the provisioning of employee benefit expenses based on the actuarial assessment.

SHAREHOLDERS' EQUITY

As 31 December 2021, total equity of the Group was Baht 1,448.16 million, increased by Baht 15.57 million or increased 1.09% according to the operation result of the year 2021. Other components of equity is the difference of foreign exchange rate from the translation of financial statements of foreign subsidiaries.

LIQUIDITY AND CASH FLOW ANALYSIS

Items	FY2019	FY2020	FY2021
Net cash generate from (used in) operating activities	(119.06)	29.42	196.03
Net cash generate from (used in) investing activities	85.82	(0.74)	(131.17)
Net cash generate from (used in) financing activities	(82.51)	(9.31)	(26.20)
Currency translation differences	(0.07)	2.71	(19.07)
Net increased (decreased) in cash and cash equivalents	(115.82)	22.08	19.59

SIGNIFICANT FINANCIAL RATIO

Profitable Ratio	%	%	%	%
For the year ended 31 December	FY2019	FY2020	FY2021	Changes
Gross Profit Margin (%)	8.09	13.55	8.42	(5.14)
EBITDA Margin (%)	(4.42)	(6.61)	4.89	11.50
Net Profit (loss) Margin (%)*	(12.22)	(12.96)	0.10	13.06
Earnings per Share (Baht)*	(0.180)	(0.241)	(0.005)	0.245

Remark: Based on Net profit (loss) attributable to Equity holders of the parent company.

The gross profit margin of the Group decreased from the previous year because the cost of main raw materials has been continuously adjusted according to the world market. In addition, the foreign exchange continued to depreciate.

EBITDA margin and net profit (loss) margin increased from prior year due to the overall performance of the year 2021 which has improved compared to the previous year.

Leverage Ratio	%	%	%	%
For the year ended 31 December	FY2019	FY2020	FY2021	Changes
Debt/Equity Ratio (Times)	0.82	1.05	1.17	0.12
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times)	0.21	0.25	0.26	0.01

The Group has a higher debt to equity ratio due to a decrease in equity from the 2021 performance but trade account payable was increased for purchase raw materials and equipment for projects, required delivery in 2023.

In addition, the interest payable on the long-term loan of a subsidiary in Myanmar has been suspended due to Force Majeure from political situation within the country including the Covid-19 situation in Myanmar.

Liquidity ratio	%	%	%	%
For the year ended 31 December	FY2019	FY2020	FY2021	Changes
Current Ratio (Times)	1.44	1.29	1.24	(0.05)
Quick Ratio (Times)	0.60	0.56	0.46	(0.09)
Trade account receivable turnover (Times) ***	3.64	3.07	3.42	0.35
Average debt collection period (Days)	100	119	107	(12)

Remark: *** Calculated from trade accounts receivable and sales revenue excluding revenue from project and other businesses.

The Group's liquidity ratio decreased because current liabilities increased from trade and other current liabilities included accrued interest of long-term loan of a subsidiary in Myanmar.

Trade account receivable from sale (excluded revenue from project) decreased Baht 141.55 million or Decreased 28.69% compared to the prior year.

Schedule of trade accounts receivable classified by aging

Trade account receivable	Consolidated Financial Statements					
	As 31 December 2021		As 31 December 2020		Increased (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Within credit terms	215.44	61.24	227.51	46.11	(12.08)	(5.31)
Overdue less than 3 months	79.00	22.46	154.83	31.38	(86.07)	(55.59)
Overdue 3 - 6 months	11.74	3.34	22.50	4.56	(10.75)	(47.80)
Overdue 6 - 12 months	11.28	3.21	46.12	9.35	(24.61)	(53.35)
Overdue over 12 months	34.36	9.77	42.40	8.59	(8.05)	(18.97)
Total trade receivables*	351.82	100.00	493.37	100.00	(141.55)	(28.69)

Remark: * Excluding account receivable of the project.

In 2021, the average debt collection period was less days compared to the prior year due to the major trade receivables of the electrical transmission system improvement project and the cable tray, which the employers are overseas requested a postponement of debt repayment from the normal credit term from the COVID-2019 situation. This includes trade receivables for hydropower plants (small sizes) that have requested an extension of the repayment period due to lack of liquidity during the COVID-2019 situation as well. However, these trade accounts receivable from past experience can be called up under normal term credit. At present, the management has increased the measures for granting credit to debtors more stringent and continuously expedite the collection of outstanding debt.

For the commercial credit policy, the normal trade credit is about 30 – 90 days. The Group determines lifetime expected credit loss using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. Moreover, the Group has recognized a loss allowance of 100% for all receivable with payment problem because the historical experience has indicated that these receivables are generally not recoverable.

For large foreign project receivable, the Group recognizes the allowance for lifetime expected credit losses which is estimated based on the analysis of current financial position of receivable, forecast about the future payments of receivable with considering of general economic conditions that may have an impact to receivable and adjusted for factors that are specific to the receivable, including the determination of time value of money.

5. General Information and other material facts

5.1 General Information

Company Name	:	SCI Electric Public Company Limited (“SCI”)
Headquarter	:	107/1 Moo 1 Bangna-Trad Km. 27Rd. T. Bangpleang A. Bangbo, Samutprakarn 10560
Telephone/Fascimile	:	02-338-1414-9 / 02-708-0326-7
Investor Relation	:	02-361-8014-7 (IR@sci-groups.com)
Website	:	http://www.sci-mfgr.com
Business Type	:	Manufacturing and distributing switchboards, cable trays and support system
	:	Manufacturing and distributing transmission towers, telecommunication towers, general steel fabrication and hot-dip galvanized services under subsidiary company
	:	Renewable energy power plant business (Presently, the Company has a small sized hydro-power plant), under subsidiary company
	:	Contracting service business on installing high voltage transmission line system and power distribution system
Establishment	:	1987
Juristic person registration	:	0107558000202
Registers / Paid up Capital	:	750,000,000 Baht / 750,000,000 Baht
Listed Date in SET	:	13 October 2015
Registrar	:	Thailand Securities Depository Co., Ltd. No. 93, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok Metropolis, 10400 Telephone 02-009-9999
Auditor	:	AST Master Co., Ltd. No. 790/12, Thonglor Tower, Thonglor 18 Alley, Sukhumvit 55 Road, Khlong Tan Sub-district, Vadhana District, Bangkok Metropolis Telephone 02-714-8842

5.2 Other material facts

-None-

5.3 Legal disputes

-None-

5.4 Secondary Market

The Company does not have any securities listed on the stock exchanges of other countries.

5.5 Financial institution with regular contact (only in case of debt securities offeror)

-None-

6. Corporate Governance Policy

The Company recognizes the importance of being in line with Corporate Governance Policy in the business operation. Therefore, the Company's Board of Directors is entitled to set up Corporate Governance Policy to be in line with the good principles and guidelines for directors which are consistent with the Code of Best Practices for Directors of Listed Company that comply with the regulations of the Stock Exchange of Thailand. In order to ensure real practice, it is also established various provisions. Moreover, the Company has conducted corporate governance (CG Code 2560) to guide the policy development that covers the rights and equitable treatment of shareholders and other stakeholders, structures, roles, responsibilities and independence of the Board of Directors, disclosure and transparency, control and risk management, as well as Business Ethics in order to make the administration and the Company's business operation run with an efficient and transparent. The corporate governance was reviewed and approved at the Board of Directors' Meeting 5/2021 which was held on October 12, 2021.

6.1 Overview of Good Corporate Governance Policies and Practices

6.1.1 Policies and guidelines of good corporate governance related to the Board of Directors

Board of Directors plays an important role in driving the company and being responsible for supervising the business in accordance with the objectives and goals that will bring the best

benefits to the company on the basis of social responsibility, taking into account the impact on the environment, the fair to all stakeholders under the corporate governance policy and the Company's anti-corruption policy by complying with the law and the articles of association of the company, Board of Directors' Resolutions as well as the resolutions of the shareholders' meeting with full knowledge and , good ethics and be careful and have responsibility to shareholders on a regular basis so that all directors of the are aware of their duties responsibility and to be a leader in the correct and appropriate actions that are beneficial to creating sustainable value for the business. The guidelines have been established as follow:

1. The Board of Directors have powers, duties and responsibilities in managing the company to comply with the law, objectives and articles of association of the Company with diligence and honesty.
2. The Board of Directors will perform duties with dedication and responsibility, being independent. The roles and duties between the Chairman of the Board and the Chief Executive Officer is clearly separated.
3. The Board of Directors play an important role in determine the vision, strategy, goals, guidelines, policies, plans and budgets of the company. Supervise the administration and management of the Executive Committee to ensure compliance with the assigned policies.

- Continuously monitor operating results in accordance with plans and budgets.
4. The Board of Directors play an important role in defining the organizational structure and considering the management structure, appoint the Executive Committee, managing Director and other committees as appropriate and assign authority and duties to sub-committees such as the Audit Committee. Nomination and Remuneration Committee for efficient operation and benefit the shareholders.
 5. The Board of Directors may authorize the Executive Committee to have the authority and duties to perform various tasks with details of the delegation of powers according to the scope of authorized Duties of the Executive Committee. However, the delegation of authorities must not be in the nature of delegation of authorities that cause the Executive Committee to or the authorized person can consider and approve the transaction by the Executive Committee or an attorney or related persons or have an interest or having any other conflicts of interest with the company or its subsidiaries, except for the approval of items that comply with the policy and criteria that the Board has considered and approved This shall be in accordance with the law.
 6. The Board of Directors must determine, formulate and comply with the corporate governance policy, business ethics and code of conduct, anti-corruption policy as well as various practices related to the company that has been prepared in writing and review the policy and its implementation on a regular basis at least once a year as well as encouraging directors, executives and all employees to understand and comply with.
 7. The Board of Directors have duties to supervise the subsidiary by considering the suitability of the person to be sent as a director in the subsidiary in order to control the management in accordance with the company's policy and making various transactions to be legal and rules of the Securities and Exchange Law and announcements of the Stock Exchange of Thailand.
 8. The Board of Directors must supervise by providing for the preparation of the company's financial statements at the end of the company's accounting period which the auditor has audited and presented to the shareholders' meeting for consideration and approval.
 9. The Board of Directors supervise the disclosure of the company information both financially and non-financially sufficiently, reliable and timely so that the

shareholders and stakeholders of the company receive information equally.

10. The Board of Directors provide communication channels with shareholders and stakeholders appropriately as well as ensuring that shareholders are equally involved in decision-making on important matters of the company.

11. The Board of Directors supervise to have an appropriate and effective of risk management and internal control system.

12. The Board of Directors must arrange self-assessment and assessment of other sub-committees including the Chief Executive Officer annually to serve as a framework for reviewing the performance of the Board of Directors.

13. The Board of Directors will support and promote innovation and bring innovation and technology to create added value to the business, as well as supervise the management of information technology in accordance with the needs of the company.

6.1.2 Policy and guidelines related to shareholders and stakeholders.

The Company is well aware and places importance on the rights of the shareholders; not taking any action that would violate or deprive the rights of shareholders as well as encouraging shareholders to use their rights. The basic rights of shareholders include rights to trade or transfer their shares; the

rights to receive dividends; the rights to adequately access the Company's information; the rights to attend shareholders' meetings to remove members of the board or to appoint auditor; and the rights to join in deciding on important matters that will have an impact on the Company such as dividend allocation, the amendment of the memorandum or articles of association of the Company, the increment or decrement of capital, and the approval of important business transactions, etc. In the year 2021, the results can be summarized as follows:

The Rights of Shareholders and the Equitable Treatment of Shareholders.

The 2021 Annual General Meeting of Shareholders was held on May 13, 2021 (Electronic meeting), in which the company facilitated the shareholders to attend the meeting and exercise the right to vote in full.

Pre-Meeting

- Allowing minority shareholders (who have total voting rights of not less than 5 % of the total voting rights of the Company) to add agendas before the meeting date, an opportunity to nominate a person to be a director in advance at a reasonable time along with information for the nominee's eligibility consideration and consent by disclosing the criteria and procedures for consideration on the company's website.
- Disclose the resolutions of the Board of Directors' meeting regarding the meeting date, meeting agenda, the date to

determine the shareholders' name who are entitled to attend the Annual General Meeting of Shareholders and the right to receive dividends (Record Date) through the information disclosure system of listed companies of the Stock Exchange of Thailand immediately the Board of Directors passed a resolution on February 25, 2021.

- Disclose of the invitation to the shareholders' meeting and meeting documents including the proxy form on the company's website on March 25, 2021 (21 days prior to the meeting date) and sent the invitation letter to the shareholders by post 7 days before the meeting date.
- Allow shareholders to appoint independent directors or any person to attend the meeting on their behalf by using one of the proxy forms that the company has sent along with the meeting invitation letter.
- Provide opportunities for shareholders to submit their opinions, suggestions, and inquiries prior to the date of the shareholders' meeting.

In-Meeting

- The secretary of the meeting explained the meeting rules, including voting procedures and allocate sufficient time for the meeting.

- Having an independent legal advisor to witness the vote counting. There were no shareholders disagreeing with the vote counting results.
- Apply technology (AGM system) to use in meetings both registration, vote counting and display which supports the meetings to run quickly and accurately.
- Conduct the meeting according to the agenda set forth in the invitation letter and no additional meeting agendas.
- Provide opportunities for shareholders to ask questions, freely to express their opinions and suggestions. The directors and related executives attended the shareholders' meeting to answer questions at the meeting.

After-Meeting

- Disclose the resolutions of the shareholders' meeting through the disclosure system of listed companies of the Stock Exchange of Thailand within the next business day after the completion of the meeting with details, the resolutions and the number of votes of the attendees in each agenda, including agreeing, disapproving and abstaining from voting.
- Prepare the minutes of the shareholders' meeting submit to the Stock Exchange of Thailand and published on the company's website within 14 days from the date of the meeting.

Interests of Directors and Executives

The company requires directors and executives to report their interests or related parties which is directly or indirectly related to the management of the company or its subsidiaries for transparency in its operations; divided into the first report and annual reporting on stakeholder information.

6.2 Business Code of Conduct

The company has prepared the code of conduct related to business ethics for the Board of Directors, Executives and practitioners in various departments take it as a guideline for practice. The main issue is to maintain the confidentiality of the company, honesty, legitimate respect for each other's rights and taking care of resources both internal and external of the company. The focus on business ethics will lead to honesty, effective internal control, resulting in confidence in the capital market and building trust among investors which the company has published on the Company's website for stakeholders and the public to be informed.

6.3 Material changes and developments regarding policy, guidelines and corporate governance system in 2021

6.3.1 Corporate Governance

- Determine and review policies and guidelines for the year 2021 the Board of Directors has issued the following important policies as follow (1) Anti-Corruption Policy 2022 Edition, including guidelines for accepting and giving gifts,

entertainment or any other benefits

(2) Policy and procedures for

Whistle blowing (Whistle Blowing Policy).

- The Board of Directors meeting without the participation of the executives. (Independent director Meeting).
- Preventing the use of insider information by giving notice of the prohibition period of selling-buying the company's shares 30 days in advance before the disclosure of important information that may affect the price of the Company's securities.
- Review the charter of the Board of Directors, and sub-committees in 2021.
- Self-assessment and assess the performance of the Board of Directors.

6.3.2 Applying the Good Corporate Governance Principles for Listed Companies 2017 (CG Code) of the SEC

The Board of Directors has assigned the management to apply the principles of good corporate governance for listed companies in the year 2017 (CG Code) of the SEC, appropriately adapted to the company business and its subsidiaries, as well as to develop and monitor.

6.3.3 other matters in accordance with the corporate governance principles

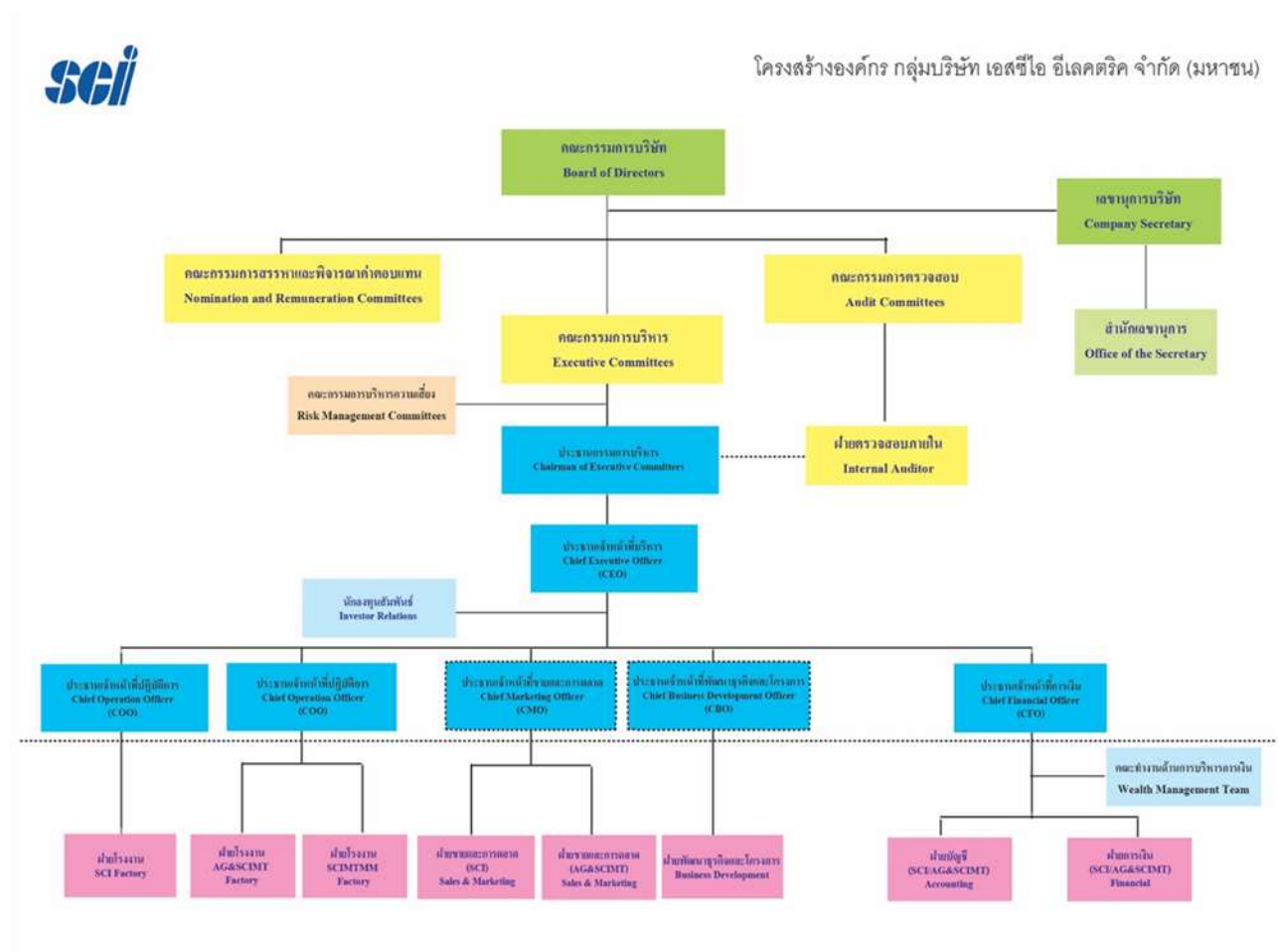
Has been assessed by the Thai Listed Companies Corporate Governance Survey (CGR) at a very good level or 4 stars from Thai institute of directors (IOD).

Received an AGM Checklist score of 95.5 points by the Thai Investors Association.

7. Corporate governance structure and significant information related to the Board of Directors, Sub-committees, executives, employees and others

7.1 Corporate Governance Structure

As of December 31, 2021, the Company's management structure consists of the Board of Directors, 3 sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee, having chief executive officer be the top of the management.



7.2 Information on the Board of Directors

7.2.1 The composition of the Board of Directors

As of December 31, 2021 there are 10 directors in the Board of Directors, consisting of 5 non-executive directors (independent directors) and 5 executive directors.

The Board of Directors consists of people who have knowledge, abilities, honesty and integrity, having business ethics and enough time to devote knowledge ability and performing duties for the company, having qualifications and not having any prohibited characteristics under the law governing public limited companies and other relevant laws Including not having characteristics indicating lack of suitability to be entrusted with

managing a business that is held by a public as stipulated in Section 89/3 of the Securities and Exchange Act (No. 4) B. 2008

7.2.2 The information on each director and controlling person

Name	Position
1. Mr. Noppol Milinhanggoon	Chairman of the Board / Independent Director
2. Mrs. Pranee Phasipol	Chairman of the Audit Committee / Independent Director / Nomination and Remuneration Committee
3. Mrs. Chattong Tippayakalin	Audit Committee / Independent Director
4. Ms. Chaovana Viwatpanachati	Audit Committee / Independent Director
5. Mr. Sumeth Chailertvanitkul	Chairman of the Nomination and Remuneration Committee / Independent Director
6. Ms. Aunada Phruttnarakorn	Director / Nomination and Remuneration Committee
7. Mr. Kriangkrai Pheanvitayaskul	Director
8. Mr. Thanawat Yanisrangkul	Director
9. Mr. Sirichai Phruttnarakorn	Director
10. Mr. Vichai Yanisrangkul	Director

Authorized Director

As of December 31, 2021, the authorized directors are: Ms. Aunada Phruttnarakorn or Mr. Sirichai Phruttnarakorn or Mr. Kriangkrai Pheanvitayaskul ; two out of three directors co-sign with the company's seal.

7.2.3 The roles and duties of the Board of Directors

The Board of Directors has the authorities, duties and responsibilities to manage the Company in compliance with the law, the Company's Objectives and Regulations with the Duty of Care and the Duty of Loyalty. Their main authorities, duties and responsibilities can be summarized as follows:

1. Organizing the Annual General Shareholders' Meeting within 4 months after the Company's accounting period ends.
2. Organizing the Board of Directors Meeting once every 3-month, at least, and that in order to conform to the Principle of Good Corporate Governance, the Company has scheduled the Board of Directors Meetings 6 times a year, at least, and the Board of Directors Meeting without any Executive Directors in attendance once a year.
3. Preparing Balance Sheets and Profit and Loss Statements of the Company as at the ending date of the accounting period of the Company, which shall be submitted onto the Shareholders Meeting for consideration and approval after they have already been audited by the auditor.
4. Setting the goals, guidelines, policies, work plans and budgets of the Company; monitoring controls over and overseeing the managements of the Executive Committees to be in line with the policy as

assigned; making follow-ups on result of the operations to ensure the conformity with the plans and budgets in continuation except in the following matters that the Board of Directors must obtain the approval of the Shareholders' Meeting first before proceeding with any relevant actions, which are the matters defined by law that the Board of Directors must obtain the approval of the Shareholders' Meeting such as capital increment, capital decrement, debenture issuance, sales or transfers of the Company's significant business, wholly or partially, to other persons, or a purchase or an acceptance of a business transfer of other companies to belong to the Company, and amendment of the Memorandum of Association or Regulations, etc.

In addition, the Board of Directors also has a duty to oversee the company to comply with the Law on the Securities and Exchange and SET Requirements such as Connected Transaction Executions and Buying or Selling Important Assets in accordance with SET Regulations or Laws relevant to the Company's business.

5. Defining the organizational structure and making consideration on the management structure; appointing the Executive Committees, Managing Director, and other committees as appropriate. Designating authorities and duties for

various Sub-committees such as the Audit Committee and Nomination and Remuneration Committee for efficient operations and benefits of the shareholders.

6. The Board of Directors may empower the Executive Committees with the authorities in performing various duties where details of the empowerment shall be in accordance with the scope of the authorities of the Executive Committees provided, however, that such empowerment must not be in a manner likely to enable the Executive Committees or the Appointee to consider and approve the transactions in which the Executive Committees or the Appointee or related persons have any interest or any other conflict of interest with the Company or its subsidiary companies, save it is the approval of a transaction being in line with the policy and criteria having already been considered and approved by the Board of Directors provided that it shall be in accordance with the law.
7. Making considerations on the appointment of Chief Executive Officer (CEO), Executive Chairman and Executive Committee including the empowerment to Executive Chairman in prescribing the power on the approvals and considerations on the amendments of such power for the suitability.

8. Empowering one or several Director(s) or any other persons to take any actions under the control of the Board of Directors or may empower such persons to have a power as it deems appropriate and within the expedient period of time. The Board of Directors may cancel, revoke, change in, or alter the Appointee or such power as it deems appropriate. In this respect, no power shall be given to any person(s) who may have conflicts of interest in the operations.
9. Defining, implementing, and complying with the Corporate Governance Policy, Business Ethics, Code of Conduct, Anti-Corruption Policy as well as various Company-related Practical Guidelines, which are made in writing, and regularly reviewing the Policies and the implementations in compliance with said Policies at least once a year, including encouraging all Directors, Executives and staff to get to understanding and complying with the Laws, Regulations, Business Ethics, Code of Conduct, Anti-Corruption Policy as well as various Company-related Practical Guidelines.
10. Supervising and overseeing subsidiary companies by considering the suitability of the person to be appointed as a Director in the subsidiary companies in order to monitor controls over the management to conform to the

Company's policy and various transactions to be legal in accordance with the Law on the Securities and Exchange and SET Notifications.

11. Approving the opening/closing of all types of deposit accounts with banks or financial institutions together with defining conditions on money withdrawals or conducting juristic acts on said deposit accounts.
12. Approving the important investment expenditures as specified in the Annual Expense Budget.
13. Overseeing and giving supervisions to ensure that the Company has a suitable and effective Risk Management System and Internal Control.
14. Providing supports on and promoting the creations of innovation and making use of the innovation and technology to create added value for the business as well as monitoring controls over the management of information technology to be in compatibility with the Company's requirements.
15. Providing proper channels of communication with the shareholders and stakeholders while also ensuring that the shareholders are involved in making important company decisions.
16. Arranging for the preparation of the Succession Plan for the preparedness in

the event that a high-level Executive is unable to perform his or her duty.

17. Providing clear guidelines for those who wish to blow a whistle on any matters or stakeholders via the website or report directly to the Company by setting up a channel for the whistle blowing through the Company's Audit Committee, and giving instructions that the information shall be verified in accordance with the process defined by the Company and report to the Board of Directors.
18. Reporting their own interests or interests of related persons, whether directly or indirectly, being involved with business management of the Company or its subsidiary for the transparency of operations.

7.3 Information on subcommittees

7.3.1 The composition of the subcommittees

The Board of Directors has appointed 2 subcommittees, namely the Audit Committee and the Nomination and Remuneration Committee

7.3.2 Information on each appointed subcommittee

1. The Audit Committee

As of December 31, 2021, the Audit Committee consists of 3 Directors as follows:

1. Mrs. Pranee Phasipol
(Independent Director)
Chairman of the audit committee*
2. Mrs. Chattong Tippayakalin
(Independent Director)
3. Ms. Chaovana Viwatpanachati
(Independent Director)

The Audit Committee shall consist of, at least, 3 persons; all of whom are Independent Directors and, at least, one person shall be well-versed in accountancy with adequate experience to perform duty to review the reliability of Financial Statements. The Audit Committee shall also assist the Company in monitoring controls over the carrying out of the Company's business operations to be in accordance with the Principle of Good Corporate Governance as prescribed by Security Exchange Commission (SEC) and Stock Exchange of Thailand (SET) including to have the scope of power and duties as assigned by the Company's Board of Director by having Miss Romklao Muangyunnan serving as the Secretary to the Audit Committee.

The roles and duties of the Audit Committee

1. Conduct reviews to ensure that the Company's Financial Report is accurately and adequately prepared
2. Conduct reviews to ensure that the Company has suitable and effective internal control and internal audit and make consideration on the independency of the Internal Audit Unit as well as giving approvals on the considerations on the appointments, transfers, and employment termination of Internal Audit Unit Chief or any other Units responsible for matters in relation to internal audit.
3. Conduct reviews to ensure that the Company has complied with the Law on Securities and The Stock Exchange of

Thailand and the Laws relating to the Company's business.

4. Make considerations on the selection and nomination for the appointment of an independent person to perform duty as the Company's auditor and proposes remuneration for such person as well as participating in the meeting with the auditor without the Management members taking part in, at least, once a year.
5. Make considerations on connected transactions or transactions which may have a conflict of interest that they are undertaken in accordance with the pertinent Law and Requirements of The Stock Exchange of Thailand and to ensure that they are reasonable and optimally beneficial to the Company.
6. Review to ensure that the company has an adequate risk management system.
7. Review the Company's compliance with anti-corruption measures.
8. Report the performance of the Audit Committee to the Board of Directors at least 4 times a year.
9. Prepare the Audit Committee Report by disclosing it in the Company's Annual Report. Such Report shall be duly signed by the Chairman of the Audit Committee and must consist of, at least, the following information:

- 1) Opinions on the accuracy and completeness in respect of the reliability of the Company's Financial Report.
- 2) Opinions on the sufficiency of the Company's internal control system
- 3) Opinions on the compliances with the Law on Securities and The Stock Exchange of Thailand, Requirements of The Stock Exchange of Thailand or Laws relating to the Company's business.
- 4) Opinions on the suitability of the auditor.
- 5) Opinions on the transactions which may have the conflict of interest.
- 6) The number of the Audit Committee's meetings and meeting participations of each Audit Committee member.
- 7) The overall opinions or observations received by the Audit Committee from duty performances in accordance with the Charter.
- 8) Other transactions which are in view that the shareholders and investors, in general, should know of, provided that the disclosures of such transactions shall be under the Committee's scope of duties and responsibilities as assigned by the Company's Board of Directors.
10. Review the Audit Committee Charter as necessary and appropriate at least once a year.
11. Perform any other duties as assigned by the Company's Board of Directors with the approval of the Audit Committee.
12. In performing duties of the Audit Committee, if anything should be discovered or should there be any doubts that there are transactions or performances of any acts as follows which may materially affect the Company's financial condition and turnovers, the Audit Committee shall report such occurrence to the Company's Board of Directors to undertake remedial actions within the period of time it deems to be reasonable:
 - 1) Transactions of the conflict of interest.
 - 2) Fraudulent act or an irregularity or critical defect in internal control system.
 - 3) Violation of the Law on Securities and The Stock Exchange of Thailand, Requirements of The Stock Exchange of Thailand or Laws relating to the Company's business.If the Board of Directors or the executives do not take action to make improvements within the specified period. Any member of the Audit Committee may report to the Office of the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET) that there are transactions or actions under the above paragraph
13. In the event that the auditor finds suspicious circumstances that the Chief Executive Officer or the person responsible for the operation of the

company has committed an offense as specified by the law, has informed the facts about such circumstance to the Company's Audit Committee for acknowledgment to continue the inspection without delay and the Audit Committee shall report the results of the preliminary examination to the Office of the Securities and Exchange Commission and the auditor within thirty days from the date of being notified by the auditor about suspicious behavior (under section 89/25 of the law on securities and exchange).

2. The Nomination and Remuneration Committee

As of December 31, 2021, the Nomination and Remuneration Committee consists of 3 Directors as follows:

1. Mr. Sumeth Chailertvanitkul
(Independent Director)
Chairman of the Nomination and Remuneration Committee*
2. Mrs. Pranee Phasipol
(Independent Director)
3. Ms. Aunada Phrutthinarakorn
(Director)

The Nomination and Remuneration Committee consists of 3 Members, at least, and 2-thirds of its total number, at least, must be Independent Members and that an Independent Member shall chair the Nomination and Remuneration Committee to be responsible for setting out the rules and policy on the selecting and determining the

remunerations for Directors of the Board and Subcommittee Members including the scrutiny, selections and nominations of suitable persons to hold positions of the Company's Board of Directors and determining the remunerations of the Directors.

The roles and duties of the Nomination and Remuneration Committee

Recruitment

1. Review the structure of Board of Directors to compatibly suit with the strategic necessity of the Company.
2. Set out the rules and procedures on the scrutiny and selections of persons to hold positions of Directors of the Board, Members in the Subcommittees, Executive Director Chairman, Executive Directors, Chief Executive Officer, High Level Executives and Company Secretary for nominations to the Company Board of Directors and/or submission to Shareholders Meeting for approval, as the case may be.
3. Consider, scrutinizes and screens list of names and personal background of persons to be nominated to be Directors of the Board, Members in the Subcommittees, Executive Director Chairman, Executive Directors, Chief Executive Officer, High Level Executives and Company Secretary in the case of a vacancy for submission to the Company

- Board of Directors Meeting for making considerations on the approval.
4. Disclose the policy and details of scrutiny process in the Company Annual Report.
 5. Set out the rules on performance evaluation of the Company Board of Directors and Chief Executive Officer regularly every year for reporting to the Board of Directors.
 6. Conduct performance evaluation of the Company Board of Directors and Chief Executive Officer regularly every year and report result of the evaluation to the Board of Directors.
 7. Conducts its self-executed performance evaluation regularly every year and reports result of the valuation to the Board of Directors.
3. Initiate actions on the scrutiny and nominates names of persons suitably qualified to hold positions of Directors for the first time and considers work achievements, qualifications and suitability of Directors vacating office on normal expiration of term in office who are suitable for re-elections for submission to the Board of Directors for consideration on the approval and onto the Shareholders Meeting for further appointments.
 4. Make consideration and give recommendation to the Company's Board of Directors as well as conduct monitoring controls and follow ups over the operations relating to the visions and strategy on the aspects of human resources of the Company including the Company Executive development plan.
 5. Assess the Company's turnover in order to set out the procedural guidelines on giving bonus and annual salary increase of the Company by using the suitably industrial standard basis to support the considerations.
 6. Propose recommendations on the Company's salary structure including other fringe benefits.

Remuneration

1. Determine policies and criteria for payment of compensation and other benefits of the Board of Directors, Subcommittees and high level Executives for submission to the Board of Directors Meeting and/or Shareholders Meeting for consideration on the approval, as the case may be.
2. Propose recommendations on the remuneration of the Board of Directors, Subcommittees and high level Executives with the return reasonably suitable to their duties and responsibilities.

7.4 Information on Executive

7.4.1 As of December 31, 2021, the Executive Committee consists of 10 Directors as follows:

1. Ms. Aunada Phruttnarakorn
Chairman of the Executive Committee
2. Mr. Kriangkrai Pheanvitayaskul
Chief Executive Officer
3. Mr. Thanawat Yanisrangkul
Chief Financial Officer
4. Mr. Sirichai Phruttnarakorn
Chief Operation Officer
5. Mr. Vichai Yanisrangkul
Chief Operation Officer
6. Mr. Kuniyoshi Mito
Planning and Design Director
7. Ms. Pornthip Asavachatchanchai
Accounting Division Manager
8. Mrs. Wanida Phruttnarakorn
Finance Division Manager
9. Mr. Phanuphan Jesrichai
Sales & Business Division Manager
10. Ms. Orajid Pheanvitayaskul
Marketing Manager

Remarks: All Directors in the Executive Committee are counted in under the definition of the "Management" of the Company for the purpose of business good corporate governance practice.

The roles and duties of the Executive Committee

The main roles and responsibilities of the Executive Committees involve the usual operations and managements, the specification of policies, plans, budget, management structure and the administration, as well as the operational rules that are required to conform to the economic

conditions. The final role of the board is to present the provided responsibilities to other members during the Board Meeting for the consideration and approval and/or suggest the comments if needed. Additionally, the directors must revise and follow up the operation of the company and make sure if it follows the specified policies. The main role and responsibilities of the Board of Directors could be inferred as follows;

General Policy

1. Manage and administrate the company following to the company's goals, regulations, policies, practices, orders, and resolutions agreed at the Board Meeting, and/or the Extraordinary General Meeting. The meeting management shall rely on the practices and regulations of the Board Meeting.
2. Examine and specify the company's policies, guidelines, strategies, managements, business and financial plans, budget plans, human resource managements, methods of funding and investment, expansion methods, and public relations conforming to the guidelines approved by the Board, as well as control and manage the operations of other nominated sectors with the purpose of fulfilling the achievements.
3. Examine the annual budget plan allocated by the management team before forwarding to the Board for the consideration and approval. The

responsibilities include consider, approve, and revise the annual budget plan during the period that the Board Meeting could not be held. However, the representatives shall present the budget plan at the next meeting.

4. Examine the agenda of all the departments before sending for an approval of the Board.

Authority

1. Possess the authority to approve the transaction, employment, and contract with the credit line not over than 50 million baht (fifty million baht).
2. Possess the authority to approve the transaction of equipment or fixed assets for the regular usage in the business with the credit line not over than 30 million baht (thirty million baht).
3. Possess the authority to approve the bidding and transaction, and the regular operations of the company and chained companies, including the approval of bidding, transaction, and employment that are for the regular usage of the company and chained companies with the credit line not over than 200 million baht (two hundred million baht).
4. Possess the authority to approve the loaning money, the provision of credit, the issue of debt securities, overdraft contract, other bank credits or other financial institutions' or other people under

the regular conditions of the company or other juristic persons involved in the business with the credit line not over than 50 million baht (fifty million baht), including the authority to get the payment guarantee letter for the company's interests with the credit line not over than 50 million baht (fifty million baht).

5. Possess the authority to approve the mortgage and pawning of the company's existing or nearly-existing assets for the loan guarantee with the credit line not over than 50 million baht (fifty million baht).

General Administration

1. Work as a consultant responsible for the financial management, marketing management, human resource, and other operations within the business.
2. Possess the necessary authority to approve the designation of general consultants, including the financial and tax consultants, as well as the authority to specify the appropriate consideration for these employees with the credit line specified on the lists of the transaction, employment and contract above.
3. Possess the authority to appoint the project consultant as appropriate with the credit line not over than 10 million baht (ten million baht); however, the investment and budget plans would be approved by the Board.

4. Specify the company's structures and administration, including the designation, employment, translocation, wage, consideration, bonus of the administrative officers, and dismissal assigned by the Board, as well as examine the appropriate employee's fringe benefits conforming to the conditions, traditions, and legal regulations (the administrative officers could be defined as the employees working under the authority of the board).
5. Perform other responsibilities assigned by the Board.

The directors could not examine and approve any performances involved with the interests of the company, except for the approval conforming to the policies and regulations of the Board, the extraordinary general members and legal regulations. Nonetheless, the Board could cancel, ignore, and revise their authority as appropriate.

Moreover, the executive managing directors, chief executive officer or other employees are approved by the board to perform duties conforming to the specified regulations of the board. Nonetheless, the delegation of authority is considered as successful if the authorized representatives are not against the company's interests.

At the Extraordinary General Meeting 1/2015 on April 22nd, 2015, the authorities and responsibilities of the Chairman of Executive Committees and Chief Executive Officer were concluded and approved as follows;

General Administration

1. Administrate the regular operations and managements of the company.
2. Perform duties following to the policies, plans, and budget plans assigned by the committees and/or the Board and/or the Chairman of Executive Committees.
3. Administrate the operations as an authorized representative, with the awareness of the targets, regulations, policies, commands, resolutions obtained by the Extraordinary General Meeting, and/or Executive Meeting and/or Chairman of Executive Committees' Meeting.
4. Possess the authority to assign particular authority and/or duties towards other employees, which is limited to the regular authority of the Chair and/or depends on the company's practices, regulations, or commands of the Board, and/or the regulations settled by the company. However, the authority assignation is not considered as successful if the authorized representatives are against the company's interests.
5. Follow up and evaluate the company's operations in order to protect risks gained by internal and external factors.
6. Examine the contracts involved in the company's business and interests, including specify the procedures and methods of the contract management

processes with the purposes of present to the Board and/or Committees and/or Chairman of Executive Committees.

Authority

1. Possess the authority to approve the regular transaction of the regular usage in the business with the credit line not over than 10 million baht (ten million baht).
2. Possess the authority to approve the transaction of equipment or fixed assets for the regular usage in the business with the credit line not over than 5 million baht (five million baht).
3. Approve the transaction, regular services and other services of the company, such as the approval of sales, employment contracts for the regular and irregular duties with the credit line not over than 100 million baht (one hundred million baht).

Internal Control

1. Examine and allocate the pension, bonus, and other rewards to the employees, labourers and other staff involved in the business, along with the approval of the committees.
2. Possess the authority to deliberate on the employment, nomination, translocation of positions, sections, departments, and dismissal, as well as salary/bonus/reward/benefit specification of all employees, except for executive officers.
3. Possess the authority to specific regulations, practices, declarations, and

notices in order to fulfil the policies and interests of the company, as well as maintain the organization within the company.

4. Regularly perform other responsibilities assigned by the Committees and the Board.

The Chief Executive Officer could not examine and approve any performance that they are involved with the interests of the company, except for the approval conforming to the policies and regulations of the Board, the extraordinary general members and legal regulations. Nonetheless, the Board could cancel, ignore, and revise their authority as appropriate.

Moreover, the executive managing directors may assign authority towards employees to perform duties conforming to the approved regulations of the board. Nonetheless, the delegation of authority is considered as successful if the authorized representatives are not against the company's interests.

7.4.2 Remuneration Policy for Executive Directors and Executives.

Compensation of executives at all levels is based on performance and performance indicators (KPIs) which are jointly determined by Nomination and Remuneration Committee, Board of Directors and senior management. This metric consists of a financial perspective, customer retention and satisfaction, production process, quality, environment, stakeholders, employee learning and organizational growth In addition, the annual

performance evaluation and the potential of personnel at the leadership and operational levels each year, the Nomination and Remuneration Committee and the Chairman of Executive Committee will consider the salary adjustment of Chief Executive Officer and senior management according to performance such salary adjustment comply with the company's criteria and benchmarks from similar industries each year.

7.4.3 Total remuneration of executive directors and executives.

Monetary Compensation

Monetary compensation of Executives are as follow;

List	2020	2021
No. of Executive	10	10
Total compensation of Executives (Mil. Baht)	24.467	23.998
Type of compensation	Salary /Bonus	Salary /Bonus

Other Compensation

Other Monetary Compensation eg: Provident fund as follows;

List	2020	2021
No. of Executive	10	10
Total (Mil. Baht)	0.606	0.624

7.5 Information on employees

As of 31 December 2021, the group of companies has a number of employees divided by main segments as follows;

1. Local sales total 39 persons
2. Production total 468 persons

3. Office total 165 persons

Total 672 persons

The Company has established a provident fund for the executives and employees of SCI, effective from December 1, 2006 onwards. The conditions for making contributions to the provident fund are as follows:

Total Year of Working (YRS.)	The rate of contributions and benefits
Under 3 yrs.	0
More than 3 yrs. but less than 5 yrs.	30
More than 5 yrs. but less than 8 yrs.	60
More than 8 yrs. but less than 10 yrs.	80
10 yrs. or more	100

In addition, the company has established a provident fund for the management and employees of AG&SCIMT, effective from March 1, 2015 onwards, with the conditions for making contributions to the provident fund, details are as follows:

Total Year of Working	The rate of contributions and benefits
Under 3 yrs.	0
More than 3 yrs. but less than 5 yrs.	30
More than 5 yrs. but less than 7 yrs.	50
More than 7 yrs. but less than 10 yrs.	70
10 yrs. or more	100

In 2021, the company and its subsidiaries has paid compensation to employees in the total amount of

263,704,877 baht, which includes salary, overtime, bonuses, other allowances according to welfare, social security money and contributions to the provident fund, etc.

7.6 Other significant information

7.6.1 List of persons assigned to be responsible for important tasks of the company are as follows:

Company Secretary

At the Extraordinary General Meeting 1/2015 on April 22nd, 2015, it was unanimously resolved that Mrs. Wanida Phrutinarakorn was nominated as the company secretary responsible for administrating the operations of committees, and cooperate with other departments to follow the committees' resolutions. The main roles and responsible required for the company secretary are as follows;

- Consult with the committees about regulations, rules, and practices of the company, as well as follow up with the operations and ensure that they were followed strictly, along with informing any corrections to the committees.
- Arrange the Shareholders Meetings, and the Board of Directors meetings with the awareness of legal regulations, practices and other regulations settled by the company.
- Record the minutes of the Shareholders Meetings and Board Meetings, including follow up with the resolutions settled by these meetings.

- Ensure that the company's data and information reports could be revealed conforming to the practices and regulations of the Stock Exchange and Securities and Exchange Commission.
- Arrange and coordinate with other departments for the committees' activities, including the Board-Committee Orientation.
- Be responsible for the necessary documents, including committee registration form, executive meeting invitation, and minutes of committee meetings, annual reports, shareholders meeting invitation and interest reports of committees and the Board.

In this regard, Mrs. Wanida Phruittanarakorn has the following educational background and training in the field of company secretary:

- Highest educational : Bachelor Degree Faculty of Accountancy, Dhurakij Pundit University
- Experience : Presently Finance Division Manager / Executive Committee and Company Secretary
- IOD Training : Company Secretary Program (CSP 54 /2013).

The qualification of the person holding the position as the company secretary appears in (Attachment 1).

Internal Auditor

The Company has assigned Ms. Romklao Muangyuennan to be the head of the Company's internal audit department, with her history shown in (Attachment 3).

7.6.2 Investor Relation

Contact Information

Ms. Nutchra Asavathavornvanit

Position: Investor Relation

Telephone: 0-23618014

Email: ir@sci-groups.com

7.6.3 Auditor's fee and other service fees

Auditor's Fee

The Company and Subsidiaries Paid the audit fee in the previous accounting year amounting to 3,525,000 million baht, of which the audit fee of the Company was 2,050,000 million baht and that of its subsidiaries amounted to 1,475,000 million baht.

Other Service Fees

The Company and Subsidiaries Pay for other services in the past accounting period, including consulting in accounting and tax to the law firm and property appraisal to a consulting company in the amount of 1,924,105 baht.

8. Report on key operating results on corporate governance

8.1 Summary of duty performance of the Board of Directors in the past year.

In 2021, the Board of Directors has reviewed and formulated the Company's policies, directions and business strategies, including reviewing the vision, mission and goals of the Company's business operations.

8.1.1 Selection, development and evaluation of duty performance of the Board of Directors.

Criteria for selecting independent directors

The Board of Directors appointed and assigned to the Nomination and Remuneration Committee responsible for recruiting and screening suitable persons to be appointed as the company's directors by considering the nominations of shareholders and the director's database that compiles a list of experts in various fields.

The Nomination and Remuneration Committee has set the qualifications of independent directors as follows:

1. Holding shares not exceeding zero-point five percent (0.5%) of the total number of shares with voting rights of the Company, parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, including the shareholding by related persons of such Independent Director.
2. Neither being nor used to being a director participating in work management, employee, staff, advisor drawing a regular

salary, or controlling person of the Company, parent company, subsidiary companies, associated companies, subsidiary companies of the same hierarchy, major shareholder, or controlling person of the Company unless otherwise the aforementioned status have come to an end for a period of not less than 2 years. Provided, however, that such prohibitions shall not include the case where an Independent Director used to be a government official or an advisor to a government organization being the major shareholder or controlling person of the Company.

3. Not being a person related by blood or by legal registration in a manner of being a parent, spouse, sibling and child, including spouse of child, executive, major shareholder, controlling person, or person who will be nominated as an executive or controlling person of the Company or its subsidiary companies.
4. Neither having nor used to having a business relationship with the Company, parent company, subsidiary companies, associated companies, major shareholder, or controlling person of the Company in a manner that may obstruct his independent judgment; and neither being nor used to being an implicitly significant shareholder or a controlling person of the person having the business

relationship with the Company, parent company, subsidiary companies, associated companies, major shareholder, or controlling person of the Company unless otherwise the aforementioned status have come to an end for a period of not less than 2 years.

5. Not being a Director appointed as a representative of the Company's Directors, major shareholder, or shareholders who is related to the major shareholder.
6. Neither operating a business of the same nature and in a manner likely to be an implicit competition with the business of the Company or subsidiary companies; nor being an implicitly significant partner in a partnership, or being a director participating in work management, employee, staff, advisor drawing a regular salary, or holding shares exceeding zero-point five percent (0.5 %) of the total number of shares with voting rights of other companies carrying out business of the same nature and in a manner likely to an implicitly significant competition with the business of the Company or its subsidiary companies.

In this regard, the company has set Independent directors have a term of tenure not exceeding 9 years (or no more than 3 consecutive terms).

Nomination of Directors and Executives

The Company has appointed the Nomination and Remuneration Committee to nominate directors and executives by considering considered from the properties knowledge, ability, experience and time to regularly attend meetings with the Board of Directors. The criteria for selecting directors and executives are as follows:

1. In the selection of directors, the Nominating committee should establish a nomination framework that will ensure the nominated persons will be able to perform their duties with prudence, caution and honesty.
2. For clarity and transparency the Nomination committee should disclose the nominating procedure to shareholders as well as prepare a nomination form stating the information necessary to determine the justification, including the willingness of those who have been nominated in the nomination form as well.
3. Scrutinize and examine the list of candidates to be nominated as directors that they are qualified according to laws and regulations of regulatory agencies such as the Securities and Exchange Act B.E. 2535, etc.
4. In the nomination of directors, the name list should be submitted to the Board for consideration in excess of the number of directors to be nominated to give the Board an opportunity to select the most

suitable director proposed to the shareholders' meeting to consider the number of appointments.

5. In the case of nomination of directors who have expired to be re-appointed should present the Director's work dedication and history of attending the Board of Directors and shareholders' meetings for shareholders to use for consideration as well.
6. In the case of appointing independent directors, the independence of the person who is nominated as an independent director should be considered in accordance with the rules prescribed by the SEC and the company's own criteria.
7. Considering the term of tenure of independent directors if the former independent director will be re-elected for another term. The term of tenure of the independent director should be continued from the date of first being appointed as an independent director, not more than 9 years. There should be a reasonable consideration of such necessity.
8. Arrange for the company orientation officially to new directors before attending the first board meeting.

In this regard, the appointment of directors, the shareholders' meeting will be appointed by a majority vote in accordance with the following rules and procedures.

1. A shareholder has a vote equal to 1 share per 1 vote according to the number of shares holded.
2. In the election of company directors; Method to vote may be used for individual nominees or several nominees at the same time, as the meeting of shareholders deems appropriate. But in voting or having any resolutions, each shareholder will exercise the right according to all the votes he/she has under Clause 1 , but cannot divide his votes to any person to any extent.
3. Voting for the election of directors must be subject to the majority of votes. If there are equal votes, the chairman in the meeting shall have one more casting vote.

Qualification of the Company Director

1. The Company Directors must be the persons who are knowledgeable, capable, and honest with ethics in carrying out business operations and shall have sufficient time to devote their knowledge, abilities and perform duties for the Company.
2. The Company Directors shall possess qualifications and not being subjected to any prohibitions under the Law on Public Limited Company and other related Laws nor any characteristics suggesting the lack of suitability to be entrusted to manage the publicly-held share business as specified under Section 89/3 of the

Securities and Exchange Act, (No. 4), B.E. 2551 (A.D. 2008).

3. The Company Directors are eligible to hold the position of a director in other companies provided, however, that in being the director of such company, it must not hinder the performance of the Company's Director and must be compatible with the guidelines set out by Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Development of the Company's Directors

The company has a policy to encourage directors to develop knowledge continuously to support the operation of the Board more efficient by using the information of the director training program from the Thai Institute of Directors Association (IOD) as criteria (details of the training of each director is in Attachment 1).

Evaluation of the performance of the Board of Directors.

The Company's Board of Directors shall cause to be provided the Annual Performance Evaluation on the Board, Subcommittees both by group and by individual which shall be in the form of self-evaluation method in order that result of such evaluation can be used in the development of duty performances.

Self-Assessment Evaluation Form consists of; Structure and Qualification of the Board of Directors | Roles, duties and responsibilities of the

Board | The Board Meeting | Acting Director | Relationship with Management | Self Development of directors and executive development. The evaluation criteria are as follows.

More than 85% = Excellent / more than 75% = Very good / more than 65% = Good / more than 50% = Fair / less than 50% = should be improved

** Summary of the overall director's self-assessment, most operations the average is in the excellent category, equal to 99.40%.

Assessment of the performance of one's own duties of individual directors in 7 areas: Readiness of Directors | Strategy Formulation and business planning | Risk management and internal control | Preventing conflicts of interest | Monitoring financial and operating reports | Board meetings | other matters.

All directors' opinion that in 2021 the Board of Directors has supervised to determine and complete all 7 aspects.

Assessment of the performance of the Chief Executive Officer (by independent director)

The Board of Directors Organize an annual performance evaluation of Chief Executive Officer By way of assessment from independent directors to provide unbiased assessment results and to help the Chief Executive Officer reviewed the performance during the past year and improve it to increase the efficiency of work.

The Chief Executive Officer Performance Assessment Form consists of ten topics: Leadership | Strategic Formulation | Strategy Implementation | Planning and Financial

Performance | Relationship with the Board | External Relations | Management and Personnel Relationship | Succession Plan | Product and Service Knowledge | Personal Characteristics. The evaluation criteria are as follows.

More than 85% = Excellent / more than 75% = Very good / more than 65% = Good / more than 50% = Fair / less than 50% = should be improved

** Summary of Chief Executive Officer Assessment (by independent directors) , most operations average is in the excellent category, equal to 97.2%.

Successor Management

The company has prepared a succession plan for important positions by dividing job positions into different levels to conduct a potential assessment which covers business, expertise in the field, supporting cooperation and using the Skill Matrix as a framework for evaluating successors and readiness for succession to develop the potential of each ready for succession both in the case of retirement and to support future business expansion.

8.1.2 Meeting attendance and remuneration payment to each Board member

In order to make our business operations being in accordance with the Principle of Good Corporate Governance, the Board of Directors Meetings have been scheduled to take place, at least, 6 times per year and the Board of Directors Meeting without Directors being the Executives to participate in to take place once a year. In the case where there is

an important matter requiring to be reported or to obtain an approval of the Board, an additional meeting will be held in order to enable the Board to monitor controls over the performances of the Management continuously and in a timely manner. In this respect, letters of invitation to the Meeting will be forwarded to the Directors for considerations, at least, 7 days prior to the Meeting. In the case of necessity or urgency and in order to preserve the rights or benefits of the Company, Directors may request for additionally necessary information from the Company Secretary. Chairman and Chief Executive Officer will jointly make considerations on the Meeting Agendas by providing the opportunity to the Directors to propose matters for incorporating with the Meeting Agendas, which in the related Agendas, high level Executives may take part in the Meeting, as well, to give additional information in details.

Each Director is advised that he/she should attend the Meeting of not less than 75% of all number of the Company Board of Directors Meetings held during the year.

In 2021, 8 Company Board of Directors Meetings (7 of the Board of Directors Meeting and 1 of the Board meeting without executive directors), 6 Audit Committee Meetings and 2 Nomination and Remuneration Committee Meetings were held. Details of the Directors' Meeting attendances are as follows:

Name-Surname	Board of Directors Meeting	Board of Directors Meeting (Independent Directors only)	Audit Committee Meeting	Nomination and Remuneration Committee Meeting
1. Mr. Noppol Milinthanggoon	7/7	1/1	-	-
2. Mr. Sumeth Chailertvanitkul	7/7	1/1	-	2/2
3. Ms. Aunada Phruttnarakorn	7/7	-	-	2/2
4. Mr. Kriangkrai Pheanvitayaskul	7/7	-	-	-
5. Mr. Thanawat Yanisrangkul	7/7	-	-	-
6. Mr. Sirichai Phruttnarakorn	7/7	-	-	-
7. Mr. Vichai Yanisrangkul	7/7	-	-	-
8. Mrs. Pranee Phasipol	7/7	1/1	6/6	2/2
9. Mrs. Chattong Tippayakalin	7/7	1/1	6/6	-
10. Ms. Chaovana Viwatpanachati	7/7	1/1	6/6	-

The Annual General Meeting of Shareholders No. 1/21, dated May 13, 2021 approved the remuneration of the Audit Committee and the Nomination and Remuneration Committee in the form of meeting allowances for directors, monthly compensation and special compensation for the directors of the company as follows:

Remuneration of the Board of Directors (Excluded Executive Directors)

1. Board meeting allowance (Only directors attending the meeting)

Chairman	45,000 Baht/Meeting
Director	20,000 Baht/Meeting

2. Monthly Remuneration

Chairman	25,000 Baht/Month
Director	15,000 Baht/Month

Remark: Monthly Directors' Remuneration consider paying at the single highest position.

Remuneration of the Subcommittees (Only directors attending the meeting) consists of the Audit Committee, the Nomination and Remuneration Committee.

Chairman	25,000 Baht/Meeting
Sub-Committees	20,000 Baht/Meeting

Special Remuneration

For a special remuneration of not more than 5,000,000 baht, approved by the general meeting of shareholders.

The Board of Directors authorize the Nomination and Remuneration Committee to consider the allocation. In

2021, the Company paid special remuneration to the Company's directors. Totalling 4,999,999 baht, allocated according to the proportion considered from the meeting. The chairman of the board receives higher remuneration than other directors.

Other Remuneration

-None-

Table showing total remuneration of individual directors in 2021 (Unit : Baht)

Item	Name-Surname	Postion	Meeting Remuneration	Monthly Remuneration	Special Remuneration
1	Mr. Noppol Milinthaggoon	Chairman / Independent Director	315,000.00	300,000.00	1,000,000.00
2	Mr. Sumeth Chailertvanitkul	Chairman of the Nomination and Remuneration Committee / Independent Director	190,000.00	240,000.00	416,667.00
3	Ms. Aunada Phruttnarakorn	Director /Nomination and Remuneration Committee	-	-	416,667.00
4	Mr. Kiangkrai Pheanvitayaskul	Director	-	-	333,333.00
5	Mr. Thanawat Yanisrangkul	Director	-	-	333,333.00
6	Mr. Sirichai Phruttnarakorn	Director	-	-	333,333.00
7	Mr. Vichai Yanisrangkul	Director	-	-	333,333.00
8	Mrs. Pranee Phasipol	Chairman of the Audit Committee/ / Independent Director	330,000.00	240,000.00	666,667.00
9	Mrs. Chattong Tippiyakalin	Audit Committee / Independent Director	260,000.00	180,000.00	583,333.00
10	Ms. Chaovana Viwatpanachati	Audit Committee / Independent Director	260,000.00	180,000.00	583,333.00

8.1.3 Supervision of subsidiaries and associated companies

The Company requires the nomination and exercise of voting rights to appoint individuals to be directors in subsidiaries and associated companies must be approved by the Board of Directors. A person who is appointed as a director in a subsidiary or associated company is responsible for operating in the best interests of the subsidiary or associated company (not to the company) and the company has designated the person who has been appointed must be approved by the Board of Directors before voting or exercise the right to vote on matters of importance that must be approved by the Board of Directors if it is operated by the company itself. In this regard, the sending of directors to be representatives in subsidiaries or associated companies according to the shareholding proportion of the Company.

In addition, in the case of a subsidiary, the company stipulates regulations for persons appointed by the company to must ensure that the subsidiary has regulations on connected transactions, acquisition or disposition of assets or any other important transactions of such companies complete and correct and the rules related to information disclosure and preliminary transactions in the same manner as the Company's rules including to supervise the collection of data and the recording of the subsidiary's accounts for the Company to examine and gathered to prepare consolidated financial statements in time as well.

8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

Prevention of conflicts of interest

The Company has established policy regarding conflict of interest on the basis that every employee must perform their duty for the utmost benefits of the Company. Any action or decision must not be affected by personal interest as well as interest of their family member, relative or any other persons by establishing a comprehensive policy on •

Related transactions: The Company will consider the appropriateness of every related transaction, including price specification and condition of such transactions similar to those made with the external party (arm's length basis) The Company must appoint the Audit and Risk Management Committee to consider its related transactions and such transactions were specified according to the Notice of the Board of Stock Exchange of Thailand with regard to information disclosure and the operation of Listed Company in managing related transactions as well as the Notice of Capital Market Supervisory Board with regard to criteria of related transactions. The Company shall handle such transactions based on criteria, conditions and methods as indicated in the Notice. Moreover, the Company shall also disclose such transactions in its annual report 56-1 Form to ensure its transparency and to solve any problems resulting from possible conflicts of interest.

Other situations that cause conflicts of interest: divided into:

1. General investment : The Company must not allow any of its employees who are also shareholders or any employee who benefit from the Company's competitor or any vendor with whom the Company has business transaction to participate in any decision making with regard to business relation unless the Company gain prior approval from the Board of Directors.
2. Gift receiving Employees at every level must not receive any gifts, tickets, sports tickets or any vacation or hotel vouchers as well as other personal offers if such offer may cause damage or loss to the Company or make the Company lose its benefits.
3. Academic offer, public service duty, lecturer or any other position offer for every employee of the Company must receive prior approval from the director of related department or unit. Nevertheless, employees are allowed to take part in academic institution, public service duty, lecture or any executive position which helps broaden the Company's vision and experience of the employee. However, such employee must not use the Company's name or his/her position for his/her own benefits without prior approval of the Company.

In the past 2021, there were no cases that might causing a conflict of interest with the Company.

Use of inside information to seek benefits

The Company has policies and procedures for auditing directors and executives in using the Company's inside information that has not yet been disclosed to the public for personal gain in securities trading as follows:

1. To educate directors and executives of various departments concerning the duty to report the holding of securities of one's, spouse and minor children to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in accordance with Section 59 and penalties in accordance with Section 275 of the Securities and Exchange Act B.E. 2535.
2. The Company directs the Directors and Executives to make reports to the Securities and Exchange Commission on the change in the possessions of securities in accordance with Section 59 of Securities and Exchange Act, B. E. 2535 (1992) and Office of SEC Notification No. Sor.Jor. 12/2552, Re: Preparation and Disclosure of Report on the Possession of Securities of a Director, an Executive and an Auditor in order to enable the Company to check the securities trading of all Directors and Executives.
3. The Company directs the Directors and Executives perceiving materially internal information having an effect on the change in the price of the securities that they must stop trading the Company's securities

during the period of 1 month before such financial statements or internal information would be disclosed to the general public and that no information being such material substance shall be disclosed to the other persons. In this respect, if any internal information should be found to be used in a manner likely to suggest that the Company or shareholders would be impaired or damaged by an act of any personnel in the level of the Executive Board of Directors, the Company Board of Directors shall be the party to make a consideration in inflicting the punishment as reasonable upon such personnel and if the offender should be in the Management level down the line, the Executive Board of Directors shall be the party to make a consideration in inflicting the punishment upon such offender.

In 2021, there were no directors and executives who traded in securities during the period specified by the company to refrain from trading (the company determined that directors and executives including the department that is involved in important information Refrain from trading in the Company's shares 30 days in advance before the financial statements are published. Including during other important information that directors and executives know that information but that information has not yet been released to investors).

Anti-Corruption Action

The Company has operated in accordance with the anti-corruption policy as follows:

1. The Company communicates to both directors, executives and employees by stipulating that every process is strictly within the legal scope.
2. The company provides a channel for reporting if there is a violation of the policy or seen corrupt acts and protection measures for reporters.

The Company has disclosed details of policies and actions to prevent involvement in corruption on the Company's website. (www.sci-mfgr.com) under the heading of Corporate Governance.

Whistleblowing

The Company has opened channels for to report clues and complaints through the channels provided by the company, via email and telephone. The Audit Committee, which is independent from the management, is considered and has the Audit Committee's secretary is responsible for filtering clues and such complaints together with the Chairman of the Executive Committee.

In 2021, there is no whistleblowing and/or complaints from stakeholders.

8.2 Report of the Audit Committee for the year 2021

The Board of Directors of SCI Electric Public Company Limited has appointed the Audit Committee.

It consists of 3 independent directors who are independent, have knowledge, expertise and experience in finance, accounting, and investment, including knowledge of the Company's business operations. The composition and qualifications are in accordance with the requirements of the Securities and Exchange Commission. The term of office is 3 years. In 2021, there were 6 meetings and a report was prepared and presented to the Board of Directors every time. All the Audit Committee attended the meeting as follows:

Mrs. Pranee Phasipol

: attended the meeting 6/6 times

Mrs. Chattong Tippayakalin

: attended the meeting 6/6 times

Ms. Chaovana Viwatpanachati

: attended the meeting 6/6 times

In 2021, the Audit Committee Independently performed duties as assigned by the Board of Directors in accordance with the Audit Committee Charter and good corporate governance principles. At each meeting, the Company's management internal auditor and auditor attend the meeting to provide information on the relevant agenda including considering issues and exchanging ideas that would be beneficial to the management.

A summary of the key performance of the Audit Committee in the year 2021 is as follows:

1. Review the quarterly and annual financial reports for 2021.

The Audit Committee, together with the management, Internal Audit Department and external auditor, reviewed the quarterly and annual financial report 2021 of SCI Electric Public Company Limited and its subsidiaries by considered the issues of accuracy, completeness and reliability of financial reports as well as important account updates, accounting estimates including considering accounting policy changes and the impact of changes in financial reporting standards to ensure that the Company and its subsidiaries prepare financial accounts in accordance with financial reporting standards and comply with relevant laws, rules, regulations and requirements. The auditor has performed independently in accordance with professional standards and expressed the opinion that the financial statements were prepared properly without conditions.

2. Review the disclosure of connected transactions of the Company and related persons/companies.

The Audit Committee reviewed the disclosure of connected transactions of the Company and related persons/companies and items that may have conflicts of interest to ensure that the Company has complied with the rules and regulations of the Securities and Exchange Commission. From reviewed and confirmed with the management, they did not find any material

irregularities which were carried out in accordance with the general trading conditions. The connected transaction is a normal business transaction of the Company and is reasonable. The disclosure of that is complete and sufficient information by adhering to compliance with the good corporate governance policy.

3. Review the efficiency and effectiveness and supervise the internal control system and internal audit.

The Audit Committee pay attention to the performance of internal audits on the Company and the subsidiaries' operations, utilize resources, monitor property, preventing or minimizing errors, leaks, wastage, fraud, and reliability of financial reports including compliance with company policies, laws and regulations.

The Audit Committee reviewed the performance of the internal auditors in the company by considered the independence of the audit and the performance of work according to the annual audit plan as prescribed as well as provided advice and recommendations on performance to the auditors in accordance with the strategy and direction of the organization to create added value including reviewed the appropriateness of the manpower rate in the organization. The development of knowledge and skills of internal auditors is carried out by assessing the performance of the Internal Audit Department.

From the reviewed the annual assessment of the internal control system according to the guidelines of COSO, the internal auditors are of the opinion

that the Company's internal control are sufficient and effective. However, the management has cooperated in making improvements according to the recommendation of the Audit Committee and the internal audit on an ongoing basis, demonstrates the importance of the Company's internal control.

4. Consideration of the appointment of the auditor for the year 2021.

The Audit Committee has considered the appointment of the auditor for the year 2021 by considering the qualifications, knowledge expertise, the satisfactory results, including considered the independence and turnover of the auditors and also considered appropriate in accordance with the ethics of the auditors. Therefore, the Audit Committee proposed to the Board of Directors for approval at the annual general meeting to appoint 3 auditors for the year 2021 from AST Master Company Limited as detail below;

1. Ms. Nongram Laohaareedilok
Registration No. 4334 OR
2. Mr. Pradit LodLoi Tuk,
Registration No. 218 OR
3. Mrs. Pornthip Lerttanongsak
Registration No. 7633

The audit fee of SCI Electric Public Company Limited was the amount of Baht 2,050,000, included considering the appropriateness of appointing the auditors of subsidiaries in Thailand and abroad.

5. Review of the internal financial control system.

The Audit Committee reviewed the financial internal control system together with the Accounting and Finance Department in case of the accuracy and completeness of the financial reports to compliance with financial reporting standards and structuring the internal control system for financial matters and complying with the established control system. It is deemed that the Company's internal control system is sufficient and effective.

6. Review the risk management.

The Risk Management Committee has given importance to risk management by made an assessment of both internal and external factors, the potential for impacts taking into account the goals and objectives of the company and prepare a risk management plan to prevent and reduce the impact that may occur to business operations to an acceptable level. The Risk Management Committee reported its progress every quarter. The Audit Committee has reviewed the effectiveness and considered the adequacy and appropriateness of risk management which the Company should consider a variety of business management strategies to conform to the changing environment.

7. Meeting with auditors without management.

The Audit Committee held a meeting with the Company's auditor without management to discuss and exchange opinions on important issues in internal control financial reporting, disclosure operational, issues and cooperation from the management which did not appear to have any

unusual issues. The auditors are independent and received good cooperation from the management and staff. The internal control system is sufficient and appropriate.

8. Consider reviewing the Charter of the Audit Committee and the Internal Audit Department.

The Audit Committee reviewed the Audit Committee Charter to ensure that the performance is complete, and the responsibilities are in line with the best practices of the Stock Exchange of Thailand and suitable for business, including considered the internal audit department charter in order to operate in accordance with internal audit standards, which has been reviewed annually.

9. Compliance with laws and regulations.

The Audit Committee reviewed the Company's operations that it complies with the Securities and Exchange Act of Thailand, Regulations of the Stock Exchange of Thailand, related laws related to the Company's business and rules related to the company's business operations. They, together with the Company secretary, the Company has complied with the relevant laws and regulations.

10. Review of Anti-Corruption Measures.

The Audit Committee reviewed the Company's compliance with anti-corruption policy as well as approve the improvement of the whistleblowing and complaints policy by provide clear guidelines.

11. Evaluation of the Audit Committee's performance.

The Audit Committee determined the performance evaluation of the entire Audit Committee every accounting period to ensure that the performance

of the Audit Committee is effective, effectiveness and achieve the objectives according to the Charter and as assigned by the Board of Directors. In 2021, the results of the performance appraisal of the Audit Committee is that they has performed its duties completely and adequately.

In conclusion, the Audit Committee has performed the duties and responsibilities stated in the Audit Committee Charter by used knowledge caution, prudence and independence as well as giving opinions and suggestions creatively for equal benefits to stakeholders. The Audit Committee's opinion of the Company's financial reports is accurate, reliable and disclose sufficient information in accordance with financial reporting standards. The Company has complied with the law, various obligations related to business operations including good corporate governance. There is adequate risk management, an appropriate and effective internal control and audit system.



Sign

(Mrs. Pranee Phasipol)

Chairman of the Audit Committee

9. Internal control and related party transactions

9.1 Internal Control

The Company realises the importance of good internal control. The Audit Committee assigned the Internal Audit Department to assess the sufficiency and the suitability of the internal control system every year in order to effectively operate in accordance with the goals, objectives, laws and related requirements. At the meeting No. 6/21, dated 14 December 2021, the Audit Committee jointly considered the evaluation of various aspects of the internal control system according to the framework of internal control guidelines and risk management (The Committee of Sponsoring Organization of the Treadway Commission (COSO) of 5 components, which can be summarized as follows:

1. Control Environment

- The Company have the good internal control environment, which is suitable for business efficiency and effectiveness by established policies and protocol in writing as well as having a clear and appropriate action plan, control and supervision.
- Adhere to the philosophy and business ethics. Codes of Conduct have been prepared as guidelines for directors, executives and all employees.
- Set up an organizational structure that is appropriate and consistent with the business strategy. Authorizations, duties

and responsibilities are in writing by defining the Table of Authority to limit the scope of powers of the Board of Directors and Executive Directors. Annual work plans and Key Performance Indicators (KPIs) have been established to guide employees' actions and used for regularly monitor performance against targets including reviewing annual goals.

- Encourage the assessment of personnel's aptitude to promote the development of knowledge and ability to work according to the annual personnel development plan. The annual manpower rate is reviewed to align with the direction of the business. There are plans and processes for recruiting important successors (Succession Plan).

2. Risk Assessment

- The Company realises the importance of risk management. It considers risk management to be an essential component of every business process. There is a risk assessment at all levels. The level of risk is identified to reduce the severity and likelihood of an incident in order to be at an acceptable level (Risk Appetite). An Enterprise Risk Management Committee has been set up to monitor and evaluate the overall risk management action for maximum benefit.

3. Control Activity

- The Company has adequately assessed risks and control activities throughout the organization. It provides both manual and automated controls such as production orders, purchasing and accounting through Mac 5.
- The written policies, regulations, requirements, orders, plans and procedures are set and be used in the operation. The policies are review and communication to all employees annually.
- The scope of authority and approval authority of the executives are clearly defined in writing. There is a table that separates the duties to ensure that there is an effective check and balance (Check & Balance) as a guideline for transparency.

4. Information & Communication

- There is communication throughout the organization for employees to receive complete information through various channels such as the Sustainable House Board, the Company's line and the electronic mail (E-mail).
- Schedule the delivery of meeting documents to the committee before the meeting for discuss with the management.
- There is a channel for comments, complaints and whistleblowing.

5. Monitoring & Evaluation

- Performance comparison of goals is reported to the management every month to achieve goals and objectives.
- Internal Audit Section regular reviewed the internal control assessment in order to make improvements in a timely manner and report to the Audit Committee every quarter. From the reviewed, we do not find any significant issues or flaws and are consistent with the opinion of the auditor, who is the auditor of the quarterly and annual financial statements of the Company.

9.2 Related Transaction

9.2.1 Information on related party transactions of the Company and Subsidiary with the group of persons who may have a conflict of interest.

The Company enter into transactions with persons or juristic person of potential conflicts. The connected transactions are transactions with shareholders and/or executives of the Company, including transactions with related companies that have persons who may have conflicts of interest as shareholders and/or management.

The connected transaction can summaries the nature of the relationship as follows;

Connected transaction between SCI Electric Public Company Limited and Subsidiaries

1. Ajikawa & SCI Metal Tech Co., Ltd. ("SCIMT")

Item Characteristics	Necessity/ Reasonableness/ Opinion of Audit Committee	Transaction Values
<u>Purchased of goods and services</u> SCI purchased hot-dip galvanized service, a part of the production process, and purchased semi-finished goods that are component for cable tray, as well as purchased finished goods in the event that the goods cannot produced in time. The purchase price is the cost-plus margin.	The transactions occurred as necessary in the course of normal business operations as part of the manufacturing process of the cable tray. The price of the transaction is not lower than the incurred cost.	<ul style="list-style-type: none"> • Purchased Baht 87.27 million • Trade account payable Baht 28.07 million
<u>Other income - Rental</u> SCI let the subsidiaries lease Udomsuk's office space to be the sales representative office and also leases land at Phanthong District, a part of subsidiary's factory. The rental rate is comparable to market price.	The transactions are reasonable as it uses the space in the group to benefit. The rental charged is not lower than the market price.	<ul style="list-style-type: none"> • Land rental and office rental Baht 3.48 million • Other receivables Baht 0.87 million
<u>Other income – Management fee</u> SCI provides various transaction management services. The income is calculated from cost plus margin.	The transaction is reasonable due to the use of experienced human resources in management. The price charged is not lower than the cost.	<ul style="list-style-type: none"> • Management fee Baht 4.20 million • Other receivables Baht 2.06 million
<u>Loan to subsidiaries</u> SCI provides loan to repay bank's borrowing and to support the cash flow operation. The interest rate is 2.50% per annum, calculated from the bank deposit interest rate plus margin because SCI has no borrowing at the time of lending. However, the interest rate applied in the SCI's financial statement has been adjusted to the market rate to comply with TFRS9 since 1 January 2020.	The transactions are reasonable as it provided financial support to manage the subsidiary's cash flow and also reduce the Group's financial cost.	<ul style="list-style-type: none"> • Loan to subsidiary Brought forward Baht 72.00 million Repayment Baht (12.00) million Carried forward Baht 60.00 million • Interest income Baht 1.64 million • Interest receivable Baht 0.13 million

2. Tad Salen Power Co., Ltd. ("TSL")

Item Characteristics	Necessity/ Reasonableness/ Opinion of Audit Committee	Transaction Values
<u>Other income – Management fee</u> SCI provides various transaction management services. The income is calculated from cost plus margin.	The transaction is reasonable due to the use of experienced human resources in management. The price charged is not lower than the cost.	• Management fee Baht 0.60 million • Unearned income Baht 0.48 million
<u>Loan to subsidiaries</u> SCI provides loan to repay bank's borrowing and to support the cash flow operation. The interest rate is 2.50% per annum, calculated from the bank deposit interest rate plus margin because SCI has no borrowing at the time of lending. However, the interest rate applied in the SCI's financial statement has been adjusted to the market rate to comply with TFRS9 since 1 January 2020.	The transactions are reasonable as it provided financial support to manage the subsidiary's cash flow and also reduce the Group's financial cost.	• Loan to subsidiary Brought forward Baht 119.01 million Repayment Baht (9.00) million Carried forward Baht 110.01 million • Interest income Baht 2.96 million

3. SCI Metal Tech Co., Ltd. (Myanmar) ("SCIMT MM")

Item Characteristics	Necessity/ Reasonableness/ Opinion of Audit Committee	Transaction Values
<u>Loan to subsidiaries</u> SCI provides loan to repay bank's borrowing and to support the cash flow operation. The interest rate is 2.50% per annum, calculated from the bank deposit interest rate plus margin because SCI has no borrowing at the time of lending. However, the interest rate applied in the SCI's financial statement has been adjusted to the market rate to comply with TFRS9 since 1 January 2020.	The transactions are reasonable as it provided financial support to manage the subsidiary's cash flow and also reduce the Group's financial cost.	• Loan to subsidiary Brought forward Baht 25.73 million Addition Baht 5.64 million Carried forward Baht 31.37 million • Interest income Baht 0.74 million • Interest receivable Baht 1.40 million
<u>Other receivable – Advance receivable</u> SCI offers advances payment due to the restriction on withdrawing money transfer to outside Myanmar. Therefore, this makes it difficult to disburse some expenses such as banks fee and executive travel expenses that were paid in Thailand.	The transactions are necessary in order for the subsidiary to be able to operate according to the specific plans.	• Advance receivable Baht 7.32 million

4. Interasia Trading Co., Ltd. (“Inter”)

Item Characteristics	Necessity/ Reasonableness/ Opinion of Audit Committee	Transaction Values
<u>Other income - Rental</u> SCI let the subsidiaries lease Udomsuk’s office space to be the registered office. The rental rate is comparable to market price.	The transactions are reasonable as it uses the space in the group to benefit. The rental charged is not lower than the market price.	• Office rental and office rental Baht 0.06 million
<u>Other income – Management fee</u> SCI provides various transaction management services. The income is calculated from cost plus margin.	The transaction is reasonable due to the use of experienced human resources in management. The price charged is not lower than the cost.	• Other receivables Baht 1.36 million
<u>Loan to subsidiaries</u> SCI provides loan to repay bank’s borrowing and to support the cash flow operation. The interest rate is 2.50% per annum, calculated from the bank deposit interest rate plus margin because SCI has no borrowing at the time of lending. However, the interest rate applied in the SCI’s financial statement has been adjusted to the market rate to comply with TFRS9 since 1 January 2020.	The transactions are reasonable as it provided financial support to manage the subsidiary’s cash flow and also reduce the Group’s financial cost.	• Loan to subsidiary Brought forward Baht 40.00 million Addition Baht 10.00 million Repayment Baht 10.00 million Carried forward Baht 40.00 million • Interest income Baht 1.12 million

Connected transaction between SCI Metal Tech (Myanmar) Company Limited and Subsidiaries in the Group

1. Ajikawa & SCI Metal Tech Co., Ltd. (“SCIMT”)

Item Characteristics	Necessity/ Reasonableness/ Opinion of Audit Committee	Transaction Values
<u>Purchased assets and goods</u> SCIMT MM purchased steel structures and provides installation services for the construction of factory plant according to the specific design during the construction phase and purchased some productions supplies required for the manufacturing process. The price is the cost-plus margin.	The transactions are necessary for the construction of factory plant according to the specific design, which SCIMT is an experienced. In addition, the selling price is not lower than the cost incurred.	• Purchased goods and service Baht 0.06 million • Trade account payable Baht 4.32 million
<u>Sale of goods – Raw material</u> SCIMT MM sold zinc, raw material for hot-dip galvanized, due to the surplus stock and increasing the financial liquidity of SCIMT MM. The selling price is reference price according to the market price.	The transaction is necessary in order to allocate the available resources for the benefit and to increase the liquidity of SCIMT MM. In addition, the selling price between them is the reference market price	• Sale of goods Baht 9.29 million
<u>Other income – Accounting service fee</u>	The transaction is necessary for the subsidiary to prepare the financial statement accurately	• Other receivables Baht 1.36 million

SCIMT MM does not have the experience accounting staff who can preparing the financial statements. Therefore, SCIMT assist in preparing the financial statements and also train the accounting staff. The service rate is cost plus margin.	and in time for tax filling and for the group consolidated reporting. The rate charged is not lower than the cost.	
<u>Other receivable – Advance payable</u> SCIMT MM have the restriction on withdrawing money transfer to outside Myanmar. Therefore, this makes it difficult to disburse some expenses such as the executive travel expenses that were paid in Thailand and allowance for Thai's staff who went to work at Myanmar.	The transactions are necessary in order for the subsidiary to be able to operate according to the specific plans.	• Other receivable – Advance payable Baht 1.56 million

2. Interasia Trading Co., Ltd. (“Inter”)

Item Characteristics	Necessity/ Reasonableness/ Opinion of Audit Committee	Transaction Values
<u>Purchased of goods – Raw material</u> SCIMT MM provides Inter as a standard supplier of raw material trader who compare the price to find the appropriate price of purchased. The selling price is the cost-plus margin.	The transactions are necessary in order to alleviate the burden of procuring raw material that meet the quality standards and reasonable prices. The selling prices are not lower than the incurred cost.	• Trade account payable Baht 53.17 million
<u>Sale of goods – Raw material</u> SCIMT MM sold zinc, raw material for hot-dip galvanized, due to the surplus stock and increasing the financial liquidity of SCIMT MM. The selling price is reference price according to the market price.	The transaction is necessary in order to allocate the available resources for the benefit and to increase the liquidity of SCIMT MM. In addition, the selling price between them is the reference market price	• Sale of goods Baht 11.12 million

Connected transaction between Interasia Trading Company Limited and Subsidiaries in the Group

1. Ajikawa & SCI Metal Tech Co., Ltd. (“SCIMT”)

Item Characteristics	Necessity/ Reasonableness/ Opinion of Audit Committee	Transaction Values
<u>Sale of goods – Raw material</u> Inter sold zinc, raw material for hot-dip galvanized, due to the surplus stock and increasing the financial liquidity of SCIMT MM. The selling price is reference price according to the market price.	The transaction is necessary in order to allocate the available resources for the benefit and to increase the liquidity of SCIMT MM. In addition, the selling price between them is the reference market price	Sale of goods Baht 11.12 million

9.2.2 Measures and procedures for approving the related transactions

The Company has measures to protect shareholders by stipulating measures to control inter-company transactions or subsidiaries with persons who may have conflicts of interest, having a stake or may have a conflict of interest in the future according to the announcement of the Securities and Exchange Commission of Thailand (SET). The connected transactions must take into account the company's best interests, the fairness, the justification of the transaction, and in accordance with the normal market prices. The consideration of the related transactions between the Company and the persons who might have conflict of interest and are a shareholder or the management of such company, such shareholder or such management shall not take part in the approval process. The related transaction must be approved by both the Audit Committee and Board of Directors.

9.2.3 Policy and Trend of Related Transaction in the Future

The policy for approval of related party transactions will be in accordance with the procedure that must be considered by the Board of Directors and the Audit Committee. The criteria used as a guideline is that related businesses must offer products or services that meet standards or market prices, not beneficial to related parties which may result in transfer of benefits to those who have conflicts of interest with the company. The connected transactions that may occur in the future, the Company shall comply with the laws concerning securities and stock exchange and the regulations, announcement, orders and requirements of the Stock Exchange of Thailand as well as to comply with the requirement concerning the disclosure of the related transactions and the acquisition and disposal of the material assets of the Company including compliance with the accounting standards specified by the Accountants and the Certified Public Auditors Association of Thailand and Federation of Accounting Professional.

The trend of connected transactions will be the sales of related products and services and intercompany loan to help finance the business operations, which is considered a normal transaction. However, if there is a related transaction of the Company with a person who might have conflict of interest or the stakeholder or who might have conflict of interest in the future, the Company shall appoint the Audit Committee to give opinion on necessary and reasonableness of such transaction and appropriateness of price of the items so as to be in accordance with the general market price and with the conditions that is not difference from other third parties. In addition, the Company shall disclose the related transactions in the note to the financial statement, which has been audited by the auditors of the Company.

Shareholders can view information on connected transactions of the Company for the past 3 years from the annual report or form 56-1 on the Company's website. (www.sci-mfgr.com) Title Investor Relations/Publication.

Part 3
Financial Statements

Statement of financial position, Operating results and Cash flow
of SCI Electric Public Company Limited and its subsidiaries
and separate businesses of SCI Electric Public Company Limited
As at 31 December 2021

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

EXPRESSED IN THAI BAHT

Independent Auditor's Report

To the Board of Directors and Shareholders of **SCI Electric Public Company Limited**

Opinion

I have audited the accompanying consolidated financial statements of **SCI Electric Public Company Limited and its subsidiaries** ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of **SCI Electric Public Company Limited** for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **SCI Electric Public Company Limited and its subsidiaries** and of **SCI Electric Public Company Limited** as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Nongram

Key audit matters and how audit procedures respond for each matter are described below.

The ability to repay the outstanding of trade receivables and unbilled completed works from a receivable, totaling net amount of approximately Baht 672.33 million

Refer to Notes 9 and 10 of the financial statements, as at 31 December 2021, the Company has trade receivables and unbilled completed works relating to the long-term construction service contract with a government agency in a foreign country ("the employer"), totaling net amount of approximately Baht 672.33 million accounted for 21.38% and 27.61% of total assets in the consolidated and separate statement of financial position, respectively. During 2018, the service rendered under the construction contract was suspended due to the change in project's plan of the employer and does not have any progress on such matter from past to present and the employer has delayed the payments under the contract. Therefore, management has estimated the allowance for expected credit losses of Baht 350.92 million. I focused on this area because the estimation of the probability of default and amount to be collected from such receivable involved of significant management's judgement and assumptions.

My procedure in relation to the assessment of the reasonableness of the estimation of the probability of default and amount to be collected from such receivable included:

- Inquired management regarding the progress and follow up of the long overdue receivable and unbilled completed work, including understood the management's discretion in considering the opportunity of the recoverable of such outstanding balances. Reviewed the management's reasonableness in assessing feasibility of the project and expected year of the payments from trade receivables and unbilled completed works.
- Sent receivable confirmation and subsequent payments from such receivable (if any) or verification of any evidence indicating that the employer accept the debt with the Company, such as the service contract, work acceptance documents in the past, minutes between the Company and the employer, etc.
- Reconsidered and evaluated the reasonableness of the loss in the past and repayment period of receivable assessed by managements in order to determine whether there are any matters indicating the management's bias in using estimation in the past.
- Inquired management regarding the progress of the change in scope of work of the project, a contract revision and relevant law, minutes between the Company and the employer during the year (if any).
- Assessed the economic environment factors that might affect the repayment of such employer.
- Evaluated the adequacy and appropriateness of the disclosure in financial statements relating to trade receivables and unbilled completed work.

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Impairment on assets of a subsidiary in foreign country in the consolidated financial statements, and impairment on investments in the subsidiary and loans to and interest receivable from the subsidiary in the separate financial statements

Refer to Notes 1 and 15 of the financial statements, the Group's management announced the temporary closure of a subsidiary due to Force Majeure from political situation within the country where the subsidiary operates, This situation has an impact on the operating results of the subsidiary and that the carrying amount of assets may exceed its estimated recoverable amount and therefore may require an impairment loss. The Group's management has considered as indicators of impairment of fixed assets and right-of-use assets of the subsidiary with a net book value as at 31 December 2021, of Baht 389.72 million and Baht 93.08 million, respectively, which was presented as part of property, plant and equipment and right-of-use assets, in the consolidated financial statements, respectively. This is also an impairment indicator on investment in the subsidiary and loans to and interest receivable from such subsidiary in the separate financial statements with the net book value as at 31 December 2021 of Baht 259.75 million, Baht 25.78 million and Baht 1.40 million, respectively. As such, the Group's management has estimated the recoverable amount of such assets for consideration of their losses on impairment. The estimated recoverable amount is based on value in use which is estimated based on management's judgment. It includes key assumptions of forecast cash flows and the selection of appropriate discount rates; therefore, this is an area of focus in my audit.

I understood the evaluation of impairment of such assets with reference to current market situations and its operating environment, my knowledge of the business, and other information obtained during the audit. My procedures also include:

- Understood and evaluated the procedures of the Group's management for measurement of the estimated recoverable amount of fixed assets and right-of-use assets of the subsidiary in the consolidated financial statements, and investment in subsidiary and loans to and interest receivable from such subsidiary in the separate financial statements, including testing and evaluating the reasonableness of assumptions used for plan and forecast future cash flows of the subsidiary by understanding the process to obtain such figures.
- Challenged management's significant assumptions used in the impairment testing, especially the revenues, operating expenditures, capital structure and discount rate. My procedures included comparing those assumptions to the underlying agreements and external and internal sources of information.
- Assessed whether the discount rate applied by the management was within the acceptable range, taking into account independently obtained data from available public information of companies in the industry.
- Evaluated whether the disclosure in the notes to the financial statements is sufficient and appropriate in accordance with the financial reporting standards.

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Revenue recognition

The Group's revenue from sales is considered as a material amount and have direct impact to the Group's profit or loss and it is a key indicator of operating results and to which financial statements users pay attention, including the Group has provided a large number of sales to customers. There is, therefore a risk with respect to the amount and timing of revenue recognition. As a result, I focused on this matter. Accounting policy of revenue recognition and detail of revenue from sales and rendering of services were disclosed in Notes 4.19 and 35 to the financial statements, respectively.

I have examined the revenue recognition by assessing and testing the efficiency of internal controls of the Group with respect to the revenue cycle, and with special consideration giving to expanding the scope of the testing which respond to the accuracy and revenue recognition period in the financial statements of the Group. Applying a sampling method to select sale transactions to assess whether revenue was accurate and appropriate recognized in consistence with the conditions stipulated in relevant document and in compliance with the Group's revenue recognition policy. On a sampling basis, examining supporting documents for actual revenue recognition transactions occurring during the year and near the end of the accounting period. Reviewing credit notes that the Group issued after the period-end. Performing analytical procedures to detect possible irregularities in sales transactions throughout the accounting period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report, but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Nongram Laohaareedilok.

NONGRAM LAOHAAREEDILOK
Certified Public Accountant
Registration No. 4334

AST Master Co., Ltd.
21 February 2022

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		In Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2021	2020	2021	2020
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	8	248,140,808	228,550,205	126,780,546	115,988,209
Trade and other current receivables	9	488,819,961	578,677,417	293,606,985	266,772,929
Unbilled completed works	10	613,493,625	577,222,516	613,493,625	569,890,516
Current portion of long-term loans to related companies	7.2	-	-	15,082,926	14,888,710
Dividends receivable	7.2	-	-	-	37,799,300
Inventories	11	501,564,421	380,863,692	165,883,889	76,089,970
Other current financial assets	12	157,400,035	88,967,920	77,356,536	88,967,920
Non-current non-cash financial assets pledged as collateral	14	16,000,000	-	6,000,000	-
Current tax assets		1,765,114	750,445	1,765,114	750,439
Other current assets		478,006	260,100	145,936	61,203
Total current assets		<u>2,027,661,970</u>	<u>1,855,292,295</u>	<u>1,300,115,557</u>	<u>1,171,209,196</u>
NON-CURRENT ASSETS					
Deposits at banks pledged as collateral	13	100,819,497	100,408,889	95,631,271	95,251,247
Non-current non-cash financial assets pledged as collateral	14	-	16,513,600	-	6,192,600
Investment in subsidiaries	15.1	-	-	603,627,299	626,199,420
Investment in joint ventures	15.2	102,892,634	73,403,193	139,000,000	103,562,500
Long-term loans to related companies	7.2	-	-	188,999,637	198,438,125
Property, plant and equipments	16	595,357,406	581,228,632	97,086,231	105,425,975
Right-of-use assets	17	98,280,599	92,583,951	3,483,948	5,006,752
Right in service concession arrangement	18	204,506,799	186,942,206	-	-
Intangible assets	18	1,518,959	2,267,328	665,555	829,324
Deferred tax assets	19	10,115,140	9,517,978	3,619,979	3,948,308
Income tax refundable	20	750,439	14,240,251	750,439	13,557,046
Other non-current assets		2,916,664	1,000,461	2,217,021	280,821
Total non-current assets		<u>1,117,158,137</u>	<u>1,078,106,489</u>	<u>1,135,081,380</u>	<u>1,158,692,118</u>
TOTAL ASSETS		<u><u>3,144,820,107</u></u>	<u><u>2,933,398,784</u></u>	<u><u>2,435,196,937</u></u>	<u><u>2,329,901,314</u></u>

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phrutinnarakorn) Director

 (Mr. Sirichai Phrutinnarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

		In Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2021	2020	2021	2020
<u>LIABILITIES AND</u>					
<u>SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Short-term loans					
from financial institutions	21	-	20,000,000	-	10,000,000
Trade and other current payables	22	1,208,333,584	965,845,846	855,134,662	722,672,104
Contract liabilities	23	48,974,289	106,059,566	24,233,377	27,626,496
Long-term loans					
from financial institutions					
classified as current liabilities	21	372,109,422	334,305,677	-	-
Current portion of lease liabilities	24	974,909	1,664,320	512,440	1,212,351
Corporate income tax payable		2,478,225	12,244,535	-	-
Total current liabilities		<u>1,632,870,429</u>	<u>1,440,119,944</u>	<u>879,880,479</u>	<u>761,510,951</u>
NON-CURRENT LIABILITIES					
Lease liabilities	24	676,147	1,651,056	602,647	1,115,087
Non-current provisions					
for employee benefit	25	57,180,257	53,740,089	24,660,951	25,784,673
Other non-current provisions	26	5,889,868	5,296,181	-	-
Total non-current liabilities		<u>63,746,272</u>	<u>60,687,326</u>	<u>25,263,598</u>	<u>26,899,760</u>
TOTAL LIABILITIES		<u>1,696,616,701</u>	<u>1,500,807,270</u>	<u>905,144,077</u>	<u>788,410,711</u>

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phrutinarakorn) Director

 (Mr. Sirichai Phrutinarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

		In Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2021	2020	2021	2020
<u>LIABILITIES AND</u>					
<u>SHAREHOLDERS' EQUITY</u>					
<u>(CONTINUED)</u>					
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
750,000,000 common shares,					
Baht 1 par value		<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>
Issued and paid-up share capital					
750,000,000 common shares,					
Baht 1 par value		750,000,000	750,000,000	750,000,000	750,000,000
Share premium		879,037,983	879,037,983	879,037,983	879,037,983
Retained earnings (deficit)					
Appropriated					
Legal reserve		27 29,400,000	29,400,000	29,400,000	29,400,000
Unappropriated		(198,937,405)	(201,964,100)	(128,385,123)	(117,036,620)
Differences from changes in					
shareholding proportion					
		5,848,967	5,848,967	-	-
Other components of equity					
		<u>(18,772,337)</u>	<u>(32,893,936)</u>	<u>-</u>	<u>89,240</u>
Total equity attributable to					
the parent company					
		1,446,577,208	1,429,428,914	1,530,052,860	1,541,490,603
Non-controlling interests					
		<u>1,626,198</u>	<u>3,162,600</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,448,203,406</u>	<u>1,432,591,514</u>	<u>1,530,052,860</u>	<u>1,541,490,603</u>
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY					
		<u>3,144,820,107</u>	<u>2,933,398,784</u>	<u>2,435,196,937</u>	<u>2,329,901,314</u>

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phruttnarakorn) Director

 (Mr. Sirichai Phruttnarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2021	2020	2021	2020
Revenues					
		1,443,889,158	1,326,634,451	448,205,278	460,827,839
		125,345,825	74,623,617	114,177,846	19,128,839
	29	56,977,004	10,062,179	33,502,129	61,296,365
		1,626,211,987	1,411,320,247	595,885,253	541,253,043
Expenses					
		1,314,865,196	1,144,061,508	373,322,709	371,802,358
		122,282,656	67,279,930	112,954,445	16,096,266
		39,707,354	39,734,111	22,260,382	20,941,505
		120,806,440	131,154,767	77,047,860	84,434,487
	30	838,749	2,889,537	23,458,463	188,451
		15,872	(162,926)	59,371	(162,926)
	31	1,598,516,267	1,384,956,927	609,103,230	493,300,141
Profit (loss) from operating activities		27,695,720	26,363,320	(13,217,977)	47,952,902
		(15,951,674)	(20,669,663)	(279,716)	(247,393)
	32	1,229,062	(170,811,981)	2,144,079	(178,733,722)
	15.2	(5,948,059)	(4,722,739)	-	-
Profit (loss) before income tax					
		7,025,049	(169,841,063)	(11,353,614)	(131,028,213)
	33	(5,426,815)	(13,119,466)	(279,489)	1,037,486
Profit (loss) for the years		1,598,234	(182,960,529)	(11,633,103)	(129,990,727)
Other comprehensive income:					
Items to be reclassified to					
profit or loss in subsequent years					
		(174,891)	47,360	(89,240)	(6,595)
		14,616,572	2,903,128	-	-
Total items to be reclassified to					
		14,441,681	2,950,488	(89,240)	(6,595)

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phrutinarakorn) Director

 (Mr. Sirichai Phrutinarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Items not to be reclassified to profit or loss in subsequent years					
Actuarial gain (loss)		(428,023)	-	284,600	-
Other comprehensive income for the year		14,013,658	2,950,488	195,360	(6,595)
Total comprehensive income for the years		<u>15,611,892</u>	<u>(180,010,041)</u>	<u>(11,437,743)</u>	<u>(129,997,322)</u>
Profit (loss) for the years attributable to:					
Equity holders of the parent		3,454,718	(180,639,059)	(11,633,103)	(129,990,727)
Non-controlling interests		(1,856,484)	(2,321,470)	-	-
Profit (loss) for the years		<u>1,598,234</u>	<u>(182,960,529)</u>	<u>(11,633,103)</u>	<u>(129,990,727)</u>
Total comprehensive income for the years attributable to:					
Equity holders of the parent		17,148,294	(177,788,133)	(11,437,743)	(129,997,322)
Non-controlling interests		(1,536,402)	(2,221,908)	-	-
Total comprehensive income for the years		<u>15,611,892</u>	<u>(180,010,041)</u>	<u>(11,437,743)</u>	<u>(129,997,322)</u>
Basic (earning) loss per share attributable to equity holders of the parent					
Profit (loss) per share (Baht per share)	34	<u>0.005</u>	<u>(0.241)</u>	<u>(0.016)</u>	<u>(0.173)</u>
Weighted average number of common shares (share)		<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phrutthinarakorn) Director

 (Mr. Sirichai Phrutthinarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

In Baht											
Equity attributable to the parent company											
	Issued and paid-up capital	Share premium	Retained earnings (deficit)		Differences from changes in shareholding proportion	Other components of equity			Total equity of the parent	Non-controlling interests	Total shareholders' equity
			Appropriated for legal reserve	Unappropriated		Investments	Differences on translating financial statements	Total other components of shareholders' equity			
Balance as at 1 January 2020	750,000,000	879,037,983	29,400,000	(6,325,041)	5,848,967	127,531	(35,872,393)	(35,744,862)	1,622,217,047	5,385,208	1,627,602,255
Dividend paid (Note 28)	-	-	-	(15,000,000)	-	-	-	-	(15,000,000)	(700)	(15,000,700)
Loss for the year	-	-	-	(180,639,059)	-	-	-	-	(180,639,059)	(2,321,470)	(182,960,529)
Other comprehensive income for the year	-	-	-	-	-	47,360	2,803,566	2,850,926	2,850,926	99,562	2,950,488
Total comprehensive income for the year	-	-	-	(180,639,059)	-	47,360	2,803,566	2,850,926	(177,788,133)	(2,221,908)	(180,010,041)
Balance as at 31 December 2020	<u>750,000,000</u>	<u>879,037,983</u>	<u>29,400,000</u>	<u>(201,964,100)</u>	<u>5,848,967</u>	<u>174,891</u>	<u>(33,068,827)</u>	<u>(32,893,936)</u>	<u>1,429,428,914</u>	<u>3,162,600</u>	<u>1,432,591,514</u>
Balance as at 1 January 2021	750,000,000	879,037,983	29,400,000	(201,964,100)	5,848,967	174,891	(33,068,827)	(32,893,936)	1,429,428,914	3,162,600	1,432,591,514
Profit (loss) for the year	-	-	-	3,454,718	-	-	-	-	3,454,718	(1,856,484)	1,598,234
Other comprehensive income for the year	-	-	-	(428,023)	-	(174,891)	14,296,490	14,121,599	13,693,576	320,082	14,013,658
Total comprehensive income for the year	-	-	-	3,026,695	-	(174,891)	14,296,490	14,121,599	17,148,294	(1,536,402)	15,611,892
Balance as at 31 December 2021	<u>750,000,000</u>	<u>879,037,983</u>	<u>29,400,000</u>	<u>(198,937,405)</u>	<u>5,848,967</u>	<u>-</u>	<u>(18,772,337)</u>	<u>(18,772,337)</u>	<u>1,446,577,208</u>	<u>1,626,198</u>	<u>1,448,203,406</u>

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phruttinarakorn) Director

 (Mr. Sirichai Phruttinarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	In Baht				
		Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of equity Investments
				Appropriated for legal reserve	Unappropriated	
						Total shareholders' equity
Balance as at 1 January 2020		750,000,000	879,037,983	29,400,000	27,954,107	95,835
Dividend paid	28	-	-	-	(15,000,000)	-
Loss for the year		-	-	-	(129,990,727)	-
Other comprehensive income for the year		-	-	-	-	(6,595)
Total comprehensive income for the year		-	-	-	(129,990,727)	(6,595)
Balance as at 31 December 2020		<u>750,000,000</u>	<u>879,037,983</u>	<u>29,400,000</u>	<u>(117,036,620)</u>	<u>89,240</u>
Balance as at 1 January 2021		750,000,000	879,037,983	29,400,000	(117,036,620)	89,240
Loss for the year		-	-	-	(11,633,103)	-
Other comprehensive income for the year		-	-	-	284,600	(89,240)
Total comprehensive income for the year		-	-	-	(11,348,503)	(89,240)
Balance as at 31 December 2021		<u>750,000,000</u>	<u>879,037,983</u>	<u>29,400,000</u>	<u>(128,385,123)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phrutinarakorn) Director

 (Mr. Sirichai Phrutinarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
		7,025,049	(169,841,063)	(11,353,614)	(131,028,213)
	Profit (loss) before income tax income (expense)				
	Adjustment to reconcile profit (loss) to net cash provided by (used in) operating activities				
	Unrealized (gain) loss on foreign exchange rate	175,808	313,186	(529,525)	390,243
	(Gain) loss on disposal of investments				
12	in opened-end fund and general fixed income fund	(452,586)	115,032	(393,547)	113,778
	(Gain) loss on adjustment in fair value of investments				
12	in opened-end fund and general fixed income fund	15,872	(162,926)	59,371	(162,926)
7.3	Dividend income from a subsidiary	-	-	-	(37,799,300)
14	Amortized of premium of government bond	294,610	307,200	81,282	84,756
	Allowance for impairment of investment				
15.1	in a subsidiary	-	-	23,400,000	-
15.2	Gain on disposal of investment in a joint venture	-	(723,217)	-	-
	Share of loss from investment				
15.2	in joint ventures	5,948,059	4,722,739	-	-
16	Depreciation of plant and equipments	43,342,622	42,246,282	9,828,032	9,866,315
17	Depreciation of right-of-use assets	3,135,651	3,190,300	741,641	842,381
	Loss on disposal equipments	838,749	306,160	58,463	74,673
	Loss on disposal right in service concession arrangement	8,843,088	-	-	-
	Amortization on intangible assets				
18	and right in service concession arrangement	10,087,411	10,538,283	163,769	197,610
20	Write-off income tax refundable	844,808	-	829,546	-
21	Amortization of bank fee	315,063	387,017	-	-
	Interest expense	15,636,611	20,282,646	279,716	247,393
25	Non-current provisions for employee benefit	8,861,153	8,843,434	3,363,569	4,022,814
29	Interest income	(1,756,094)	(2,216,716)	(13,844,763)	(14,579,852)
	(Gain and reversal of impairment loss)				
32	impairment loss on financial assets	(1,229,062)	170,811,981	(2,144,079)	178,733,722
	Profit from operating activities				
	before change in operating assets and liabilities	101,926,812	89,120,338	10,539,861	11,003,394
	(Increase) decrease in operating assets				
	Trade and other current receivables	96,973,230	(132,439,489)	(18,998,988)	(57,508,264)
	Unbilled completed work	26,047,644	(2,594,271)	18,715,644	(19,128,839)
	Inventories	(120,700,729)	(42,199,852)	(89,793,919)	(12,500,296)
	Other current assets	(217,906)	60,476	(84,733)	42,878
	Other non-current assets	(1,916,203)	276,958	(1,936,200)	185,089
	Increase (decrease) in operating liabilities				
	Trade and other current payables	160,025,577	32,806,538	63,855,701	46,716,695
	Contract liabilities	(57,085,277)	83,980,646	(3,393,119)	23,717,097
	Cash received (paid) from operating activities	205,053,148	29,011,344	(21,095,753)	(7,472,246)

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phrutthinarakorn) Director

 (Mr. Sirichai Phrutthinarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
(CONTINUED)					
Interest received		937,189	2,748,124	745,422	2,530,599
Income tax paid		(17,404,672)	(3,256,146)	(1,765,114)	(750,439)
Income tax received	20	13,395,449	3,633,141	12,727,500	-
Payment for non-current provisions for employee benefit	25	(5,956,014)	(2,719,579)	(4,131,541)	(929,496)
Net cash provided by (used in) operating activities		196,025,100	29,416,884	(13,519,486)	(6,621,582)
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in deposits at banks pledged as collateral		(410,608)	(17,406,001)	(380,024)	(17,352,849)
Cash received from loans to related companies	7.2	-	-	37,234,046	23,338,599
Cash received from disposal of other current financial assets	12	230,777,157	316,199,878	138,178,118	299,321,454
Proceeds from disposal of equipments		65,327	-	65,327	-
Proceeds from disposal of right in service concession arrangement		236,610	-	-	-
Dividend received		-	-	37,799,300	21,599,600
Cash received from disposal in investment in joint venture	15.2	-	15,000,000	-	15,000,000
Cash paid for purchase of other current financial assets	12	(297,818,075)	(297,023,087)	(125,278,075)	(286,023,087)
Cash paid for loans to related companies	7.2	-	-	(14,808,890)	(36,698,920)
Cash paid for addition investment in subsidiaries	15.1	-	-	(827,879)	(7,164,694)
Cash paid for addition investment in joint ventures	15.2	(35,437,500)	-	(35,437,500)	-
Cash paid for intangible assets	18	(881)	(228,258)	-	(31,308)
Cash paid for acquisition of right-of-use assets (supplement disclosure of cash flows information)		-	(481,924)	-	(481,924)
Cash paid for acquisition of property, plant and equipments (supplement disclosure of cash flows information)		(15,919,235)	(16,796,750)	(740,533)	(2,263,108)
Cash paid for acquisition of right in service concession arrangement (supplement disclosure of cash flows information)		(12,662,610)	-	-	-
Net cash provided by (used in) investing activities		(131,169,815)	(736,142)	35,803,890	9,243,763

The accompanying notes are an integral part of these financial statements.

 (Ms. Aunada Phruttinarakorn) Director

 (Mr. Sirichai Phruttinarakorn) Director

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from short-term loans					
from financial institutions	21	20,000,000	20,000,000	10,000,000	10,000,000
Cash paid for short-term loans					
from financial institutions	21	(40,000,000)	-	(20,000,000)	-
Cash paid for long-term loans					
from financial institutions	21	-	(3,282,980)	-	-
Cash paid for lease liabilities	24	(1,664,320)	(1,755,285)	(1,212,351)	(1,313,586)
Cash paid for finance costs		(4,531,326)	(9,275,199)	(279,716)	(247,393)
Dividend paid	28	-	(15,000,700)	-	(15,000,000)
Net cash used in financing activities		(26,195,646)	(9,314,164)	(11,492,067)	(6,560,979)
Differences on translating of the financial statements		(19,069,036)	2,710,232	-	-
Net increase (decrease) in cash and cash equivalents		19,590,603	22,076,810	10,792,337	(3,938,798)
Cash and cash equivalents, beginning of years		228,550,205	206,473,395	115,988,209	119,927,007
Cash and cash equivalents, ending of years	8	248,140,808	228,550,205	126,780,546	115,988,209
SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION					
Cash paid for acquisition of property, plant and equipments					
Acquisition of property, plant and equipments during the years	16	(16,451,804)	(17,562,051)	(830,915)	(2,263,108)
Increase in accounts payable from acquisition of assets		532,569	765,301	90,382	-
Cash paid for acquisition of property, plant and equipments		(15,919,235)	(16,796,750)	(740,533)	(2,263,108)
Cash paid for acquisition of right-of-use assets					
Acquisition of right-of-use assets during the years	17	-	(1,927,692)	-	(1,927,692)
Assets acquired under lease liabilities	24	-	1,445,768	-	1,445,768
Cash paid for acquisition of right-of-use assets		-	(481,924)	-	(481,924)
Cash paid for acquisition of right in service concession arrangement					
Acquisition of right in service concession arrangement during the years	18	(14,970,442)	-	-	-
Increase in accounts payable from acquisition of assets		2,307,832	-	-	-
Cash paid for acquisition of right in service concession arrangement		(12,662,610)	-	-	-
Reclassified income tax refundable from current tax assets		750,439	1,120,166	750,439	436,961

The accompanying notes are an integral part of these financial statements.

(Director)
(Ms. Aunada Phrutthinarakorn)

(Director)
(Mr. Sirichai Phrutthinarakorn)

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

SCI Electric Public Company Limited (“the Company”) established in Thailand. The address of its registered office is as follows:

Head office is located at 107/1 Moo 1, Bangna-Trad Road, Bangprieng, Bangbo, Samutprakarn.

The branch is located at 1, Soi Udomsuk 45, Udomsuk Road, Bangjak, Prakanong, Bangkok.

The Company registered to convert its company from a limited company to be a public company limited and changed its company name from “SCI Electric Manufacturer Company Limited” to “SCI Electric Public Company Limited” with the Ministry of Commerce on 1 May 2015.

The Company was listed on the Stock Exchange of Thailand and the Company’s stocks were traded on the Stock Exchange of Thailand since 13 October 2015.

For purpose of report, the Company and its subsidiaries and joint ventures together referred to as “the Group”.

The principal business operations of the Group are as follows:

1. Manufacture and sell of low and medium voltage electrical switch board, cable tray and cable support.
2. Manufacture and sell high-voltage transmission line tower, telecommunication tower, galvanizing steel structure and sell of wiring electric equipment and hot-dip galvanized service.
3. Services of project management under the Engineering, Procurement and Construction (EPC) contract.
4. Selling of electricity produced from the hydroelectric power plant.

The Coronavirus disease 2019 Pandemic

The Coronavirus 2019 (COVID-19) pandemic in Thailand and the epidemic situation in other countries which recently have ongoing cases of COVID-19 infected people continuously. These matters resulted in an overall economic slowdown and impacted global businesses and industries. However, the Group’s management is now paying close attention to the development of the COVID-19 pandemic and has continuously evaluating its impacts on the operation.

Operations of foreign subsidiary

On 17 March 2021, the Group’s management announced the temporary closure of SCI Metal Tech (Myanmar) Co., Ltd. since 26 March 2021 due to Force Majeure from political situation within the country. Such situation affects the operating result of the subsidiary. This may result in the assets carrying amount being higher than its recoverable amount, which cause impairment loss. The Group’s management considered an indicator of impairment of asset in the subsidiary. As at 31 December 2021, the Group has significant assets related to operations in such country in the consolidated and separate financial statements summarized as follows;

	In Baht	
	Consolidated financial statements	Separate financial statements
Property, plant and equipments	389,715,320	-
Right-of-use assets	93,079,704	-
Investment in subsidiary (net of impairment)	-	259,754,867
Loan to	-	25,781,006
Accrued interest income	-	1,398,688
Total	482,795,024	286,934,561

Therefore, the Group’s management has estimated the recoverable amount of the assets to consider the loss from impairment. The estimated recoverable amount of these assets in the consolidated and separate financial statements, is estimated based on the value in use of the fixed asset for future income and cash flows and is discounted to the present value. The estimated recoverable amount from the use of fixed assets is greater than the carrying amount of the subsidiary’s assets in the consolidated financial statements. However, the equity value is lower than the carrying amount of investment. Therefore, the Group’s management considers to recognise the allowance for impairment loss on investment in subsidiary amounting to Baht 23.40 million in the separate financial statements of the current year (Note 15.1). However, the management is required to use estimates and make judgments on various issue when situation changes.

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); Interpretations and guidelines promulgated by Thailand Federation of Accounting Professions (“TFAC”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies;

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

For the convenience of the user, an English translation of the financial statements has been prepared from the financial statements that are issued in the Thai language.

The consolidated financial statements relate to SCI Electric Public Company Limited (“SCI”) and its subsidiaries and joint ventures (together referred to as “the Group”).

Details of the subsidiaries and joint ventures are as follows:

	Country of incorporation	Percentage of holding		Nature of Business
		2021	2020	
<u>Holding by SCI</u>				
<u>Subsidiaries</u>				
Ajikawa & SCI Metal Tech Co., Ltd. (“SCIMT”)	Thailand	99.99	99.99	Manufacture of high-voltage transmission line tower, telecommunication tower and hot-dip galvanized service Holding company
SCI Holding Co., Ltd. (“SCIH”)	Thailand	99.99	99.99	
SCI Metal Tech (Myanmar) Co.,Ltd. (“SCIMTMM”)	The Republic of the Union of Myanmar	96.19	96.19	Manufacture of high-voltage transmission line tower, telecommunication tower and hot-dip galvanized service
Interasia Trading Co., Ltd. (“Inter”)	Thailand	99.99	99.99	International sale of raw material
<u>Joint Ventures</u>				
T Utilities Co., Ltd. (“TU”)	Thailand	45.00	45.00	Invest in company and basic infrastructure
SCI Enesys Co., Ltd. (“SE”)	Thailand	40.00	40.00	Sale of cable tray and related equipment
<u>Holding by SCIH</u>				
Tad Salen Power Co., Ltd. (“TSL”)	The Lao People’s Democratic Republic	100.00	100.00	Hydroelectric power generation

The significant transactions between the Company, the subsidiaries and joint ventures have been eliminated in the consolidated financial statements.

3. THAI FINANCIAL REPORTING STANDARDS ISSUED BY THE FEDERATION OF ACCOUNTING PROFESSIONS

3.1 Financial reporting standards that became effective in the current year

During current year, the Group has adopted the revised Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting which are effective for the financial statements for the period beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to reference to the Conceptual Framework in TFRSs, revising the definition of materiality, definition of business and accounting requirement for Interest Rate Benchmark Reform.

The adoption of these standards does not have any significant impact on the Group's financial statements.

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022, onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some financial reporting standards, providing temporary reliefs or temporary exemptions for users of the standards.

The Group's management will adopt the relevant TFRSs in the preparation of Group's financial statements when they become effective. The Group's management is on the evaluating process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated and separate financial statements are as follows:

4.1 Investment in Subsidiaries and Joint venture

Subsidiaries

Subsidiaries are all entities over which the Group has the power to control. The Group controls an entity when the Group is exposed, or has the rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between the Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries in separate financial statements are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Joint venture

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method in the consolidated financial statements. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity - accounted investees, until the date on which joint control ceases.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in joint ventures are recognised in the profit or loss.

In the separate financial statements, investments in joint ventures are accounted for using the cost method.

A list of the subsidiaries and joint ventures is disclosed in Note 7.

4.2 Foreign currency translation

The Company translates the foreign currency transactions to Thai Baht by using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4.3 Translation of foreign currency financial statements

The financial statements of subsidiaries in other country have been prepared in the currency of the US Dollar which is the functional currency. The operation results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as other components of equity.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call at financial institutions, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions. Bank overdrafts are presented under current liabilities in the statement of financial position.

4.5 Trade receivables and contract assets

Trade receivables are recognised when the Group has unconditional rights to receive compensation under the contract. If the Group recognises revenue before having unconditional rights to receive compensation, the amount of compensation is recognised as contract assets, which will be shown as unbilled completed works in the financial statements (Note 10).

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses (if any).

Trade receivables are stated at their invoice value less allowance for expected credit losses.

The Group uses a simplified approach to determine allowance for expected losses over life for trade receivables and contract assets that do not contain significant financing components, the Group applies a simplified approach in calculating expected credit losses. Allowance for expected credit losses is estimated based on the Group's historical credit loss experience, analysis of current financial position of receivables, adjusted for factors that are specific to the debtors, forecast about the future payments of the receivables, assessment of general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The allowance for expected credit losses is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Bad debt will be written-off when incur.

4.6 Investments

The Group classifies investments other than investments in subsidiaries and joint ventures are classified based on the cash flow characteristics of the financial asset and the business model in which they are managed. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments in opened-end fund and general fixed income fund, presented in the statement of financial position at fair value through profit or loss. The fair value determines based on net asset value of investment unit as at the end of reporting date.

Investments in non-marketable equity securities and other investments represent bills of exchange and promissory notes with original maturities of more than 3 months but less than 12 months are presented in the statement of financial position at amortized cost using the effective interest rate method less allowance for expected credit losses (if any).

Investments in debt securities which intended to be held for an indefinite period of time and may be sold in response to liquidity needs, presented at fair value through other comprehensive income. The fair value determined based on quoted bid price at the statement of financial position date by reference to the Thai Bond Dealing Centre.

4.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net reliable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories according to the Group's accounting policy.

4.8 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

The Group recognises revenue from construction contracts over time only if the Group can reasonably measure its progress towards complete satisfaction of the construction performance obligation. In the case that the Group is not able to reasonably measure the outcome of a construction performance, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Measuring progress has been determined using input method which is calculated as a proportion of the actual completed construction costs to total budget costs.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When measuring progress, the Group excludes from the measure of progress any goods or services for which the Group does not transfer control to a customer. Conversely, the Group includes in the measure of progress any goods or services for which the Group transfers control to a customer when satisfying that performance obligation.

The Group's construction contracts typically are fixed price which payments from customers are based on a billing schedule as established in each contract. The Group recognises trade receivables when the Group has the right to receive payments according to such billing schedule indicated in the contracts.

Contract assets represent the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer which determined by costs incurred plus recognised profits (less recognised losses) exceed progress billings and presented as unbilled completed works.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue. The Group's contract liabilities consist of advance received and unearned income which is determined as progress billings exceed costs incurred plus recognised profits (less recognised losses).

4.9 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets except land are stated at historical cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of plant and equipment is calculated on the straight-line method over the estimated useful lives as follows:

Buildings and buildings improvement	20 - 40	years
Machineries and equipments	5 - 20	years
Office equipments	2 - 8	years
Vehicles	5	years

When assets are sold or retired, the Group will write-off both the assets and related accumulated depreciation from the accounts and will recognise any gain or loss from retirement of the asset in profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related asset.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Work-in-progress is stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time are capitalised as part of the cost of the respective assets until such time that assets are ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs incurs in connection with the borrowing of funds.

4.10 Right in service concession arrangement

Right in service concession arrangement is measured initially at its cost. Costs comprise construction costs of dam, others related equipments, related transaction costs and borrowing costs. The subsidiary records borrowing costs directly attributable to the construction of dam from the starting of the project until the dam is ready for its intended use. The right in service concession arrangement is amortized on a straight-line basis over the period of the Concession agreement of 30 years.

Expenditure on the Environmental and Social expenses are environmental expenses in comply with the Water Resources and Environmental Administration (WREA) which are amortized on a straight-line basis over the period of the Concession agreement of 30 years.

4.11 Intangible assets

Right to use computer software recorded as intangible assets at the acquiring cost plus processing fee for assets to be ready for their intended use. Software costs are amortized as an expense by the straight-line method over a useful lives period of 5 - 10 years.

4.12 Impairment loss of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment is reviewed for possible reversal of the impairment at each reporting date.

4.13 Accounting for leases - where company is the lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

4.14 Borrowings

Borrowings are recognised initially at the fair value of consideration received; net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities to the extent that the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

4.15 Current income tax and deferred tax

The tax expense for the period comprises current income tax and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting date, using the tax rates enacted at the end of the reporting date.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The post-employment benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Actuarial gains or losses arising from experience adjustments or changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

4.17 Provisions

Provisions for environmental restoration and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.18 Share Capital

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

4.19 Revenue and expense recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties for example value added tax or other output taxes and is after deduction of any trade discounts and volume rebates.

Revenue from assets construction service

For assets construction contract, which mutually agreed before commencing related work, the customer controls assets under construction as which the Group's performance creates or enhances such assets. Therefore, revenues have been recognised over time of construction using input method (Note 4.8) for measuring progress of construction. This method measures progress as a proportion of the actual completed construction costs to total budget costs. The Group determines that input method is able to reasonably depict the Group's performance in transferring control of goods or services promised to a customer.

Revenue from sales of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers at agreed delivery place. For contracts that permit the customers to return the goods (if any), revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue from sales of electricity is based on the actual electricity that sold to the Electricite Du Laos at the agreed tariff rate as stipulated in the Power Purchase Agreement.

Other incomes

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Other incomes and expenses are recognised on accrual basis.

4.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividend is recognised when the Company's board of directors approve.

4.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

4.22 Transactions with related persons and companies

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities;

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly;

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Fair values of assets and liabilities are disclosed in Note 36.

4.24 Financial instruments

The Group initially recognises a financial instrument at fair value, other than financial instrument measured at fair value through profit or loss, plus transaction costs. However, for trade receivables and contract assets without a significant financing component is initially measured at the transaction price as disclosed in accounting policy regarding revenue recognition.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss, unless it qualifies for recognition as some other type of asset.

Classification and measurement of financial assets

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income or amortized cost. The classification is derived by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

If the Group revises its estimates of payments or receipts, the Group adjusts the gross carrying amount of the financial asset to reflect actual or revised estimated contractual cash flows, as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss as income or expense.

Fair value through other comprehensive income

A financial asset will be measured at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the value of financial assets are taken through other comprehensive income, except for the recognition of impairment losses and interest income using effective interest rate method. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Fair value through profit or loss

A financial asset that does not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss which are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

Except for derivatives, at initial recognition, the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derivatives

Derivative assets or liabilities (if any) are classified and measured at fair value to profit or loss.

Impairment of financial assets

The Group recognise an allowance for expected credit losses on its financial assets which measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables and contract assets that do not contain significant financing components, in which the Group applies a simplified approach to determine the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses of receivables and contract assets at each reporting date. It is based on its historical credit loss experience and adjusted for forecast factors specific to the debtors and the economic environment, including time value of money as appropriate.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Risk Management provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments, and investment excess liquidity.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

As at 31 December 2021 and 2020 the Group was exposed to foreign currency risk in respect of significant financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	In Million US Dollars	In Million Baht	In Million US Dollars	In Million Baht
As at 31 December 2021				
Assets	\$20.60	684.84	\$20.82	692.08
Liabilities	\$20.23	679.74	\$20.23	679.74
	Consolidated financial statements		Separate financial statements	
	In Million US Dollars	In Million Baht	In Million US Dollars	In Million Baht
As at 31 December 2020				
Assets	\$21.07	629.28	\$21.21	633.40
Liabilities	\$20.23	611.22	\$20.23	611.22

Foreign currency assets mainly represent trade receivables and contract assets. Foreign currency liabilities mainly represent trade payables.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of assets and liabilities to US Dollar currency.

The following table details the Group's sensitivity to a 5% appreciate and depreciate in Thai Baht against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at 31 December 2021 for a 5% change in US Dollars currency rates as follows:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	Assets	Liabilities	Assets	Liabilities
Profit (loss)				
5% appreciate	(34.24)	33.99	(34.60)	33.99
5% depreciate	34.24	(33.99)	34.60	(33.99)

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets. The Group's policy is to maintain approximately the rate of MLR of its borrowings in fixed rate instruments.

Credit risk

The Group is exposed to credit risks mainly relating to its trade receivables. As management manages the risk by adopting appropriate credit control policies to ensure that services and goods are provided only to customers with a suitable credit history. The Group estimated the allowance for expected credit losses based on the management assessment on the customers' ability to pay debt outstanding at the end of the reporting period.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Maturity of short-term financial liabilities consisted of loans from financial institutions, trade payable, accrued expenses and other payables, with a maturity of not more than 1 year. The maturity of the leases liabilities is shown in Note 24.

5.2 Fair value estimation

The fair values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes (if any) is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

6. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand also requires the Group's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

To identifying performance obligations, the management is required to use judgements regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgements regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time if one of the following criteria is met:

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- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgements regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on a proportion of the actual completed construction costs to date to total budget costs.

Estimated of construction project costs

The Group estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, including labor costs, construction overheads, other direct costs and indirect systematically allocated costs to be incurred to completion of construction, taking into account the direction of the movement in construction material price, labor costs and other costs. Estimates are reviewed regularly when there is change in scope of work or whenever actual costs differ significantly from the figures used in the original estimate.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement to estimate the expected credit losses arising from each receivable, based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for net realizable value of inventories

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property plant and equipment, right-of-use assets and right in service concession arrangement

In determining depreciation of plant and equipment, right-of-use assets and right in service concession arrangement, the management is required to make estimates of the useful lives and residual values of plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment, right-of-use assets and right in service concession arrangement, for impairment on a periodical basis and records impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review, including the determination of discount rate that is appropriate in the circumstance.

Investments in subsidiaries and joint ventures

Management reviews the impairment of investments in subsidiaries and joint ventures and they are subject to impairment if there is an indication, they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

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The impairment analysis of investments in subsidiaries and joint ventures requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

Lease

In determining whether a contract is, or contains, a lease, the management is required to use judgement regarding whether a contract conveys the right to control the use of an identified asset.

Post-employment benefits - defined benefit plans

Employee post-employment benefit obligation is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

The present value of the employee post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions includes the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee post-employment benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee post-employment benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee post-employment benefit obligations.

The Group determines the sensitivity analysis of the key assumptions for employee benefit obligations referencing current market conditions as disclosed in Note 25.

7. TRANSACTIONS WITH RELATED PERSONS AND COMPANIES

7.1 Relationship and pricing policy

The relationship and pricing policies among the Company, related persons and companies are as follows:

	Relationship
<u>Subsidiaries</u>	
Ajikawa & SCI Metal Tech Co., Ltd.	Shareholding by the Company and directorship
SCI Holding Co., Ltd.	Shareholding by the Company and directorship
SCI Metal Tech (Myanmar) Co., Ltd.	Shareholding by the Company and directorship
Tad Salen Power Co., Ltd.	Shareholding by the subsidiary and directorship
Interasia Trading Co., Ltd.	Shareholding by the Company and directorship
<u>Joint ventures</u>	
T Utilities Co., Ltd.	Shareholding by the Company and directorship
SCI Enesys Co., Ltd.	Shareholding by the Company and directorship
<u>Related companies</u>	
AG Ajikawa Corporation Co., Ltd.	Shareholder of the Company
Star Rail Co., Ltd.	Directorship
Angel & Fairy Co., Ltd.	Shareholder of a subsidiary

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	Relationship
Related persons	
Aunada Phruttnarakorn	Shareholder and director
Sirichai Phruttnarakorn	Shareholder and director
Kriengkrai Pienwitthayasakul	Shareholder and director
Vichai Yanisrangkul	Shareholder and director
Thanawat Yanisrangkul	Shareholder and director
Pricing policies	
Long-term loan to	Interest charged at rate of 2.5% per annum and LIBOR 3 months plus 3% per annum
Sales/ service income	Cost plus margin
Cost of goods sold/ service	Cost plus margin
Management fee	At contract price which had been agreed upon
Guarantee	No fee charged

7.2 Balances between the Company, related persons and companies

Significant balances among the Company, related persons and companies presented in the statement of financial position as at 31 December are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Other receivables</u> (Note 9)				
Subsidiaries	-	-	11,598,940	10,830,681
<u>Advance payments for goods</u> (Note 9)				
Subsidiary	-	-	-	77,200
<u>Dividend receivable</u>				
Subsidiary	-	-	-	37,799,300
<u>Trade payables</u> (Note 22)				
Subsidiary	-	-	28,054,378	33,408,202
<u>Accrued expenses</u> (Note 22)				
Subsidiary	-	-	11,770	9,351
<u>Unearned income</u> (Note 23)				
Subsidiary	-	-	484,805	-
<u>Loans to related companies</u>				
Subsidiaries				
- Due within 1 year	-	-	15,082,926	14,888,710
- Long-term loans	-	-	188,999,637	198,438,125
Total loans to related companies	-	-	204,082,563	213,326,835

Long-term loans to related companies are the loans which will be repaid within 6 - 18 years from the date of loan agreements and bear interest at the rate of 2.50% per annum and at the rate of LIBOR 3 months plus 3% per annum according to the loan agreements. The Company adjusted the amount of loan with the market interest rate to measure and recognise fair value of loans at the initial date.

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The movements of long-term loan to related companies for the years ended 31 December, are as follows:

	In Baht	
	Separate financial statements	
	2021	2020
Subsidiaries		
Balance, at the beginning of the years	213,326,835	195,243,514
Increase in loans provided under the loan agreement during the years	15,636,769	43,863,614
Transfer of the loan amount which is greater than the fair value of loans provided during the years, as investments in subsidiaries (Note 15.1)	(827,879)	(7,164,694)
Refund of loan	(37,234,046)	(23,338,599)
Interest income	12,265,867	12,580,622
Gain (loss) from revising estimated receipts	915,017	(7,857,622)
Balance, at the end of years	<u>204,082,563</u>	<u>213,326,835</u>

7.3 Revenues and expenses transactions among the Company, related persons and companies

Significant revenues and expenses transactions among the Company, related persons and companies are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Sale and service income				
Subsidiary	-	-	19,000	64,000
Related company	2,636,192	8,039,776	-	-
Total	<u>2,636,192</u>	<u>8,039,776</u>	<u>19,000</u>	<u>64,000</u>
Dividend receivable (Note 29)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,799,300</u>
Interest income (Note 29)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>12,265,867</u>	<u>12,580,622</u>
Other income (Note 29)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>8,340,000</u>	<u>7,158,423</u>
Purchase of goods and service				
Subsidiary	-	-	87,267,877	93,361,640
Related companies	-	2,772,800	-	2,772,800
Total	<u>-</u>	<u>2,772,800</u>	<u>87,267,877</u>	<u>96,134,440</u>

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Directors and managements' remuneration

Directors and managements' remuneration for the years ended 31 December, are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term benefits	31,493,731	33,432,416	25,185,881	26,024,834
Post-employment benefits	1,637,754	1,711,307	1,370,509	1,466,472
Total	<u>33,131,485</u>	<u>35,143,723</u>	<u>26,556,390</u>	<u>27,491,306</u>

8. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	584,188	1,545,232	423,432	1,195,360
Deposit at banks - current accounts	176,789,194	136,156,724	62,233,386	64,753,370
Deposit at banks - saving accounts	70,707,063	86,942,259	64,120,133	50,039,479
Cheque due but not deposited	60,363	3,905,990	3,595	-
Total	<u>248,140,808</u>	<u>228,550,205</u>	<u>126,780,546</u>	<u>115,988,209</u>

As at 31 December 2021, saving deposits bear interest at rates between 0.05% to 0.50% per annum (2020 : 0.05% to 0.50% per annum).

9. TRADE AND OTHER CURRENT RECEIVABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade receivables - other companies	403,587,279	493,366,593	200,690,264	179,659,033
Trade receivables - service agreement of foreign project	90,186,420	81,019,098	90,186,420	81,019,098
Total trade receivables	493,773,699	574,385,691	290,876,684	260,678,131
<u>Less</u> Allowance for credit losses of trade receivables - other companies	(657,794)	(1,886,856)	(657,794)	(1,886,856)
<u>Less</u> Allowance for credit losses of trade receivables - service agreement of foreign project	(30,943,948)	(27,798,540)	(30,943,948)	(27,798,540)
Trade receivables - net	462,171,957	544,700,295	259,274,942	230,992,735
Receivable - retention	9,749,463	-	9,749,463	-
Other receivables - related companies (Note 7.2)	-	-	11,598,940	10,830,681
Other receivables - other companies	5,810,360	5,938,376	5,618,800	5,757,391

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	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenue Department receivable	3,216,174	2,961,193	442,637	-
Prepaid expenses	3,323,303	7,784,920	2,388,179	2,313,044
Advance payments for goods and service	4,548,704	17,292,633	4,534,024	16,801,878
Advance payments for goods - related company (Note 7.2)	-	-	-	77,200
Total	488,819,961	578,677,417	293,606,985	266,772,929

Aging of trade receivables are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Within credit terms	256,967,364	227,511,629	100,883,915	54,989,891
Overdue less than 3 months	79,003,041	154,830,109	65,550,877	69,832,255
Overdue 3 - 6 months	11,743,204	22,497,646	9,165,453	15,545,007
Overdue 6 - 12 months	21,516,625	46,124,440	10,653,647	23,331,743
Overdue over 12 months	124,543,465	123,421,867	104,622,792	96,979,235
Total trade receivables	493,773,699	574,385,691	290,876,684	260,678,131
<u>Less</u> Allowance for credit losses of trade receivables				
- other companies	(657,794)	(1,886,856)	(657,794)	(1,886,856)
<u>Less</u> Allowance for credit losses of trade receivables - service agreement of foreign project	(30,943,948)	(27,798,540)	(30,943,948)	(27,798,540)
Trade receivables - net	462,171,957	544,700,295	259,274,942	230,992,735

The Group has been no significant changed in estimation and assumption method in current financial reporting. The normal credit term for general customers ranging 30 to 90 days.

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As at 31 December 2021 and 2020, the Company has outstanding receivables, relating to the construction service contract with a government agency in a foreign country (“the employer”) of Baht 90.19 million and Baht 81.02 million, respectively, and unbilled completed works relating to such contract of Baht 933.06 million and Baht 838.22 million, respectively (Note 10). As the service rendered under the construction contract was suspended due to the change in project’s plan of the employer who has delayed the payments under the contract, affect the outstanding debt has a long overdue period. Management expected that the project will continue because management believes that the high-voltage transmission line project is still necessary to generate income for the employer’s country in the future. However, management determines the allowance for credit losses of such receivable in the statement of financial position as at 31 December 2021, of Baht 350.92 million (for trade receivable of Baht 30.94 million and unbilled completed works of Baht 319.98 million) and 31 December 2020 of Baht 315.25 million, (for trade receivable of Baht 27.80 million and unbilled completed works of Baht 287.45 million). The allowance for lifetime expected credit losses on such receivable is estimated based the estimated repayment opportunities from the employer, taking into account the assessment of the current economic conditions that may have an impact to the employer and adjusted for factors that are specific to the employer, the assessment of the employer’s financial risk, considering of a degree of uncertainty about the timing at which the project will resume operations which could affect the amount that may be paid by employer, including the determination of time value of money.

Set out below is the movement in the allowance for expected credit losses of trade receivables - other companies and trade receivables - service agreement of a foreign project:

	In Baht	
	Consolidated and Separate financial statements	
	2021	2020
Net book value, beginning of years	29,685,396	13,872,824
(Gain and reversal) allowance for expected credit losses	(1,229,062)	15,859,470
Unrealised (gain) loss on foreign exchange rate	3,145,408	(46,898)
Net book value, end of years	<u>31,601,742</u>	<u>29,685,396</u>

The Group has recognised a loss allowance of 100% against all receivables with payment problem because historical experience has indicated that these receivables are generally not recoverable. Except for large foreign project receivable and any debtors who paid after the end of the reporting period which will be determined lifetime expected credit loss based on assessment at each individual debtor.

For large foreign project receivable, the Group recognises the allowance for lifetime expected credit losses which is estimated based on the analysis of current financial position of receivable, forecast about the future payments of receivable with considering of general economic conditions that may have an impact to receivable and adjusted for factors that are specific to the receivable, including the determination of time value of money.

For other trade receivables which overdue not more than 1 year as at 31 December 2021, the Group determines lifetime expected credit loss using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position. Management does not record the expected credit losses calculated from such provision matrix because it has not material to the financial statements.

As at 31 December 2021 and 2020, the Group does not have the factoring receivables with financial institutions.

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10. UNBILLED COMPLETED WORKS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Construction revenues				
recognised to date	1,321,433,623	1,196,087,797	1,219,255,700	1,105,077,854
<u>Less</u> Installments due to date	(325,257,833)	(164,697,041)	(223,079,910)	(81,019,098)
<u>Less</u> Loss on foreign exchange rate	(62,701,835)	(166,713,454)	(62,701,835)	(166,713,454)
Unbilled completed works	933,473,955	864,677,302	933,473,955	857,345,302
<u>Less</u> Allowance for credit losses				
- service agreement of				
a foreign project	(319,980,330)	(287,454,786)	(319,980,330)	(287,454,786)
Unbilled completed works - net	<u>613,493,625</u>	<u>577,222,516</u>	<u>613,493,625</u>	<u>569,890,516</u>

Allowance for credit losses above is related to loss expected to be incurred from contract assets arising from the construction service contract with a government agency in a foreign country (Note 9).

Set out below is the movement in the allowance for expected credit losses of unbilled complete works - service agreements of a foreign project are as follow:

	In Baht	
	Consolidated and Separate	
	financial statements	
	2021	2020
Net book value, beginning of years	287,454,786	132,922,814
Allowance for expected credit losses	-	155,016,630
Unrealised (gain) loss on foreign exchange rate	32,525,544	(484,658)
Net book value, end of years	<u>319,980,330</u>	<u>287,454,786</u>

Loss on foreign exchange rate occurred from the accumulated amount of the differences from the translation of unbilled completed works and installment due to date which denominated in foreign currency to Thai Baht at the exchange rate prevailing at the statement of financial position date.

Significant outstanding contract

As at 31 December 2021 and 2020, the Company has entered in to the Service Agreement for the transmission line and substation project with the contract revenue value of US Dollar 416.55 million. The Company has recognised revenues related to the service agreement to date of US Dollar 30.78 million which incurred unbilled completed works of US Dollar 28.06 million. In March 2019, the Company received a letter from the employer to postpone the working period. According to the contract, the period of completion is 46 months from the effective date of contract, which was due in August 2020. However, the contract is not immediately expired and the legal advisor has opinion that the contract is still in force and binding on the parties because the employer has a letter confirming that the work under the contract is still ongoing and will continue. The confirmation letter can be used as a reference for the extension of the project period. The management forecasts that outstanding revenues in the contract of US Dollar 385.77 million would begin to recognise income from 2023 onwards.

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11. INVENTORIES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Raw materials	256,182,404	213,355,470	37,930,451	32,030,949
Work in process	196,246,848	129,581,498	106,419,945	27,454,023
Finished goods	48,508,117	37,272,021	21,533,493	16,604,998
Production material	627,052	654,703	-	-
Total	<u>501,564,421</u>	<u>380,863,692</u>	<u>165,883,889</u>	<u>76,089,970</u>

For the year ended 31 December 2021, the Group and the Company have cost of inventories recognized as cost of sales amounting to Baht 1,314.87 million and Baht 373.32 million, respectively (For the year ended 31 December 2020 : Baht 1,144.06 million and Baht 371.80 million, respectively).

12. OTHER CURRENT FINANCIAL ASSETS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Investments in opened-end fund	157,400,035	79,200,478	77,356,536	79,200,478
Investments in promissory notes due within 1 year	-	9,767,442	-	9,767,442
Total	<u>157,400,035</u>	<u>88,967,920</u>	<u>77,356,536</u>	<u>88,967,920</u>

The details of investments in opened-end fund which are measured at fair value through profit or loss, are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost	157,255,698	79,037,552	77,255,698	79,037,552
Unrealized gain	144,337	162,926	100,838	162,926
Fair value at the end of years	<u>157,400,035</u>	<u>79,200,478</u>	<u>77,356,536</u>	<u>79,200,478</u>

The amortized costs of investments in promissory notes due within 1 year are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Contract consideration receivables	-	10,000,000	-	10,000,000
Deferred interest	-	(232,558)	-	(232,558)
Amortized cost at the end of years	<u>-</u>	<u>9,767,442</u>	<u>-</u>	<u>9,767,442</u>

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The movements of other current financial assets are as follow:

	In Baht					
	Consolidated financial statements					
	For the year ended 31 December 2021			For the year ended 31 December 2020		
	Investments in opened-end fund and general fixed income fund	Investments in promissory notes due within 1 year	Total	Investments in opened-end fund and general fixed income fund	Investments in promissory notes due within 1 year	Total
Net book value, at beginning of years	79,200,478	9,767,442	88,967,920	59,198,320	49,410,813	108,609,133
Purchase of investments	268,540,000	29,278,075	297,818,075	258,000,000	39,023,087	297,023,087
Disposal of investments	(190,777,157)	(40,000,000)	(230,777,157)	(238,045,736)	(78,154,142)	(316,199,878)
Interest received	-	-	-	-	(1,845,858)	(1,845,858)
Interest income for the years	-	954,483	954,483	-	1,333,542	1,333,542
Gain (loss) on disposal of investments	452,586	-	452,586	(115,032)	-	(115,032)
Changes in fair value	(15,872)	-	(15,872)	162,926	-	162,926
Net book value, at the end of years	157,400,035	-	157,400,035	79,200,478	9,767,442	88,967,920

	In Baht					
	Separate financial statements					
	For the year ended 31 December 2021			For the year ended 31 December 2020		
	Investments in opened-end fund and general fixed income fund	Investments in promissory notes due within 1 year	Total	Investments in opened-end fund and general fixed income fund	Investments in promissory notes due within 1 year	Total
Net book value, at beginning of years	79,200,478	9,767,442	88,967,920	53,318,642	49,410,813	102,729,455
Purchase of investments	96,000,000	29,278,075	125,278,075	247,000,000	39,023,087	286,023,087
Disposal of investments	(98,178,118)	(40,000,000)	(138,178,118)	(221,167,312)	(78,154,142)	(299,321,454)
Interest received	-	-	-	-	(1,845,858)	(1,845,858)
Interest income for the years	-	954,483	954,483	-	1,333,542	1,333,542
Gain (loss) on disposal of investments	393,547	-	393,547	(113,778)	-	(113,778)
Changes in fair value	(59,371)	-	(59,371)	162,926	-	162,926
Net book value, at the end of years	77,356,536	-	77,356,536	79,200,478	9,767,442	88,967,920

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13. DEPOSITS AT BANKS PLEDGED AS COLLATERAL

As at 31 December 2021, the Group and the Company have bank accounts totaling Baht 100.82 million and Baht 95.63 million, respectively (31 December 2020: Baht 100.41 million and Baht 95.25 million, respectively) pledged as collateral for short-term loans facilities from financial institutions (Note 21) and letters of guarantee issued by bank (Note 37).

14. NON-CURRENT NON-CASH FINANCIAL ASSETS PLEDGED AS COLLATERAL

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value, beginning of years	16,513,600	16,761,600	6,192,600	6,285,600
Amortized of premium				
government bond	(294,610)	(307,200)	(81,282)	(84,756)
Changes in fair value	(218,990)	59,200	(111,318)	(8,244)
Net book value, end of years	<u>16,000,000</u>	<u>16,513,600</u>	<u>6,000,000</u>	<u>6,192,600</u>

As at 31 December 2021, the Group and the Company have the government bond amounting to Baht 16.00 million and Baht 6.00 million, respectively (31 December 2020 : Baht 16.51 million and Baht 6.19 million, respectively) which were measured at fair value through other comprehensive income, were pledged as collateral for short-term loans facilities from financial institutions (Note 21). The government bonds are in the process of redemption due to maturity on 17 December 2021.

15. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

15.1 Investment in subsidiaries

The movements in investment in subsidiaries in the separate financial statements for the years ended 31 December, are as follows:

	In Baht	
	2021	2020
Net book value, beginning of years	626,199,420	619,034,726
Transfer of the loan amount which is greater		
than the fair value of loans provided during the years,		
as investments in subsidiaries (Note 7.2)	827,879	7,164,694
Allowance for impairment of investment in subsidiary	(23,400,000)	-
Net book value, at the end of years	<u>603,627,299</u>	<u>626,199,420</u>

During the year 2021, the Group's management recognised allowance for impairment in an overseas subsidiary amounting to Baht 23.40 million in the statement of comprehensive income, presented as part of other expenses for the year 2021. This is due to the equity value which estimated from the estimated recoverable amount of such subsidiary is lower than the carrying value of investment in the subsidiary in separate financial statement (Note 1).

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FOR THE YEAR ENDED 31 DECEMBER 2021

Details of subsidiaries as at 31 December are as follows:

			In Baht						
			Separate financial statements						
			31 December 2021			31 December 2020			
Country of incorporation	Shareholding percentage		Investment at cost method	Allowance for impairment of investment	Investment-net	Investment at cost method	Allowance for impairment of investment	Investment- net	
	2021	2020							
Subsidiaries									
Ajikawa & SCI Metal Tech Co., Ltd.	Thailand	99.99	99.99	202,089,871	-	202,089,871	202,089,871	-	202,089,871
SCI Holding Co., Ltd.	Thailand	99.99	99.99	102,399,600	-	102,399,600	102,399,600	-	102,399,600
SCI Metal Tech (Myanmar) Co., Ltd.	The Republic of the Union of Myanmar	96.19	96.19	283,154,867	(23,400,000)	259,754,867	282,478,765	-	282,478,765
Interasia Trading Co., Ltd.	Thailand	99.99	99.99	19,094,602	-	19,094,602	18,942,825	-	18,942,825
Subsidiary's shares held by SCIH									
Tad Slen Power Co., Ltd.	The Lao People's Democratic Republic	100.00	100.00	20,288,359	-	20,288,359	20,288,359	-	20,288,359
			<u>627,027,299</u>	<u>-</u>	<u>603,627,299</u>	<u>626,199,420</u>	<u>-</u>	<u>626,199,420</u>	

Transactions incurred during the year of 2020

Ajikawa & SCI Metal Tech Co., Ltd.

The board of directors' meeting No. 2/2020 of the subsidiary on 23 December 2020, passed a resolution to approve the interim dividend payment from the operation results of the nine-month period ended 30 September 2020 at Baht 35 per share to the shareholders of 1,080,000 shares, totaling of Baht 37.80 million. Such dividend was paid to the shareholders in January 2021.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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15.2 Investment in joint ventures

The movements in investment in joint ventures are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	At equity method		At cost	
	2021	2020	2021	2020
Net book value,				
beginning of years	73,403,193	92,402,715	103,562,500	118,562,500
Additional acquired	35,437,500	-	35,437,500	-
Disposal of investments	-	(15,000,000)	-	(15,000,000)
Gain from disposal of investment	-	723,217	-	-
Share of loss from investment in joint ventures	(5,948,059)	(4,722,739)	-	-
Net book value, ending of years	<u>102,892,634</u>	<u>73,403,193</u>	<u>139,000,000</u>	<u>103,562,500</u>

The Group recognised share of loss from investments in joint ventures, as follows:

Company's name	In Baht	
	Consolidated	
	financial statements	
	Share of loss	
	2021	2020
T Utilities Co., Ltd.	(4,972,016)	(3,295,717)
SCI Enesys Co., Ltd.	(976,043)	(1,427,022)
Total	<u>(5,948,059)</u>	<u>(4,722,739)</u>

Transactions incurred during the year of 2021

T Utilities Co., Ltd. ("TU")

On 9 November 2021, T Utilities Co., Ltd. called the additional subscription of share at Baht 3.50 per share. The Company paid additional share capital of 10,125,000 shares at Baht 3.50 per share, totaling Baht 35,437,500 to maintain the investment portion at 45% of its registered share capital according to the resolution of the Company's Board of Directors Meeting No. 1/ 2016.

As at 31 December 2021, the Company has investment in such joint venture of 13,500,000 share, at Baht 10.00 per share, totaling investment of Baht 135.00 million. (31 December 2020 : investment of 3,375,000 shares, at Baht 10.00 per share and 10,125,000 shares, at Baht 6.50 per shares, totaling investment of Baht 99.56 million).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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15.2.1 Details of joint ventures

Company's name	Nature of business	Country of incorporation	Shareholding percentage as at 31 December		In Baht			
					Consolidated financial statements		Separate financial statements	
					At equity method		At cost	
					2021	2020	2021	2020
T Utilities Co., Ltd.	Invest in company and basic infrastructure	Thailand	45	45	102,797,125	72,331,641	135,000,000	99,562,500
SCI Enesys Co., Ltd.	Sale of cable tray and related equipments	Thailand	40	40	95,509	1,071,552	4,000,000	4,000,000
Investment in joint ventures					102,892,634	73,403,193	139,000,000	103,562,500

Transactions incurred during the year of 2020

Yuemmai (Thailand) Co., Ltd.

The Company's Board of Directors' Meeting No. 1/2020, dated 14 January 2020, passed a resolution to approve the disposal of all the preferred shares that the Company holds 97,999 shares, at the selling price of Baht 15 million, to the shareholder of Yuemmai (Thailand) Co., Ltd.

Consequently, during the first quarter of 2020, the Company received money from the disposal of the shares in the amount of Baht 15 million and the investment in such company was disposed from the consolidated and separate financial statements for the year 2020. The Group has gain on disposal of investment in the consolidated financial statements for the year ended 31 December 2020 amounting to Baht 723,217.

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15.2.2 Summarized financial information of joint ventures

Financial informations of joint ventures are summarized below:

Summary of statement of financial position	In Baht			
	2021		2020	
	The group of T Utilities Co., Ltd.	SCI Enesys Co., Ltd.	The group of T Utilities Co., Ltd.	SCI Enesys Co., Ltd.
Total current assets	112,042,190	3,859,360	41,417,251	2,880,518
Total non-current assets	164,295,465	527,398	163,068,984	590,745
Total current liabilities	(8,594,660)	(3,996,335)	(8,251,835)	(598,482)
Total non-current liabilities	(25,924,118)	(151,651)	(22,722,250)	(193,900)
Non-controlling interests	(17,697,417)	-	(17,091,765)	-
Net assets	<u>224,121,460</u>	<u>238,772</u>	<u>156,420,385</u>	<u>2,678,881</u>
Summary of statement of comprehensive income				
Total revenues	<u>13,347,616</u>	<u>24,532,655</u>	<u>12,881,219</u>	<u>5,854,682</u>
Loss for the years	<u>(11,048,925)</u>	<u>(2,440,109)</u>	<u>(7,323,816)</u>	<u>(3,567,555)</u>
Reconciliation to carrying amount				
Net assets brought forward, beginning of years	156,420,385	2,678,881	163,744,201	6,246,436
Call for share subscription	78,750,000	-	-	-
Loss for the years	<u>(11,048,925)</u>	<u>(2,440,109)</u>	<u>(7,323,816)</u>	<u>(3,567,555)</u>
Net assets, ending of years	<u>224,121,460</u>	<u>238,772</u>	<u>156,420,385</u>	<u>2,678,881</u>
Group's share in joint ventures (%)				
	45	40	45	40
Group's share in joint ventures	100,854,657	95,509	70,389,173	1,071,552
Goodwill	<u>1,942,468</u>	<u>-</u>	<u>1,942,468</u>	<u>-</u>
Joint venture's carrying amount	<u>102,797,125</u>	<u>95,509</u>	<u>72,331,641</u>	<u>1,071,552</u>

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16. PROPERTY, PLANT AND EQUIPMENTS

	In Baht						
	Consolidated financial statements						
	Land	Buildings and buildings improvement	Machineries and equipment	Office equipment	Vehicles	Construction in progress	Total
As at 1 January 2020							
Cost	47,223,750	444,554,989	403,953,981	36,312,502	17,349,045	1,305,829	950,700,096
<u>Less</u> Accumulated depreciation	-	(112,214,903)	(199,627,091)	(23,491,086)	(9,631,250)	-	(344,964,330)
Net book value	<u>47,223,750</u>	<u>332,340,086</u>	<u>204,326,890</u>	<u>12,821,416</u>	<u>7,717,795</u>	<u>1,305,829</u>	<u>605,735,766</u>
Transactions during the year ended 31 December 2020							
Net book value, beginning of year	47,223,750	332,340,086	204,326,890	12,821,416	7,717,795	1,305,829	605,735,766
Acquisition	-	-	2,598,806	1,567,391	-	13,395,854	17,562,051
Disposals/ write-off	-	-	(274,361)	(31,799)	-	-	(306,160)
Transfer in (out)	-	-	4,297,587	-	-	(4,297,587)	-
Transfer of assets due to expiration of lease	-	-	-	-	992,958	-	992,958
Depreciation	-	(13,553,842)	(22,604,429)	(5,465,601)	(622,410)	-	(42,246,282)
Exchange differences on translation financial statements	-	(607,411)	67,192	30,122	9,087	(8,691)	(509,701)
Net book value, end of year	<u>47,223,750</u>	<u>318,178,833</u>	<u>188,411,685</u>	<u>8,921,529</u>	<u>8,097,430</u>	<u>10,395,405</u>	<u>581,228,632</u>
As at 31 December 2020							
Cost	47,223,750	443,540,705	401,240,240	37,190,189	18,942,289	10,395,405	958,532,578
<u>Less</u> Accumulated depreciation	-	(125,361,872)	(212,828,555)	(28,268,660)	(10,844,859)	-	(377,303,946)
Net book value	<u>47,223,750</u>	<u>318,178,833</u>	<u>188,411,685</u>	<u>8,921,529</u>	<u>8,097,430</u>	<u>10,395,405</u>	<u>581,228,632</u>

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	In Baht						
	Consolidated financial statements						
	Land	Buildings and buildings improvement	Machineries and equipment	Office equipment	Vehicles	Construction in progress	Total
Transactions during the year ended 31 December 2021							
Net book value, beginning of year	47,223,750	318,178,833	188,411,685	8,921,529	8,097,430	10,395,405	581,228,632
Acquisition	-	-	1,015,824	652,860	-	14,783,120	16,451,804
Disposals/ write-off	-	-	(820,716)	(83,360)	-	-	(904,076)
Transfer in (out)	-	61,713	17,239,792	-	-	(17,301,505)	-
Transfer of assets due to expiration of lease	-	-	-	-	781,163	-	781,163
Depreciation	-	(13,652,324)	(23,864,495)	(5,094,087)	(731,716)	-	(43,342,622)
Exchange differences on translation financial statements	-	28,639,791	12,280,068	150,923	52,833	18,890	41,142,505
Net book value, end of year	<u>47,223,750</u>	<u>333,228,013</u>	<u>194,262,158</u>	<u>4,547,865</u>	<u>8,199,710</u>	<u>7,895,910</u>	<u>595,357,406</u>
As at 31 December 2021							
Cost	47,223,750	474,963,557	420,867,272	37,560,531	20,980,487	7,895,910	1,009,491,507
<u>Less</u> Accumulated depreciation	-	(141,735,544)	(226,605,114)	(33,012,666)	(12,780,777)	-	(414,134,101)
Net book value	<u>47,223,750</u>	<u>333,228,013</u>	<u>194,262,158</u>	<u>4,547,865</u>	<u>8,199,710</u>	<u>7,895,910</u>	<u>595,357,406</u>
	In Baht						
	Separate financial statements						
	Land	Buildings and buildings improvement	Machineries and equipment	Office equipment	Vehicles	Construction in progress	Total
As at 1 January 2020							
Cost	27,365,000	71,709,222	48,396,773	23,211,310	8,715,163	364,609	179,762,077
<u>Less</u> Accumulated depreciation	-	(22,049,856)	(26,634,333)	(14,290,886)	(4,676,105)	-	(67,651,180)
Net book value	<u>27,365,000</u>	<u>49,659,366</u>	<u>21,762,440</u>	<u>8,920,424</u>	<u>4,039,058</u>	<u>364,609</u>	<u>112,110,897</u>

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	In Baht						
	Separate financial statements						
	Land	Buildings and buildings improvement	Machineries and equipment	Office equipment	Vehicles	Construction in progress	Total
Transactions during the year ended 31 December 2020							
Net book value, beginning of year	27,365,000	49,659,366	21,762,440	8,920,424	4,039,058	364,609	112,110,897
Acquisition	-	-	601,453	667,234	-	994,421	2,263,108
Disposals/ write-off	-	-	(74,013)	(660)	-	-	(74,673)
Transfer in (out)	-	-	1,359,030	-	-	(1,359,030)	-
Transfer of assets due to expiration of lease	-	-	-	-	992,958	-	992,958
Depreciation	-	(3,356,989)	(2,446,910)	(3,830,963)	(231,453)	-	(9,866,315)
Net book value, end of year	<u>27,365,000</u>	<u>46,302,377</u>	<u>21,202,000</u>	<u>5,756,035</u>	<u>4,800,563</u>	<u>-</u>	<u>105,425,975</u>
As at 31 December 2020							
Cost	27,365,000	71,709,222	49,574,132	23,585,409	10,322,640	-	182,556,403
<u>Less</u> Accumulated depreciation	-	(25,406,845)	(28,372,132)	(17,829,374)	(5,522,077)	-	(77,130,428)
Net book value	<u>27,365,000</u>	<u>46,302,377</u>	<u>21,202,000</u>	<u>5,756,035</u>	<u>4,800,563</u>	<u>-</u>	<u>105,425,975</u>
Transactions during the year ended 31 December 2021							
Net book value, beginning of year	27,365,000	46,302,377	21,202,000	5,756,035	4,800,563	-	105,425,975
Acquisition	-	-	444,182	386,733	-	-	830,915
Disposals/ write-off	-	-	(56,835)	(66,955)	-	-	(123,790)
Transfer of assets due to expiration of lease	-	-	-	-	781,163	-	781,163
Depreciation	-	(3,334,634)	(2,471,623)	(3,620,199)	(401,576)	-	(9,828,032)
Net book value, end of year	<u>27,365,000</u>	<u>42,967,743</u>	<u>19,117,724</u>	<u>2,455,614</u>	<u>5,180,150</u>	<u>-</u>	<u>97,086,231</u>
As at 31 December 2021							
Cost	27,365,000	71,709,222	47,699,803	23,495,538	11,920,730	-	182,190,293
<u>Less</u> Accumulated depreciation	-	(28,741,479)	(28,582,079)	(21,039,924)	(6,740,580)	-	(85,104,062)
Net book value	<u>27,365,000</u>	<u>42,967,743</u>	<u>19,117,724</u>	<u>2,455,614</u>	<u>5,180,150</u>	<u>-</u>	<u>97,086,231</u>

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As at 31 December 2021, the net book value of property, plant and equipments of the Group and the Company amounting to Baht 103.70 million and Baht 70.33 million, respectively (31 December 2020: Baht 110.35 million and Baht 73.67 million, respectively) are mortgaged as collateral for loans facilities from financial institutions (Note 21).

17. RIGHT-OF-USE ASSETS

	In Baht						
	Consolidated financial statements				Separate financial statements		
	Prepaid leased land	Office equipment	Vehicles	Total	Office equipment	Vehicles	Total
As at 1 January 2020							
Cost	94,476,660	127,742	9,209,566	103,813,968	127,742	6,705,566	6,833,308
<u>Less</u> Accumulated depreciation	(6,595,234)	(18,723)	(2,145,275)	(8,759,232)	(18,723)	(1,900,186)	(1,918,909)
Net book value	<u>87,881,426</u>	<u>109,019</u>	<u>7,064,291</u>	<u>95,054,736</u>	<u>109,019</u>	<u>4,805,380</u>	<u>4,914,399</u>
Transactions during the year ended 31 December 2020							
Net book value, beginning of year	87,881,426	109,019	7,064,291	95,054,736	109,019	4,805,380	4,914,399
Increase in assets' lease agreement during the year	-	-	1,927,692	1,927,692	-	1,927,692	1,927,692
Transfer of assets due to expiration of lease	-	-	(992,958)	(992,958)	-	(992,958)	(992,958)
Depreciation	(2,076,566)	(31,936)	(1,081,798)	(3,190,300)	(31,936)	(810,445)	(842,381)
Differences on translating of the financial statements	(215,219)	-	-	(215,219)	-	-	-
Net book value, end of year	<u>85,589,641</u>	<u>77,083</u>	<u>6,917,227</u>	<u>92,583,951</u>	<u>77,083</u>	<u>4,929,669</u>	<u>5,006,752</u>
As at 31 December 2020							
Cost	94,132,183	127,742	9,529,781	103,789,706	127,742	7,025,781	7,153,523
<u>Less</u> Accumulated depreciation	(8,542,542)	(50,659)	(2,612,554)	(11,205,755)	(50,659)	(2,096,112)	(2,146,771)
Net book value	<u>85,589,641</u>	<u>77,083</u>	<u>6,917,227</u>	<u>92,583,951</u>	<u>77,083</u>	<u>4,929,669</u>	<u>5,006,752</u>

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	In Baht						
	Consolidated financial statements				Separate financial statements		
	Prepaid leased land	Office equipment	Vehicles	Total	Office equipment	Vehicles	Total
Transactions during the year ended 31 December 2021							
Net book value, beginning of year	85,589,641	77,083	6,917,227	92,583,951	77,083	4,929,669	5,006,752
Transfer of assets due to expiration of lease	-	-	(781,163)	(781,163)	-	(781,163)	(781,163)
Depreciation	(2,123,399)	(31,936)	(980,316)	(3,135,651)	(31,936)	(709,705)	(741,641)
Differences on translating of the financial statements	9,613,462	-	-	9,613,462	-	-	-
Net book value, end of year	93,079,704	45,147	5,155,748	98,280,599	45,147	3,438,801	3,483,948
As at 31 December 2021							
Cost	104,783,251	127,742	7,931,691	112,842,684	127,742	5,427,691	5,555,433
<u>Less</u> Accumulated depreciation	(11,703,547)	(82,595)	(2,775,943)	(14,562,085)	(82,595)	(1,988,890)	(2,071,485)
Net book value	93,079,704	45,147	5,155,748	98,280,599	45,147	3,438,801	3,483,948

As at 31 December 2021, a subsidiary has prepaid leased land at the Republic of the Union of Myanmar, amounting to US Dollar 2.80 million (31 December 2020 : US Dollar 2.87 million), which has been included as part of right-of-use assets above.

18. INTANGIBLE ASSETS AND RIGHT IN SERVICE CONCESSION ARRANGEMENT

	In Baht				
	Consolidated financial statements			Separate financial statements	
	Right in service concession arrangement	Expenditure on environmental and water resources implementation	Total	Software program	Software program
As at 1 January 2020					
Cost	255,253,129	353,942	255,607,071	17,043,584	3,522,933
<u>Less</u> Accumulated amortization	(59,347,170)	(85,920)	(59,433,090)	(13,447,315)	(2,527,307)
Net book value	195,905,959	268,022	196,173,981	3,596,269	995,626

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	In Baht				
	Consolidated financial statements				Separate financial statements
	Right in service concession arrangement	Expenditure on environmental and water resources implementation	Total	Software program	Software program
Transactions during the year ended 31 December 2020					
Net book value, beginning of year	195,905,959	268,022	196,173,981	3,596,269	995,626
Acquisition of assets	-	-	-	228,258	31,308
Amortization	(8,957,267)	(13,758)	(8,971,025)	(1,567,258)	(197,610)
Exchange differences on translation financial statements	(260,470)	(280)	(260,750)	10,059	-
Net book value, end of year	186,688,222	253,984	186,942,206	2,267,328	829,324
As at 31 December 2020					
Cost	254,322,434	352,652	254,675,086	17,266,843	3,554,241
<u>Less</u> Accumulated amortization	(67,634,212)	(98,668)	(67,732,880)	(14,999,515)	(2,724,917)
Net book value	186,688,222	253,984	186,942,206	2,267,328	829,324
Transactions during the year ended 31 December 2021					
Net book value, beginning of year	186,688,222	253,984	186,942,206	2,267,328	829,324
Acquisition of assets	14,970,442	-	14,970,442	881	-
Disposals of asset	(9,079,698)	-	(9,079,698)	-	-
Amortization	(9,249,548)	(14,069)	(9,263,617)	(823,794)	(163,769)
Exchange differences on translation financial statements	20,909,198	28,268	20,937,466	74,544	-
Net book value, end of year	204,238,616	268,183	204,506,799	1,518,959	665,555
As at 31 December 2021					
Cost	285,055,368	392,554	285,447,922	17,211,937	3,554,241
<u>Less</u> Accumulated amortization	(80,816,752)	(124,371)	(80,941,123)	(15,692,978)	(2,888,686)
Net book value	204,238,616	268,183	204,506,799	1,518,959	665,555

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As at 31 December 2021 and 2020, according to Concession Agreement (“CA”), the subsidiary included the expense occurred during the construction period of US Dollar 11,807 which related to implementing and complying with its Environmental obligation to comply with the Water Resources and Environmental Administration (WREA) Act and the obligation for major overhaul of US Dollar 175,331 (Note 26). The obligations were recorded as cost of asset and amortized over 30 years as the agreement period in CA. The remaining amortization period is approximately 21 years from 31 December 2021.

19. DEFERRED TAX ASSETS

Deferred tax is calculated on temporary differences, using a principal tax rate of 20%. The deferred tax related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group which are summarized below:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for credit losses	131,559	377,371	131,559	377,371
Non-current provisions				
for employee benefit	11,436,052	10,748,018	4,932,191	5,156,935
Deferred tax assets	11,567,611	11,125,389	5,063,750	5,534,306
Deferred tax liabilities				
Right-of-use assets	(1,423,603)	(1,531,103)	(1,423,603)	(1,531,103)
Investments in opened-end fund				
and general fixed income fund	(28,868)	(32,585)	(20,168)	(32,585)
Non-current non-cash financial				
assets pledged as collateral	-	(43,723)	-	(22,310)
Deferred tax liabilities	(1,452,471)	(1,607,411)	(1,443,771)	(1,585,998)
Deferred tax assets - net	10,115,140	9,517,978	3,619,979	3,948,308

The movements of deferred tax account is as follows:

	In Baht			
	Consolidated financial statements			
	31 December	Recognised	Recognised	
	2020	in profit	in other	31 December
		or loss	comprehensive	2021
			income	
Deferred tax assets				
Allowance for credit losses	377,371	(245,812)	-	131,559
Non-current provisions				
for employee benefit	10,748,018	581,028	107,006	11,436,052
Total deferred tax assets	11,125,389	335,216	107,006	11,567,611
Deferred tax liabilities				
Right-of-use assets	(1,531,103)	107,500	-	(1,423,603)
Investments in opened-end fund				
and general fixed income fund	(32,585)	3,717	-	(28,868)
Non-current non-cash financial				
assets pledged as collateral	(43,723)	-	43,723	-
Total deferred tax liabilities	(1,607,411)	111,217	43,723	(1,452,471)
Deferred tax assets - net	9,517,978	446,433	150,729	10,115,140

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	In Baht			
	Separate financial statements			31 December 2021
	31 December 2020	Recognised in profit or loss	Recognised in other comprehensive income	
Deferred tax assets				
Allowance for credit losses	377,371	(245,812)	-	131,559
Non-current provisions for employee benefit	5,156,935	(153,594)	(71,150)	4,932,191
Total deferred tax assets	5,534,306	(399,406)	(71,150)	5,063,750
Deferred tax liabilities				
Right-of-use assets	(1,531,103)	107,500	-	(1,423,603)
Investments in opened-end fund and general fixed income fund	(32,585)	12,417	-	(20,168)
Non-current non-cash financial assets pledged as collateral	(22,310)	-	22,310	-
Total deferred tax liabilities	(1,585,998)	119,917	22,310	(1,443,771)
Deferred tax assets - net	3,948,308	(279,489)	(48,840)	3,619,979

Deferred tax assets and liabilities are offset when they related to the same taxation authority. Deferred tax assets and deferred tax liabilities in the consolidated statement of financial position are presented at net amount of assets and liabilities incurred in each entity.

20. INCOME TAX REFUNDABLE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Income tax refundable	10,613,151	24,102,963	750,439	13,557,046
<u>Less</u> Allowance for diminution in value of assets	(9,862,712)	(9,862,712)	-	-
Total	750,439	14,240,251	750,439	13,557,046

As at 31 December 2021, the Company and a subsidiary have withholding income tax and prepaid income tax of Baht 0.75 million and Baht 9.86 million, respectively (31 December 2020 : Baht 13.56 million and Baht 10.54 million, respectively). The Company and a subsidiary are in process of refundable such taxes. For conservative purpose, the subsidiary recorded the allowance for diminution in value of assets of Baht 9.86 million due to improbability in tax refundable.

In April 2021, the Company received the corporate income tax refund of Baht 12.73 million from the Revenue Department. In addition, the Company has written-off income tax refundable of Baht 0.83 million as expense in the current period which is the unrecoverable amount notified by the Revenue Department.

In July 2021, the subsidiary received the corporate income tax refund of Baht 0.67 million from the Revenue Department. In addition, the subsidiary has written-off income tax refundable of Baht 0.02 million as expense in the current period which is the unrecoverable amount notified by the Revenue Department.

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21. LOANS FROM FINANCIAL INSTITUTIONS

The Group's loans are borrowings denominated in Thai Baht and US Dollar which details below:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current				
Promissory notes	-	20,000,000	-	10,000,000
Long-term loans from financial institutions				
- classified as current liabilities	372,109,422	334,305,677	-	-
Total loans	372,109,422	354,305,677	-	10,000,000

The movements of loans are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value, beginning of years	354,305,677	338,348,318	10,000,000	-
Received from short-term loan	20,000,000	20,000,000	10,000,000	10,000,000
Payments on short-term loan	(40,000,000)	-	(20,000,000)	-
Payments on long-term loan	-	(3,282,980)	-	-
Amortized bank fee	315,063	387,017	-	-
Exchange differences on translation financial statements	37,488,682	(1,146,678)	-	-
Net book value, ending of years	372,109,422	354,305,677	-	10,000,000

Short-term loans from financial institutions

As at 31 December 2021, the Group has short-term loans facilities and other facilities from various local financial institutions of Baht 605 million (31 December 2020 : Baht 630 million) and the Company has short-term loans facilities of Baht 155 million (31 December 2020 : Baht 180 million). The credit facilities are mortgaged by deposits at banks (Note 13), government bond (Note 12) and land, buildings and machineries (Note 16) and right to receive money under a project contract of the Company in the value of Baht 170.73 million (31 December 2020 : Baht 169.35 million), which the Company has trade receivable of Baht 41.53 million and unbilled completed works of Baht 0.41 million related to this project as at 31 December 2021 (31 December 2020, the Company has no outstanding receivable related to this project).

As at 31 December 2020, the Group and the Company have promissory note of Baht 20 million and Baht 10 million, respectively, bearing interest rate at 4% and MLR - 1.5% per annum with maturity period of 3 - 6 months (31 December 2021 : None).

Long-term loan in US Dollar

SCI Metal Tech (Myanmar) Co., Ltd. entered into a long-term agreement of US Dollar 14.10 million which consisted of credit facilities for construction building and factory and purchase of the machinery of US Dollar 11.60 million and for working capital of US Dollar 2.50 million. The loans bear interest rate at LIBOR 3 months plus 3% per annum and LIBOR 6 months plus 3.75% per annum, respectively.

The period of agreement is 7 years and 3 months. The first repayment date shall be the date falling twenty-one months from the first drawdown date on 21 June 2017 (credit facilities for construction building and factory and purchase of machinery). The loan is guaranteed by SCI Electric Public Company Limited and pledged the subsidiary's share which were owned by the Company and the Company's shares owned by some directors. According to the conditions stipulated in the loan agreements, the subsidiary is required to comply with certain terms and conditions by maintaining a ratio of debt service coverage not less than 1.2.

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On 21 September 2021, the loan agreement has revised the principal repayment schedule and revised the interest payment schedule. There will be no payment of principal in the 6th - 16th (June 2020 - December 2022) installments and adjusting the amount of principal to be paid from the 17th - 22nd (March 2023 - May 2024) installments of the contract, include revising the deferral of interest payments due from September 2021 to June 2022 to pay the total amount in the 22nd installment, which is the last of all loan repayments under the contract. In additional, the bank has set other conditions, significant one of them is that the Company is not allowed to pay dividends to shareholders during the period from September 2021 to December 2022.

As at 31 December 2021, the subsidiary has outstanding long-term loans of US Dollar 11.10 million (31 December 2020 : US Dollar 11.10 million), As at 31 December 2021 and 2020 which the subsidiary is unable to maintain such ratio stipulated in the agreement. However, on 19 May 2021, the subsidiary obtained a waiver letter from a creditor financial institution, which considered and approved the inability to maintain the said ratio, and not considered as a default event under the loan agreement only for the 2020 financial statements. Therefore, the Group still classified the loan as current liabilities as at 31 December 2021 according to the financial reporting standards.

Forward contract facilities

As at 31 December 2021 and 2020, the Group has unutilized the forward contracts amounting to US Dollar 3 million and Baht 20 million and the Company has unutilized the forward contracts amounting to US Dollar 2 million.

22. TRADE AND OTHER CURRENT PAYABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables - other companies	439,713,678	285,397,831	122,089,082	52,079,057
Trade payables - service agreement of foreign project	807,291,928	726,765,527	807,291,928	726,655,344
Trade payables - related companies (Note 7.2)	-	-	28,054,378	33,408,202
Total trade payables	1,247,005,606	1,012,163,358	957,435,388	812,142,603
<u>Less</u> Deferred discounts from devaluation expected cash flow to be paid to trade payable - service agreement	(127,552,080)	(114,695,075)	(127,552,080)	(114,695,075)
Trade payables - net	1,119,453,526	897,468,283	829,883,308	697,447,528
Payables - retention	800,931	-	-	-
Accrued expenses	41,084,325	32,101,057	23,373,161	22,703,145
Accrued expenses - related companies (Note 7.2)	-	-	11,770	9,351
Accrued interest	22,204,679	11,099,394	-	-
Revenue Department payable	2,895,415	6,181,475	1,013,126	1,692,570
Other payables	21,894,708	18,995,637	853,297	819,510
Total	1,208,333,584	965,845,846	855,134,662	722,672,104

As at 31 December 2021, the Company has accrued cost not yet due which is trade payables relating to outstanding construction service contract (Note 10). Management forecasts that the Company would pay outstanding accrued cost not yet due relating to such contract after the Company receives payments for the services which has been rendered to the employer (Note 9).

The Company records deferred discounts from devaluation expected cash flow to be paid to accrued cost not yet due in the future of Baht 127.55 million (31 December 2020 : Baht 114.70 million). Management believes that deferred discounts based on a discounted cash flow expected to be paid is accurate and appropriate for the circumstance.

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23. CONTRACT LIABILITIES

As at 31 December, contract liabilities consisted of:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Unearned income	46,436,872	90,232,800	21,211,155	11,799,730
Unearned income				
- related companies (Note 7.2)	-	-	484,805	-
Advance received from customer	2,537,417	15,826,766	2,537,417	15,826,766
Total contract liabilities	48,974,289	106,059,566	24,233,377	27,626,496
Revenue recognised in the current				
years previously included in				
contract liabilities balance at				
the beginning of the years	83,414,077	18,614,327	21,559,167	3,909,399

24. LEASE LIABILITIES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Minimum payments	1,698,101	3,447,654	1,154,177	2,433,798
<u>Less</u> Deferred interest charges	(47,045)	(132,278)	(39,090)	(106,360)
Present value of minimum				
payments amount	1,651,056	3,315,376	1,115,087	2,327,438
<u>Less</u> Current portion	(974,909)	(1,664,320)	(512,440)	(1,212,351)
Lease liabilities due between 1-5 years	676,147	1,651,056	602,647	1,115,087

The movements of lease liabilities for the years ended 31 December, are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of the years	3,315,376	3,624,893	2,327,438	2,195,256
Addition from lease agreement				
during the years	-	1,445,768	-	1,445,768
Increase from interest	85,233	135,317	67,270	107,083
Payments	(1,749,553)	(1,890,602)	(1,279,621)	(1,420,669)
Balance at ending of the years	1,651,056	3,315,376	1,115,087	2,327,438
<u>Less</u> Current portion	(974,909)	(1,664,320)	(512,440)	(1,212,351)
Lease liabilities due				
between 1 - 5 years	676,147	1,651,056	602,647	1,115,087

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Expenses related to the lease agreements recognised in profit or loss as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
For the years ended 31 December				
Depreciation of right-of-use assets (Note 17)	3,135,651	3,190,300	741,641	842,381
Interest expense on lease liabilities	85,233	135,317	67,270	107,083
Expense relating to short-term lease	1,794,184	1,857,578	925,684	989,929
Total	5,015,068	5,183,195	1,734,595	1,939,393

25. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movements in the present value of non-current provisions for employee benefit for the years ended 31 December, are as following:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value, beginning of years	53,740,089	47,616,234	25,784,673	22,691,355
Current service cost	8,282,245	8,161,013	3,385,437	3,706,773
Interest expense	710,708	682,421	299,908	316,041
Gain on settlement	(131,800)	-	(321,776)	-
Employee benefit paid	(5,956,014)	(2,719,579)	(4,131,541)	(929,496)
Actuarial (gain) loss arising from				
Assumptions changes on				
- Financial	(273,637)	-	(37,374)	-
- Demographic	(105,727)	-	(512,613)	-
Experience adjustment	914,393	-	194,237	-
Net book value, ending of years	57,180,257	53,740,089	24,660,951	25,784,673

Expense recognised in statement of comprehensive income is presented in the following line items:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
For the years ended 31 December				
Cost of sale and service	5,608,965	5,376,097	1,644,235	1,707,840
Selling expenses	1,034,271	1,159,403	559,173	769,678
Administrative expenses	2,217,917	2,307,934	1,160,161	1,545,296
Total expense recognised in profit or loss	8,861,153	8,843,434	3,363,569	4,022,814

As at 31 December 2021 and 2020, the weighted average duration of the payments for long-term employee benefit of the Group was approximately 8 - 11 years.

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Principal actuarial assumptions at the reporting date

	Consolidated financial statements	
	2021	2020
Discount rate	1.43 - 1.57% per annum	1.41 - 1.47% per annum
Salary increase rate	5.00% per annum	5.00% per annum
Employee turnover rate	Scale related to age ranging	Scale related to age ranging
	from 0 - 26%	from 0 - 30%
Mortality rate	According to Thailand	According to Thailand
	TMO 2017 tables	TMO 2017 tables
	Separate financial statements	
	2021	2020
Discount rate	1.43% per annum	1.41% per annum
Salary increase rate	5.00% per annum	5.00% per annum
Employee turnover rate	Scale related to age ranging	Scale related to age ranging
	from 0 - 24%	from 0 - 27%
Mortality rate	According to Thailand	According to Thailand
	TMO 2017 tables	TMO 2017 tables

Sensitivity analysis

Reasonably possible changes at the reporting date to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Change 1%		Change 1%	
Employee benefit obligation as at 31 December 2021	Increase	Decrease	Increase	Decrease
Discount rate	(4,043,814)	4,581,518	(1,750,947)	1,995,451
Salary increase rate	4,692,301	(4,228,342)	2,055,468	(1,843,130)
Employee turnover rate	(4,445,828)	3,869,368	(1,888,840)	1,063,549

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

26. OTHER NON-CURRENT PROVISIONS

According to the Concession Agreement related to the right to use the area to build a dam to produce hydroelectric power, the subsidiary has obligations after constructions and has some negotiations with the related regulators for the payments and the obligation for major overhaul before transferring the assets to the grantor at the end of concession period.

As at 31 December 2021, the subsidiary recognised a long-term provision of US Dollar 175,331 or equivalent to Baht 5.89 million (31 December 2020 : US Dollar 175,331 or equivalent to Baht 5.30 million).

27. LEGAL RESERVE

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28. DIVIDEND PAYMENT

Transactions incurred during the year 2020

According to the Company's Board of Directors' Meeting No. 3/2020, dated 26 March 2020, the meeting passes a resolution to approve the interim dividend from the retained earnings of the Company at Baht 0.02 per share to the shareholder of 750 million shares, totaling of Baht 15 million. Such dividend was paid to the shareholders on 20 April 2020.

29. OTHER INCOME

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Dividend income (Note 7.3)	-	-	-	37,799,300
Interest income - related companies (Note 7.3)	-	-	12,265,867	12,580,622
Interest income - other companies	1,756,094	2,216,716	1,578,896	1,999,230
Management income (Note 7.3)	-	-	8,340,000	7,158,423
Gain on disposal of investment in joint venture	-	723,217	-	-
Gain on disposal in investment in opened-end fund and general fixed income fund	452,586	-	393,547	-
Insurance claim on assets - net	11,195,157	-	-	-
Gain on foreign exchange rate - net	25,657,101	-	2,528,553	-
Scrap sale	16,360,351	5,474,950	8,221,860	-
Other income	1,555,715	1,647,296	173,406	1,758,790
Total	56,977,004	10,062,179	33,502,129	61,296,365

Insurance claim on assets - net was the insurance compensation of Tad Salen Power Co., Ltd. due to soil slide in front of factory since the end of 2020. During 2021, the subsidiary received compensation of Baht 20.04 million and incurred loss from damaged equipment of Baht 8.84 million.

30. OTHER EXPENSE

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Loss on foreign exchange rate - net	-	2,468,345	-	-
Loss on disposal equipments	838,749	306,160	58,463	74,673
Loss on disposal of investments in opened-end fund and general fixed income fund	-	115,032	-	113,778
Impairment loss on investment in subsidiary	-	-	23,400,000	-
Total	838,749	2,889,537	23,458,463	188,451

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

31. EXPENSE BY NATURE

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Raw material and consumables used	1,123,672,915	884,177,459	404,023,904	308,171,340
Employee benefit expenses	294,818,472	316,701,450	115,389,101	119,181,932
Depreciation and amortization	56,565,684	55,974,865	10,733,442	10,906,306
Credit losses of trade receivables and contract assets				
- service agreement of foreign project	-	170,000,000	-	170,000,000

32. GAIN AND REVERSAL OF IMPAIMENT LOSS (IMPAIRMENT LOSS) ON FINANCIAL ASSETS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Credit losses of trade receivables and contract assets				
- service agreement of foreign project	-	(170,000,000)	-	(170,000,000)
Reversal (credit losses) of trade receivables - other companies and other receivables (excluding foreign project receivable)	1,229,062	(811,981)	1,229,062	(876,100)
Profit (loss) from revising estimated receipts	-	-	915,017	(7,857,622)
Total	1,229,062	(170,811,981)	2,144,079	(178,733,722)

33. INCOME TAX INCOME (EXPENSE)

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax	(5,873,248)	(14,750,236)	-	-
Deferred tax	446,433	1,630,770	(279,489)	1,037,486
Income tax income (expense)	(5,426,815)	(13,119,466)	(279,489)	1,037,486

Information about deferred tax further disclosed in Note 19.

As at 31 December 2021 and 2020, the Group has not recognised deferred tax assets in respect of loss carry forward expired in 2022 - 2026 and 2020 - 2025, respectively, as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax assets in respect of unrecognised loss carry forward	57.14	59.81	12.32	13.88

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Reconciliations of effective tax rate

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit (loss) before income tax (income) expense	7,025,049	(169,841,063)	(11,353,614)	(131,028,213)
Corporate income tax rate	20 - 25%	20 - 25%	20%	20%
Tax calculated at a tax rate	2,136,949	(37,463,737)	(2,270,723)	(26,205,643)
Tax effects of:				
Income not subject to tax	(245,812)	(88,000)	(245,812)	(7,647,860)
Non-deductible expenses	2,082,114	38,066,545	5,337,267	36,771,483
Additional expense deductions allowed	(1,963,989)	(3,419,646)	(1,299,602)	(1,532,924)
Tax losses for the years	5,385,116	19,040,130	-	-
Utilize tax losses during the years	(1,521,130)	(1,385,056)	(1,521,130)	(1,385,056)
Current income tax	5,873,248	14,750,236	-	-
Changes of temporary differences	(446,433)	(1,630,770)	279,489	(1,037,486)
Income tax (income) expense presented in the statement of comprehensive income	5,426,815	13,119,466	279,489	(1,037,486)

For the years 2021 and 2020, corporate income tax rate of the Company and its domestic subsidiaries are 20%. For a subsidiary in Myanmar for the business of manufacture of high-voltage transmission line, telecommunication tower and galvanized steel structure, the corporate income tax rate is applied at 25%. In addition, the corporate income tax rate for the business of electricity produced from the hydroelectric power plant of a subsidiary in Laos is 24%.

34. BASIC EARNING (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the years attributable to shareholders of the Company by the weighted average number of common shares issued during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit (loss) for the years				
- Attributable to the equity holders of the parent (Baht)	3,454,718	(180,639,059)	(11,633,103)	(129,990,727)
Weighted average number of common shares for the years (shares)	750,000,000	750,000,000	750,000,000	750,000,000
Basic earnings (loss) per share (Baht per share)	0.005	(0.241)	(0.016)	(0.173)

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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35. SEGMENT INFORMATION

The managements divide its business into three main segments, which are manufacture of switch board, manufacture and galvanized services and others services, each mainly consisted of the following:

Manufacture of switch board	Manufacture and sell of low and medium voltage electrical switch board, cable tray and cable support equipment.
Manufacture and galvanized service	Manufacture high voltage line tower, telecommunication tower, and galvanizing steel structure and selling wiring equipment and hot dip galvanized service.
Services and others	Providing services of project management under the Engineering, Procurement and Construction (EPC) contract and selling of electricity produced from the hydroelectric power plant in The Lao People's Democratic Republic.

Geographical segment

The financial information by geographical segment, revenue and asset are classified follow by geographical of the Group's customers and location of asset, respectively.

Major customers

For the year 2021, the Group has revenue from five major customers, equivalent to 64% of sales and service income, two of which derived from manufacture and galvanized service segment (equivalent to 46% of sales and service income) and two of which derived from manufacture of switch board segment (equivalent to 11% of sales and service income) and a customer from service project management (equivalent to 7% of sales and service income) (for the year 2020, the Group has revenue from six major customers, equivalent to 54% of sales and service income, five of which derived from manufacture and galvanized service segment (equivalent to 47% of sales and service income) and one of which derived from manufacture of switch board segment (equivalent to 7% of sales and service income).

The timing of revenue recognition of satisfied performance obligation of the Group, are as follows:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
For the years ended 31 December				
Point in time	1,443.89	1,326.64	448.21	460.83
Over time	125.34	74.62	114.17	19.13
Total revenue from sales and services	<u>1,569.23</u>	<u>1,401.26</u>	<u>562.38</u>	<u>479.96</u>

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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The segment information of the Group, are presented below:

	In Million Baht				
	Consolidated financial statements				
	For the year ended 31 December 2021				
	Manufacture of switch board	Manufacture and galvanized service	Services and others	Eliminate	Total
Revenues from sales from external customers					
- Local	410.70	951.46	-	-	1,362.16
- Overseas	37.49	27.38	16.86	-	81.73
Inter-segment revenues from sales	0.02	106.92	11.11	(118.05)	-
Total revenues from sales	448.21	1,085.76	27.97	(118.05)	1,443.89
Revenues from services from external customers					
- Local	-	-	125.34	-	125.34
Total revenues	448.21	1,085.76	153.31	(118.05)	1,569.23
Gross profit	74.89	51.31	3.44	2.45	132.09
Other income					56.98
Selling expenses					(39.71)
Administrative expenses					(120.81)
Other expense					(0.84)
Other losses					(0.02)
Finance costs					(15.95)
Gain and reversal of impairment loss on financial assets					1.23
Share of loss from investment in joint ventures					(5.95)
Profit before income tax expense					7.02
Income tax expense					(5.43)
Profit for the year					1.59
<u>Less</u> loss attributable to non-controlling interests					(1.86)
Profit attributable to equity holders of the parent					3.45

	In Million Baht				
	Consolidated financial statements				
	For the year ended 31 December 2020				
	Manufacture of switch board	Manufacture and galvanized service	Services and others	Eliminate	Total
Revenues from sales from external customers					
- Local	433.05	838.06	-	-	1,271.11
- Overseas	27.72	19.56	8.25	-	55.53
Inter-segment revenues	0.06	94.05	15.00	(109.11)	-
Total revenues from sales	460.83	951.67	23.25	(109.11)	1,326.64

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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FOR THE YEAR ENDED 31 DECEMBER 2021

	In Million Baht				
	Consolidated financial statements				
	For the year ended 31 December 2020				
	Manufacture of switch board	Manufacture and galvanized service	Services and others	Eliminate	Total
Revenues from services from external customers					
- Local	-	-	74.62	-	74.62
Total revenues	460.83	951.67	97.87	(109.11)	1,401.26
Gross profit	89.03	99.77	0.80	0.32	189.92
Other income					10.06
Selling expenses					(39.74)
Administrative expenses					(131.15)
Other expense					(2.89)
Other gains					0.16
Financial costs					(20.67)
Impairment loss on financial assets					(170.81)
Share of loss from investment in joint ventures					(4.72)
Loss before income tax expense					(169.84)
Income tax expense					(13.12)
Loss for the year					(182.96)
<u>Less</u> loss attributable to non-controlling interests					(2.32)
Loss attributable to equity holders of the parent					(180.64)

Assets and liabilities classified by segment are as follows:

	In Million Baht							
	Consolidated financial statements							
	As at 31 December 2021							
	Manufacture of switch board		Manufacture and galvanized service		Services and others		Eliminate	Total
	Thai	Overseas	Thai	Overseas	Thai	Overseas		
Assets classified by segment								
Property, plant and equipments	97.09	-	108.62	389.71	0.04	2.17	(2.27)	595.36
Right-of-use assets	3.48	-	1.72	93.08	-	-	-	98.28
Right in service concession arrangement	-	-	-	-	-	204.51	-	204.51
Other assets	1,617.54	-	703.13	73.24	202.70	691.39	(1,041.33)	2,246.67
Total assets	1,718.11	-	813.47	556.03	202.74	898.07	(1,043.60)	3,144.82
Liabilities classified by segment								
Total liabilities	189.04	-	437.41	513.01	78.73	822.73	(344.30)	1,696.62

SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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	In Million Baht							
	Consolidated financial statements							
	As at 31 December 2020							
	Manufacture of switch board		Manufacture and galvanized service		Services and others		Eliminate	Total
	Thai	Overseas	Thai	Overseas	Thai	Overseas		
Assets classified by segment								
Property, plant and equipments	105.43	-	109.32	366.82	0.05	2.18	(2.57)	581.23
Right-of-use assets	5.01	-	1.98	85.59	-	-	-	92.58
Right in service concession arrangement	-	-	-	-	-	186.94	-	186.94
Other assets	1,584.28	-	689.44	92.15	191.14	639.25	(1,123.61)	2,072.65
Total assets	<u>1,694.72</u>	<u>-</u>	<u>800.74</u>	<u>544.56</u>	<u>191.19</u>	<u>828.37</u>	<u>(1,126.18)</u>	<u>2,933.40</u>
Liabilities classified by segment								
Total liabilities	<u>160.62</u>	<u>-</u>	<u>442.83</u>	<u>467.01</u>	<u>68.87</u>	<u>776.72</u>	<u>(415.24)</u>	<u>1,500.81</u>

36. FAIR VALUE

The carrying amount of financial assets and liabilities, measured at amortized cost, include cash and cash equivalents, trade receivables, short-term loans to, unbilled completed works, dividend receivable, short-term loans and long-term loans from financial institutions classified as current liabilities, trade payables, accrued expenses and other payables. Their carrying values approximate to their fair values.

The Group determines Level 2 fair values of investment in debt instruments-unit trust have been determined based on quoted selling prices from the trading price announced by Asset Management companies.

Fair values of assets and liabilities, which shown in the statement of financial position had been valued Level 2 are as follows:

	In Baht	
	Consolidated financial statements	
	Carrying amount	Fair value Level 2
As at 31 December 2021		
<u>Current</u>		
Investments in opened-end fund measured at fair value through profit or loss	157,400,035	157,400,035
Investments in government bond measured at fair value through other comprehensive income	16,000,000	16,000,000
As at 31 December 2020		
<u>Current</u>		
Investments in opened-end fund measured at fair value through profit or loss	79,200,478	79,200,478
<u>Non-current</u>		
Investments in government bond measured at fair value through other comprehensive income	16,513,600	16,513,600

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	In Baht	
	Separate financial statements	
	Carrying amount	Fair value Level 2
As at 31 December 2021		
<u>Current</u>		
Investments in opened-end fund measured at fair value through profit or loss	77,356,536	77,356,536
Investments in government bond measured at fair value through other comprehensive income	6,000,000	6,000,000
As at 31 December 2020		
<u>Current</u>		
Investments in opened-end fund measured at fair value through profit or loss	79,200,478	79,200,478
<u>Non-current</u>		
Investments in government bond measured at fair value through other comprehensive income	6,192,600	6,192,600

37. COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2021, the Group and the Company have letters of guarantee issued by banks for the payment of electricity fee and performance guarantee which are mortgaged by deposits at banks (Note 13) as follows:

	Consolidated financial statements	Separate financial statements
Letters of guarantee issued in Thai Baht	Baht 107.06 million	Baht 87.77 million

As at 31 December 2021, the Group and the Company have credit facilities for letter of guarantee issued by banks, totaling Baht 416 million and Baht 226 million, respectively (31 December 2020 : Baht 426 million and Baht 226 million, respectively). The Company has credit facilities for letter of credit issued by banks totaling Baht 45 million (31 December 2020 : Baht 20 million).

38. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2021, debt to equity ratio in the consolidated financial statements is 1.17 : 1 and in the separate financial statements is 0.59 : 1 (31 December 2020 : debt to equity ratio is 1.05 : 1 and 0.05 : 1, respectively).

39. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the Company's Board of Directors on 21 February 2022.

Attachment 1 Details of directors, executives, controlling persons, and the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary

[MR. NOPPOL MILLINTHANGGOON

Chairman /Independent Director

Appointed Date: 22 April 2015 (1st Term)

Age: 67 years old

Educational

- Master's degree in Engineering Nuclear technology
Chulalongkorn University
- Bachelor's degree in Engineering (Honor)
Chulalongkorn University

Training Record (Programs of the Institute of Directors: IOD)

- Director Certification Program (DCP 71/2550)
- Ethical Leadership Program (ELP 7/2017)
- Role of the Chairman Program (RCP 40/2017)
- Boards that Make a Difference (BMD 4/2017)
- Board Nomination and Compensation Program (BNCP 3/2018)
- Board Matters & Trends (BMT 7/2019)

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

2 Organizations

- Director and Chief Executive Officer
PKN Holding Co., Ltd.
- Independent Director and Chairman of the Risk Committee
Wind Energy Holding Co., Ltd.

Working Experience (Past 5 Years)

- 2015 – October 2021
Chairman
T Utilities Co., Ltd.
- 2014 - November 2015
Director and Chief Executive Officer
United Power PCL.
- 2008-2013
Director and Managing Director
Ratchaburi Holding PCL.

Shareholding in SCI (Including Spouse and Minor)

: None

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

: None

[MR. SUMETH CHAILERTVANITKUL

Director/

Chairman of the Nomination and Remuneration

Committee /Independent Director

Appointed Date: 22 April 2015 (1st Term)

Age: 71 Years old

Educational

- Ph.D. in Public Administration
Kenston University, USA
- Master Degree in Public Administration
Western Kentucky University, USA
- Master's Degree Economic Planning
University of Rotterdam, The Netherlands
- Bachelor's degree in Economics
Thammasart University
- Bachelor's degree in Law
Ramkhamhang University

Training Record (Programs of the Institute of Directors: IOD)

- Director Certification Program (DCP
208/2015)
- Role of the Compensation Committee
(RCC 20/2015)
- Role of the Nomination & Governance
Committee (RNG 8/2016)
- Nomination Director Event (1/2017)
- Director Briefing "The Sleeping Giants of
Succession" (4/2017)
- How to Develop a Risk Management Plan
(HRP 20/2018)
- Board Nomination and Compensation
Program (BNCP 8/2019)

Current position in other organizations

Listed company – The Stock Exchange of
Thailand

: None

**Other organizations / Companies (Not listed in the
Stock Exchange of Thailand)**

1 Organization

- Independent academics

Working Experience (Past 5 Years)

- 2009-2010
Governor of Satun Province
Ministry of Interior

Shareholding in SCI (Including Spouse and Minor)

: None

**Qualified According to Related Laws and does not
have Prohibited Qualifications**

: Qualified

**Family Relation with other Directors, Executives,
Major Shareholders of SCI and its Subsidiaries**

: None

[MRS. PRANEE PHASIPOL

Director/Chairman of the Audit Committee/

Nomination and Remuneration Committee/

Independent Director

Appointed Date: 22 April 2015 (1st Term)

Age: 72 Years old

Educational

- Master's degree, Master of Accounting
Thammasart University
- Bachelor's degree in Accounting (Good
honors)Thammasart University

**Training Record (Programs of the Institute of
Directors: IOD)**

- Director Certification Program (DCP
10/2001 and DCP Update 3/2015)
- Audit Committee Programs (ACP
30/2010)
- Role of the Nomination & Governance
Committee (RNG 8/2016)
- Role of the Compensation Committee
(RCC 20/2015)
- Risk Management Program for Corporate
Leaders (RCL 1/2015)
- How to Develop a Risk Management Plan
(HRP 11/2016)
- Board Matters and Trends (BMT 2/2017)
- Nomination Director Event (1/2017)
- Director Briefing "The Sleeping Giants of
Succession (4/2017)
- Boardroom Success through Financing &
Investment (BFI 4/2018)
- IOD National Director Conference 2019
(Board of The Future)

- Board Nomination and Compensation
Program (BNCP 8/2019)
- IT Governance and Cyber Resilience
Program (ITG 11/2019)

Current position in other organizations

**Listed company – The Stock Exchange of
Thailand**

2 Organizations

- Independent Director, Chairman of the
Audit Committee, Chairman of the
investment and Chairman of the
Corporate Governance Committee
Thai Wiwat Insurance PCL.
- Independent Director, Audit Committee,
Nomination and Remuneration Committee
and Corporate Governance Committee
Dusit Thani PCL.

**Other organizations / Companies (Not listed in the
Stock Exchange of Thailand)**

- 1 Organization
- Chairman of the Board of Directors set
the code of conduct of professional
accountant , Federation of Accounting
Professions

Working Experience (Past 5 Years)

- Until 2019
Qualified Director, SEC Office
- Until 2019
Audit and Evaluation Sub-Committee
International Center for the Arts
- Until 2019
Qualified director, Life insurance fund

Shareholding in SCI (Including Spouse and Minor)

: None

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

: None

|MRS. CHATTONG TIPPAYAKALIN

Director/ Audit Committee / Independent Director

Appointed Date: 22 April 2015 (1st Term)

Age: 69 Years old

Educational

- Master of Business Administration
(Management)
Kasetsart University
- Bachelor's degree in Economics
(Banking and Finance), University of the
Thai Chamber of Commerce

Training Record (Programs of the Institute of Directors: IOD)

- Director Accreditation Program (DAP
99/2012)
- Advanced Audit Committee Programs
(AACP 23/2016)
- Boardroom Success through Financing &
Investment (BFI 4/2018)

Current position in other organizations

Listed company – The Stock Exchange of
Thailand

1 Organization

- Independent Director and Audit
Committee
Fareast DDB PCL.

**Other organizations / Companies (Not listed in the
Stock Exchange of Thailand)**

: None

Working Experience (Past 5 Years)

: None

Shareholding in SCI (Including Spouse and Minor)

: None

Qualified According to Related Laws and does not
have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives,
Major Shareholders of SCI and its Subsidiaries

: None

MS. CHAOVANA VIWATPANACHATI

Director/ Audit Committee / Independent Director

Appointed Date: 22 April 2015 (1st Term)

Age: 60 Years old

Educational

- Master's degree in Accounting
Chulalongkorn University
- Master of Management,
University of Wollongong, Australia
- Bachelor's degree in Accounting
Chulalongkorn University
- Auditing Certificate
Thammasart University

**Training Record (Programs of the Institute of
Directors: IOD)**

- Director Certification Program (DCP
58/2005)
- Director Accreditation Program (DAP
2/2003)
- Audit Committee Programs (ACP
14/2006)
- Risk Management Program for Corporate
Leaders (RCL 4/2016)
- Anti-Corruption : The Practical Guide
(ACPG 38/2017)
- IT Governance and Cyber Resilience
Program (ITG 7/2018)
- Corruption Risk & Control : Technical
Update (CRC 2/2019)
- IOD National Director Conference 2019
(Board of The Future)

- Ethical Leadership Program (ELP
20/2020)

Current position in other organizations

Listed company – The Stock Exchange of
Thailand

1 Organization

- Independent Director and Chairman of
the Audit committee
Food and Drinks PCL.

Other organizations / Companies (Not listed in the
Stock Exchange of Thailand)

3 Organization

- Director at
Piti Sevi Co., Ltd.
Moore Stephens DIA Sevi Co., Ltd.
75 CPE Co., Ltd.

Working Experience (Past 5 Years)

- 2019 - 2021
Independent Director and Audit
Committee
Jasmin Telecom System PCL.
- 2019 - 2020
Independent Director and Audit
Committee
Rambootree Rungreung Co., Ltd.

Shareholding in SCI (Including Spouse and Minor)

: None

Qualified According to Related Laws and does not
have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives,
Major Shareholders of SCI and its Subsidiaries

: None

MS. AUNADA PHRUTTINARAKORN

Director/

Nomination and Remuneration Committee /

Chairman of the Executive Committee/ Authorized
Director

Appointed Date: 22 April 2015 (1st Term)

Age: 71 Years old

Educational

- Bachelor's degree in Arts
Thammasart University

Training Record (Programs of the Institute of
Directors: IOD)

- Director Certification Program (DCP
10/2001)
- Director Accreditation Program (DAP
106/2013)
- Role of the Chairman Program (RCP
34/2014)
- Role of the Nomination & Governance
Committee (RNG 8/2016)
- Role of the Compensation Committee
(RCC 21/2016)
- Ethical Leadership Program (ELP 4/2016)
- Nomination Director Event (1/2017)
- IOD Family Business Club Breakfast Talk
(1/2018)
- IOD Special Event 1/2019 (Board of the
Year, Board of the Future)
- Board Nomination and Compensation
Program (BNCP 8/2019)
- IOD Annual General Meeting 2019

- Strategic Board Master Class (SBM 8/2020)

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

4 Organizations

- Director
Ajikawa & SCI Metal Tech Co., Ltd.
- Director
SCI Holding Co., Ltd.
- The Executive Committee
T Utilities Co., Ltd.
- Director
SCI Metal Tech (Myanmar) Co., Ltd.

Working Experience (Past 5 Years)

- 1991 - 2013
Director, World Coating Process Co., Ltd.

Shareholding in SCI (Including Spouse and Minor)

- 8.31%

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

- She is the older sister of Mr. Sirichai Phrutthinarakorn and Mrs. Wanida Phrutthinarakorn and is Mr. Kriangkrai Pheanvitayaskul and Mr. Thanawat Yanisrangkul's aunt.

|MR. KRIANGKRAI PHEANVITAYASKUL

Director/Chief Executive Officer/

Authorized Director

Appointed Date: 22 April 2015 (1st Term)

Age: 42 Years old

Educational

- Master's degree in Business Admin.
Sasin Graduate Institute of Business Administration
- Master's degree in Business Admin.
Ramkhamhang University
- Bachelor's degree in Engineering
King Mongkut's University of Technology Thonburi

Training Record (Programs of the Institute of Directors: IOD)

- Director Certification Program (DCP 179/2013)
- Financial Statements for Directors (FSD 22/2013)
- Family Business Governance for Sustainability (FBS 1/2014)
- How to Develop a Risk Management Plan (HRP 18/2018)
- IOD National Director Conference 2019 (Board of The Future)

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

8 Organizations

- Director
Ajikawa & SCI Metal Tech Co., Ltd.
- Director
SCI Holding Co., Ltd.
- Director
Tadsalen Co., Ltd. (Laos)
- Director
FRP Co., Ltd.
- Director
Star Rail Co., Ltd.
- Executive Committee
T Utilities Co., Ltd.
- Director
SCI Metal Tech (Myanmar) Co.,Ltd.
- Director
SCI Enesys Co., Ltd.

- Is younger brother of Ms. Orajid Pheanvitayaskul
- Is cousin of Mr. Thanawat Yanisrangkul

Working Experience (Past 5 Years)

: None

Shareholding in SCI (Including Spouse and Minor)

- 1.15%

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

- He is the grandson of Ms. Aunada Phruttnarakorn, Mr. Sirichai Phruttnarakorn and Mrs. Wanida Phruttnarakorn

[MR. THANAWAT YANISRANGKUL

Director/Chief Financial Officer

Appointed Date: 22 April 2015 (1st Term)

Age: 40 Years old

Educational

- Master's degree Science in Management Technology, University of Nottingham
- Bachelor's degree in Engineering Thammasart University
- Bachelor's degree in Engineering University of Nottingham

Training Record (Programs of the Institute of Directors: IOD)

- Director Certification Program (DCP 179/2013)
- Chief Financial Officer Certification Program 17/2013
- Financial Statements for Directors (FSD 22/2013, 33/2017)
- Family Business Governance for Sustainability (FBS 1/2014)
- Boardroom Success through Financing & Investment (BFI 1/2017)
- IOD National Director Conference 2019 (Board of The Future)
- TLCA CFO Professional Development Program (TLCA CFO CPD)

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

4 Organizations

- Director
SCI Holding Co., Ltd.
- Director
FRP Co., Ltd.
- Director
SCI Metal Tech (Myanmar) Co.,Ltd.
- Director
Interasia Trading Co., Ltd.

Working Experience (Past 5 Years)

- 2019-2020
Director, Yeummai (Thailand) Co., Ltd.

Shareholding in SCI (Including Spouse and Minor)

- 1.79%

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

- He is Mr. Vichai Yanisrangkul's son
- Is the grandson of Ms. Aunada Phrutinarakorn, Mr. Sirichai Phrutinarakorn and Mrs. Wanida Phrutinarakorn
- Is cousin of Mr. Kiangkrai Pheanvitayaskul and Ms. Orajid Pheanvitayaskul

[MR. SIRICHA PHRUTTINARAKORN]

Director/Chief Operation Officer/

Authorized Director

Appointed Date: 22 April 2015 (1st Term)

Age: 60 Years old

Educational

- Professional Certificate
Kitti Commerce and Accountancy
College
- MBA Certificate
Chulalongkorn University

Training Record (Programs of the Institute of Directors: IOD)

- Director Certification Program (DCP
184/2014)

Current position in other organizations

Listed company – The Stock Exchange of
Thailand

: None

**Other organizations / Companies (Not listed in the
Stock Exchange of Thailand)**

4 Organizations

- Director
Ajikawa & SCI Metal Tech Co., Ltd.
- Director
SCI Holding Co., Ltd.
- Director
SCI Enesys Co., Ltd.
- Director
Interasia Trading Co., Ltd.

Working Experience (Past 5 Years)

- 1991 - 2013
Director, World Coating Process Co., Ltd.

Shareholding in SCI (Including Spouse and Minor)

- 15.38%

Qualified According to Related Laws and does not
have Prohibited Qualifications

: Qualified

**Family Relation with other Directors, Executives,
Major Shareholders of SCI and its Subsidiaries**

- He is younger brother of Ms. Aunada
Phruttinarakorn and Mrs. Wanida
Phruttinarakorn
- Is an uncle of Mr. Kiangkrai
Pheanvitayaskul, Mr. Thanawat
Yanisrangkul and Ms. Orajid
Pheanvitayaskul

[MR. VICHAI YANISRANGKUL

Director/Chief Operation Officer

Appointed Date: 22 April 2015 (1st Term)

Age: 68 Years old

Educational

- Bachelor's Degree in Industrial Engineering
King Mongkut's University of Technology Thonburi

Training Record (Programs of the Institute of Directors: IOD)

- Director Certification Program (DCP 184/2014)

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

2 Organizations

- Director, Chief Operation Officer
Ajikawa & SCI Metal Tech Co., Ltd.
- Director
SCI Metal Tech (Myanmar) Co.,Ltd.

Working Experience (Past 5 Years)

- 1991 - 2013
Director, World Coating Process Co., Ltd.

Shareholding in SCI (Including Spouse and Minor)

- 2.17%

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

- He is Mr. Thanawat Yanisrangkul's father
- Is Brother in Law of Ms. Aunada Phruttinarakorn, Mr. Sirichai Phruttinarakorn and Mrs. Wanida Phruttinarakorn
- Is uncle of Mr. Kiangkrai Pheanvitayaskul and Ms. Orajid Pheanvitayaskul

[MRS. WANIDA PHRUTTINARAKORN

Executive Committee/Company Secretary

Appointed Date: 22 April 2015 (1st Term)

Age: 62 Years old

Educational

- Bachelor's Degree in Accounting
Dhurakitbundit university

Training Record (Programs of the Institute of Directors: IOD)

- Company Secretary Program (CSP
54/2013)
- Company Reporting Program (CRP
7/2013)
- Board Reporting Program (BRP 12/2013)
- Certificate Effective Minute Taking (EMT
28/2014)
- Family Business Governance for
Sustainability (FBS 1/2014)
- Anti-Corruption : The Practical guide
(ACPG 20/2015)

Current position in other organizations

Listed company – The Stock Exchange of
Thailand

: None

Other organizations / Companies (Not listed in the
Stock Exchange of Thailand)

1 Organization

- Director
Interasia Trading Co., Ltd.

Working Experience (Past 5 Years)

: None

Shareholding in SCI (Including Spouse and Minor)

- 11.83%

Qualified According to Related Laws and does not
have Prohibited Qualifications

: Qualified

**Family Relation with other Directors, Executives,
Major Shareholders of SCI and its Subsidiaries**

- She is sister of Ms. Aunada
Phruttnarakorn and Mr. Sirichai
Phruttnarakorn
- Is an aunt of Mr. Kiangkrai
Pheanvitayaskul, Mr. Thanawat
Yanisrangkul and Ms. Oravid
Pheanvitayaskul

|MR. PORNTIP ASAWACHATCHANCHAI

Executive Committee

Appointed Date: 22 April 2015 (1st Term)

Age: 47 Years old

Educational

- Master's degree, Faculty of Science
Accounting Information
Chulalongkorn university
- Bachelor's degree, Faculty of Business
Administration, Accounting
Assumption university

Training Record (Programs of the Institute of Directors: IOD)

: None

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

: None

Working Experience (Past 5 Years)

- 2001-2014
Assistant auditor
Price Waterhouse Cooper ABAS Co., Ltd.

Shareholding in SCI (Including Spouse and Minor)

: None

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

: None

|MR. PHANUPHAN JESRICHAJ

Executive Committee

Appointed Date: 22 April 2015 (1st Term)

Age: 47 Years old

Educational

- Master's Degree in Business Admin.
Thammasart university
- Bachelor's Degree in Engineering
Chulalongkorn university

Training Record (Programs of the Institute of Directors: IOD)

- Risk Management Committee Program
(RMP 6/2015)
- Risk Management Program for Corporate Leaders (RCL 7/2017)
- Successful Formulation & Execution of Strategy (SFE 29/2017)

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

1 Organization

- Director, Executive
SCI Metal Tech (Myanmar) Co.,Ltd.

Working Experience (Past 5 Years)

: None

Shareholding in SCI (Including Spouse and Minor)

: None

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives,
Major Shareholders of SCI and its Subsidiaries

: None

|MS. ORAJID PHEANVITAYASKUL

Executive Committee

Appointed Date: 22 April 2015 (1st Term)

Age: 46 Years old

Educational

- Bachelor's Degree in Arts
Bangkok university
- Graduate Diploma of Business
(Management)
Edith Cowan University, Australia

**Training Record (Programs of the Institute of
Directors: IOD)**

- Company Secretary Program (CSP
54/2013)
- Company Reporting Program (CRP
7/2013)
- Board Reporting Program (BRP 12/2013)
- Certificate Effective Minute Taking (EMT
28/2014)
- Anti-Corruption : The Practical guide
(ACPG 20/2015)
- Risk Management Program for Corporate
Leader (RCL 8/2017)

Current position in other organizations

Listed company – The Stock Exchange of
Thailand

: None

**Other organizations / Companies (Not listed in the
Stock Exchange of Thailand)**

1 Organization

- Director
FRP Co., Ltd.

Working Experience (Past 5 Years)

: None

Shareholding in SCI (Including Spouse and Minor)

- 1.62%

Qualified According to Related Laws and does not have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives,

Major Shareholders of SCI and its Subsidiaries

- Is a grand daughter of Ms. Aunada Phruttinarakorn, Mr. Sirichai Phruttinarakorn and Mrs. Wanida Phruttinarakorn
- Is an elder sister of Mr. Kiangkrai Pheanvitayaskul
- Is cousin of Mr. Thanawat Yanisrangkul

|MR. KUNIYOSHI MITO

Executive Committee

Appointed Date: 22 April 2015 (1st Term)

Age: 70 Years old

Educational

- Master's Degree International Business, Haberyana University, Columbia and Chile National University, Chile
- Bachelor's Degree in Engineering Cyokyo university , Japan

Training Record (Programs of the Institute of Directors: IOD)

: None

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

1 Organization

- Executive Committee and Planning & Design Director (oversea) Ajikawa & SCI Metal Tech Co.,Ltd.

Working Experience (Past 5 Years)

- Until 2017
Director, AG Ajikawa Corporation (Japan)
- Until 2017
Director, AG-VINA Engineering Co., Ltd.(Vietnam)

Shareholding in SCI (Including Spouse and Minor)

: None

Qualified According to Related Laws and does not
have Prohibited Qualifications

: Qualified

Family Relation with other Directors, Executives,
Major Shareholders of SCl and its Subsidiaries

: None

ATTACHMENT 2 Information on holding positions of executives and controlling persons of the Company in subsidiaries and related companies

A = Chairman, B = Director, C = Executive Committee, D = Executive , X = Chairman of the Audit Committee, Y = Audit Committee, Z = Independent Director

Name-Surname		Mr. Noppol Milinthangoon	Mr. Sumeth Chaitertvanitkul	Mrs. Pranee Phasipol	Mrs. Chattong Tippayakalin	Ms. Chaovana Viwatpanachati	Ms. Anada Phrutinarakorn	Mr. Kiangkrai Pheanvitayaskul	Mr. Thanawat Yanisrangkul	Mr. Sirichai Phrutinarakorn	Mr. Vichai Yanisrangkul	Mr. Kuniyoshi Mito	Ms. Porntip Asawachatcharnchai	Mrs. Wanida Phrutinarakorn	Mr. Phanuphan Jesrichai	Ms. Orasid Pheanvitayaskul
Related Company																
1	SCI Electric Public Company Limited	A,B,Z	B,Z	B,X,Z	B,Y,Z	B,Y,Z	B,C,D	B,C,D	B,C,D	B,C,D	B,C,D	C	C	C	C	C
2	Ajikawa & SCI Metal Tech Co., Ltd.						B	B		B	B, D					
3	SCI Holding Co., Ltd.						B	B	B	B						
4	Tadsalen Power Co., Ltd.							B,D								
5	Star Rail Co., Ltd.							B								
6	FRP Co., Ltd.							B	B							B
7	T Utilities Co., Ltd.						B	C								
8	SCI Enesys Co., Ltd.							B,D		B						
9	SCI Metal Tech Co., Ltd. (Myanmar)						B	B	B		B				B,D	
10	Interasia Trading Co., Ltd.								B	B				B		
11	Thai Wwat Insurance Public Company Limited			B,X,Z												
12	Dusit Thani Public Company Limited			B,Y,Z												
13	Fareast DDB Public Company Limited				B,Y,Z											
14	Food and Drinks Public Company Limited					B,X,Z										
15	Moore Stephens DIA Sevi Co., Ltd.					B,D										
16	Pitisevi Co., Ltd.					B										
17	75 CPE Co., Ltd.					B										
18	Wind Energy Holding Co., Ltd.	Z														
19	PKN Inter Holding Co., Ltd.	B,D														

ATTACHMENT 3 Details of the Heads of Internal Audit**|MS. ROMKLAO MUANGYEUNNAN**

Section Manager : Internal Audit

Appointed Date: 1 January 2016

Age: 64 Years old

Educational

- Bachelor's Degree in Finance
Bangkok university

Training Record (Related Programs)

- Diploma in Internal Auditing (Class 14, Professional Council)
- COSO 2013 Framework for Internal Control Systems (Class 2/16)
- Techniques for Writing Internal Audit Reports (Class 1/16)
- Fraud investigation
- Implementation of purchasing systems and cost control
- Establishing a revenue system and managing accounts receivable
- Risk assessment methods for internal audit planning
- E-TAX Invoice & Receipt

Current position in other organizations

Listed company – The Stock Exchange of Thailand

: None

Other organizations / Companies (Not listed in the Stock Exchange of Thailand)

: None

Working Experience (Past 5 Years)

- 1990 – 2015 Section Head : Finance
SCI Electric PCL.

Family Relation with other Directors, Executives, Major Shareholders of SCI and its Subsidiaries

: None

ATTACHMENT 4 Assets for business undertaking and details of asset appraisal

Assets for business undertaking and details of asset appraisal are shown in the 56-1 (one report) report :

Business Operations and Results of operations under the topic Assets used in business operations.

ATTACHMENT 5 Policy and guidelines on corporate governance and Business Code of Conduct

The Company has disclosed it on the Company's website. www.sci-mfgr.com / Topic Good Corporate Governance

ATTACHMENT 6 Report of the Audit Committee

The Company has disclosed the Audit Committee Report in Form 56-1 (one report): Report on key performance in corporate governance.



www.sci-mfgr.com

SCI Electric Public Company Limited

107/1 Moo1, Bangna-Trad Km.27Rd., Bangbor, Samutprakarn 10560 Thailand
Tel : (662) 338 1414 -17 Fax : (662) 708 0326 - 7 Email : service@sci-mfgr.com
Investor Relation contact : (662) 3618014 - 5 Email : IR@sci-groups.com