



# ONE REPORT

แบบแสดงรายการข้อมูลประจำปี 2565



บริษัท เอสซีไอ อิเล็คทริก จำกัด (มหาชน)

[www.sci-mfgr.com](http://www.sci-mfgr.com)

## ข้อมูลทางการเงินโดยสรุป / Financial Highlights

31 ธันวาคม 2565 / 31 December 2022

2563/2020

2564/2021

2565/2022

งบกำไรขาดทุน (ล้านบาท) / Statement of Income (Million Baht)			
รายได้จากการขาย / Sales Revenues	1,326.63	1,443.89	1,440.68
รายได้จากการให้บริการ / Services Revenues	74.62	125.35	25.42
รายได้รวม / Total Revenues	1,411.32	1,626.21	1,493.04
ต้นทุนรวม / Total Costs	1,211.34	1,437.15	1,515.71
กำไรขั้นต้น / Gross Profit	189.92	132.09	-49.61
ค่าใช้จ่ายในการขายและบริหารและอื่นๆ / Selling and administrative expenses	173.62	161.37	148.15
กำไรสุทธิ / Net Profit	-182.96	1.60	-201.57
งบแสดงฐานะการเงิน (ล้านบาท) / Statement of Financial Position (Million Baht)			
สินทรัพย์รวม / Total Assets	2,933.40	3,144.82	2,881.79
หนี้สินรวม / Total Liabilities	1,500.81	1,696.62	1,629.13
ส่วนของผู้ถือหุ้น / Shareholders Equity	1,432.59	1,448.20	1,252.66
จำนวนหุ้นสามัญที่ออกและชำระเต็มมูลค่า (ล้านหุ้น) / Shares and Fully Paid-up Share Capital (Mil.Shares)	750.00	750.00	750.00
อัตราส่วนทางการเงิน / Key Financial Ratios			
อัตรากำไรขั้นต้น (ร้อยละ) / Gross Margin (%)	13.55%	8.42%	-3.38%
อัตรากำไรสุทธิ* (ร้อยละ) / Net Profit Margin* (%)	-12.80%	0.21%	-13.50%
อัตราผลตอบแทนผู้ถือหุ้น* (ร้อยละ) / Return on Equity* (ROE) (%)	-11.81%	0.24%	-14.79%
อัตราผลตอบแทนจากสินทรัพย์รวม* (ร้อยละ) / Return on Total Asset* (ROA) (%)	-6.12%	0.11%	-6.05%
อัตราส่วนหนี้สินสุทธิต่อส่วนของผู้ถือหุ้น (เท่า) / Debt to Equity (D/E) (Times)	1.05	1.17	1.30
กำไรสุทธิต่อหุ้น (บาท) / Earnings per Share (EPS) (Baht)	(0.241)	0.005	(0.254)

# Message from Chairman

Dear Shareholders,

In the past year 2022, the Company faced obstacles in terms of raw material costs, which increased dramatically and the impact of the global economic situation, thus causing higher energy prices and more expensive transportation costs. It is also affected by the political and economic situation in Myanmar where the Company has invested, which still has no tendency to resolve. However, in 2022, the Company succeeded in leading the joint venture to win the bid for 4 community power plant projects; also the joint venture company with Japanese alliances exceeded the established target. At the same time, a new subsidiary (SCI Venture Co., Ltd.) was established to expand investment in the new businesses.

For the year 2023, the management plans to manage costs and increase bidding for power plants, including adding new products of the Company. In addition, there is also a business plan to expand more engineering and contracting services to enable the Company to become a One Stop Service.

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. Also, thanks to the executives, the management and all employees who have dedicated your efforts to lead the Company through various obstacles as always.



Mr. Noppol Milinthanggoon

Chairman and Independent Director

# คณะกรรมการ และ เลขานุการบริษัท

## Board of Directors & Company Secretary



นาง ฉัตรทอง ทิพยกะลิน

กรรมการอิสระ

กรรมการตรวจสอบ

MRS. CHATTONG TIPPAYAKALIN

Independent Director

Audit Committee



นางสาว ชวนา วิวัฒน์พนชาติ

กรรมการอิสระ

กรรมการตรวจสอบ

MS. CHAOVANA VIWATPANACHATI

Independent Director

Audit Committee



นางสาว อุนนดา พฤตินารากร

กรรมการ

กรรมการสรรหาและพิจารณาค่าตอบแทน

ประธานคณะกรรมการบริหาร

MS. AUNADA PHRUTTINARAKORN

Director

Nomination & Remuneration Committee

Chairman of Executive Committees





# คณะกรรมการ และ เลขาธิการบริษัท

## Board of Directors & Company Secretary



นาย นพพล มิลินทางกูร  
กรรมการอิสระ  
ประธานกรรมการ

MR. NOPPOL MILLINTHANGGOON  
Independent Director  
Chairman of the Board of Directors



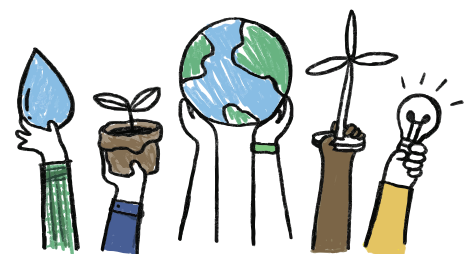
นาย สุเมธ ชัยเลิศวณิชกุล  
กรรมการอิสระ  
ประธานคณะกรรมการสรรหาและพิจารณาค่าตอบแทน

MR. SUMETH CHAILERTVANITKUL  
Independent Director  
Chairman of Nomination & Remuneration Committees



นาง ปราณี ภาชีผล  
กรรมการอิสระ  
ประธานคณะกรรมการตรวจสอบ  
กรรมการสรรหาและพิจารณาค่าตอบแทน

MRS. PRANEE PHASIPOL  
Independent Director  
Chairman of Audit Committees  
Nomination & Remuneration Committee



# คณะกรรมการ และ เลขานุการบริษัท

## Board of Directors & Company Secretary



นาย เกรียงไกร เพียรวิทยาสกุล  
กรรมการ  
ประธานเจ้าหน้าที่บริหาร

MR. KRIANGKRAI PHEANVITAYASKUL  
Director  
Chief Executive Officer



นาย ธนวัฒน์ ญาณิสรารักษ์กุล  
กรรมการ  
ประธานเจ้าหน้าที่การเงิน

MR. THANAWAT YANISRANGKUL  
Director  
Chief Financial Officer



นาย ศิริชัย พฤตินารากร  
กรรมการ  
ประธานเจ้าหน้าที่ปฏิบัติการ

MR. SIRICHAJ PHRUTTINARAKORN  
Director  
Chief Operation Officer



# คณะกรรมการ และ เลขานุการบริษัท

## Board of Directors & Company Secretary



นาย วิชัย ญาณิสรารค์กุล  
กรรมการ  
ประธานเจ้าหน้าที่ปฏิบัติการ

MR. VICHAI YANISRANGKUL  
Director  
Chief Operation Officer



นาง วนิดา พฤตินารากร  
เลขานุการบริษัท

MRS. WANIDA PHRUTTINARAKORN  
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 a leading company in the integrated power and energy business.

##### Mission

- Increase competitiveness through partnerships and mergers and acquisitions.
- Increase investment in new businesses to enable the company to grow sustainably in the future.
- Develop personnel and technology in the organization to have competitiveness.
- Create maximum and sustainable returns to all shareholders and interested persons.
- Manage the organization with good corporate governance principles and responsible for society and the environment.

##### Main Organization Goals

- Increase investment in renewable energy power plant business in the country.
- Expand the business into the electrical installation contractor sector in power substations.
- Issue new products in order to back up business expansion in the future and customers' diversified needs.
- Establish a new business group in expanding the business into new businesses that are not related to the original business.
- Manage production costs in line with rising raw material prices.



### 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 share.

#### 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	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. 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) 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.
2015	In March, SCI transferred its TAD shares to SCIH in order to clearly restructure its energy business. 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. 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.

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>
2022	<p>In February, Establishment of SCI Venture Co., Ltd. (SCIV) in which the Company holds shares in 99.97% of the registered capital of 1,000,000 baht to invest in new businesses, mainly focusing on the return that is worth the investment.</p> <p>In April, Increased capital in SCI Venture Co., Ltd. (SCIV) in the amount of 140 million baht.</p> <p>In May, SCI Ventures Co., Ltd. (SCIV) invests in digital assets, Digital currencies or cryptocurrencies, the limit of 30 million baht.</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	:	<a href="http://www.sci-mfgr.com">http://www.sci-mfgr.com</a>
Investor Relation	:	02-3618014-5 (ir@sci-groups.com)
Registered Capital	:	At December 31, 2022 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			
		2022		2021	
		THB(M)	%	THB(M)	%
1. Manufacturing of switch boards & cable trays	SCI	446.46	29.77	448.19	27.56
2. Manufacturing of towers, general steel fabrication and hot-dip galvanized services	AG&SCIMT + SCIMTMM	975.13	65.31	978.84	60.19
3. Small sized hydro-power plant	TAD	21.09	1.414	16.87	1.04
<b>Total Sales Revenue</b>		<b>1,440.68</b>	<b>96.49</b>	<b>1,443.89</b>	<b>88.79</b>
4. Contracting of project management	SCI	25.42	1.70	114.18	7.02
5. Contracting of Railway bridges repair service	AG&SCIMT	-	-	11.17	0.69
<b>Total Service Revenue</b>		<b>25.42</b>	<b>1.70</b>	<b>125.35</b>	<b>7.71</b>
<b>Total Sales &amp; Service Revenues</b>		<b>1,446.10</b>	<b>98.20</b>	<b>1,569.24</b>	<b>96.50</b>
Other Revenues**		26.71	1.80	56.98	3.50
<b>Total Revenues</b>		<b>1,493.04</b>	<b>100.00</b>	<b>1,626.22</b>	<b>100.00</b>

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 2021, the Company is currently under the development of new product "Switchboard" to increase sales and market share with the

development costs about 362,900 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 2022, the Company's revenue from domestic switch boards and cable trays sales accounted for approximately 98% of total sales, the proportion of foreign sales is only about 2% from Japan. In this regard, the first 10 customers in 2021 and 2022 account for approximately 75% and 75% of the revenue from the sale of switch boards and cable trays, respectively. In 2022, there are 4 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 year 2022, the situation of COVID-19 has continuously affected the global economy. Furthermore, the Russia - Ukraine war caused a food energy crisis, energy prices and inflation soared. The global Central Banks therefore raise

interest rates to control inflation, as the global economy is moving towards a deep recession; the Thai economy has been affected as well. However, the Thai economy was able to recover in the second half of the year, especially in the industry of service and tourism due to the reopen the country and the relaxation of international arrival measures.

In 2022, the performance of the switchboard and cable tray business slightly declined from the previous year, due to higher competition and higher raw material costs as well as lowering profits.

Private construction work in 2022 declined with the impact of the economic downturn from the COVID-19 situation causing demand to continue to stagnate. In addition, the entrepreneurs have to bear the cost of increasing energy prices, construction material prices, and wages including rising interest rates. As a result, the developers have to postpone new projects; investment by both Thai and foreign investors continues to decelerate in accordance with the economic trend.

Public construction work in 2022 also slowed down, mainly due to the high base in the previous year when the government accelerated infrastructure investment to stimulate the economy during COVID-19, including the completion of some large infrastructure projects and no investment in additional large construction projects.

In 2023, the Company views that the global economy will begin to slow down, due to the year 2022, including the tensions of the Russian – Ukrainian war, consistently high inflation, the global Central Banks interest rate hikes will begin to have an impact in many countries. However, the

Company views that the Thai economy will continue to expand, mainly supported by the recovery of the tourism sector, the situation of COVID-19 that has been relieved, including the reopen of international arrival, especially Chinese tourists, enabling Thai economy has a better trend, creating more confidence for foreign investors to invest in Thailand. The domestic construction in 2023 is likely to continue to grow as government construction investment is the main driver, especially the acceleration of large-scale infrastructure investment, including private construction that will gradually improve in accordance with the recovery of the domestic economy and government investment.

The Company expects that the switchboard and cable tray business will grow in 2023. Meanwhile, the public investment remains an important factor in business growth, especially in large-scale infrastructure projects, consisting of ongoing projects, such as electric train, underground train, double-track train and new investment projects as well as the development of infrastructure and various projects in the Eastern Economic Corridor (EEC), which will induce private investment expansion. In addition, the ongoing bidding for renewable energy power plant projects from the previous year and the expansion of private investment to foreign countries, especially CLMV neighboring countries, will increase 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. In 2021, there is not much growth

due to impact of COVID-19 causing bidding for various projects to a halt.

However, in the fourth quarter of 2022, the situation started to return as usual, various projects such as the bidding of mass transit, government work and industrial work has re-opened, which in the year 2023 the company plans to enter the auction for the Medium Voltage Switchboards, which should help the market share of the company also increased.

However, the competition in the market quite high because it is a product to control the distribution of electrical systems for various industrial projects, construction work all types of buildings by being able to classify the competitors several formats as follows:

- 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.

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 certified the Made in Thailand (MIT) from the Federation of Thai Industries..
- 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 2022, the company sells products to various projects which can summarize the example as follows:

Power Plant & Substation
Gulf-Hin Kong Power, Pluak Daeng Power
Bangkok Cogeneration#2, RCOX
TPCC Solar Rooftop, Thai Food Solar Roof, STM Solar, Chemenan Solar Farm
EGAT : TS12-CR-10, TS12-MJ3-12, TILS-MJ3-01, TS12-CR-20, TIWS-CR-01, RTS2-CR-12, TS12-SC-05, TS12-S-19, TIPE-S-03, TS12-S-22
Substation : Klong Dan, Sakaew, Khon Kaen, Sriracha#2, Pisanulok#4, Tron, Thung Chang, Kalasin#2, Ban Beung, Pattaya Tai#3, Surin, Roi Et#2, Nakornsawan, Ang thong#2, Ratchaburi, Bangsaphan#2, Bang Ao, Bamnetnarong, Udonthani, Chiangmai#2, Supanburi#2, Mae Sod#1&4, Ban Pang, Chaibadan#1, Surathani#2
Other Projects
<b>Petro</b> : Shell Lion CNS, Bangchak, IRPC, AN Pipeline#3, PTT Lankrabue, Rayong Olefin, PTTGC-OMP, D120 PTT-GSP#2, PTTGC#6, Thai Oil, ROC
<b>Buidling</b> : Boon Rod Office Bldg, Criminal Court-Khon Kaen, Chareonsinthani Condo, OPD Bldg-Sirirat Hospital, One Bangkok, Cadinal Health
<b>Industrial</b> : Covestro, Lenzing T3, Tejas#1, Pukrang Plant, AGC Chemical, Dow, GCME G-OL2, STGT-CP, Angthong Industrial, Good Year#2, Hino F4, TOA Enamel, ASH Convenyor, Empower Metershell, BW Pilot Plant, BGP Packaging, SSMC Plant, West Agitech, CPF
<b>Infrastructure</b> : Underground system Rama-III, Bang Ao Pumping Station, Klong Luang Reservoir improvement
<b>Mass Transit</b> : MRT Pink Line, Yellow Line, Red Line Chatuchak, Yotaka Railway Station, Double Track - Muak Lek, Mabkaboja Jira
<b>Export</b> : Japan Power Plant (Saijo, JFE Himeji#2, Okinawa, IHI Makiminato, Yatsushiro#1, Kanto), Baluchaung#1-Myanmar

## 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 2022, the Company's proportion of orders for galvanized steel, aluminum and stainless-steel sheets accounted for approximately 45% 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 2022, the Company's purchase proportion of electrical equipment accounted for approximately 39% 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 2022, the Company has ordered through a distributor, TMT Steel Public Company Limited with an average purchase proportion of 16% 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	2020	2021	2022
<b>1. Switch Board</b>				
Capacity	Panel/Yr	1,500	1,500	1,500
Utilization	Panel/Yr	2,260	2,032	2,550
Capacity utilization rate	%	150.67	135.46	170.00
<b>2. Cable Tray</b>				
Capacity)	Ton/Yr	5,500	5,500	5,500
Utilization)	Ton/Yr	5,600	5,633	4,700
Capacity utilization rate	%	101.82	102.42	85.45

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 2022 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 Temperature	PASS
2.4 Oil & Grease	PASS
2.5 pH	PASS
2.6 Color at Original pH	PASS
2.7 Total Dissolved Solids	PASS
2.8 Total Suspended Solids	PASS
2.9 Total Kjeldahl Nitrogen	PASS
Heavy metals (copper, lead, nickel, zinc)	

Privileges from Investment Promotion Certificates from the Board of Investment

-None-

#### Work Pending Deliver

As of December 31, 2022, there are a number of projects received and is in the process of production with a total value of 136.70 million Baht, as detailed below:

Products	Pending works (THBM)	Approx. Delivery Schedule Plan
Switch Board	130.47	Quarter 4/23
Cable Tray & Support Systems	6.23	Quarter 1/23
<b>Total</b>	<b>136.70</b>	

## 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 2021-2022, 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-02	600 THBM
Electricity Generating Authority of Thailand	Project 500kV IPP3-L-04	81 THBM
Electricity Generating Authority of Thailand	Project 500kV TIWS-L-02	7 THBM
Electricity Generating Authority of Thailand	Project 500kV TIWS-L-04	130 THBM
Substation Steel Structure		
Electricity Generating Authority of Thailand	Various	57 THBM
Provincial Electricity Authority		
Electricity Generating Authority of Thailand	Project 230kV RTS2-S-24	1.7 THBM
Telecommunication Tower		
True Corporation	TRUE Phase 2022	17 THBM
Other Communication Tower	Various	13 THBM
General Steel Fabrication		
Others		4 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 2022 account for approximately 86.12% of AG&SCIMT's sales and service revenue, respectively. There are customers with sales proportion of more than 10 % of total revenue, namely Henan Electric Power Transmission and Transformation Construction Co., Ltd.

Joint Ventures of STC-Benyapha 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

According to the forecast of the telecommunication industry, the outlook for 2022-2024, the mobile phone business is likely to return to growth. The service income is expected to increase by an average of 2.0-3.0% per year, with the following supporting factors:

The demand for services tends to increase

- The economy and consumer purchasing power gradually recovered, while the number of tourists is likely to increase as measures to gradually reopen the country will support the expansion of the prepaid customer base. In addition, the service providers tend to launch campaigns to

encourage users to migrate to a monthly system to increase revenue.

- The popularity of data usage on mobile phones, such as internet usage, entertainment content service, use of social media, financial transaction, including trading of products and services, etc., it is increasing the opportunity to expand the customer base and income.
- The digitization of industrial sectors (e.g., retail, manufacturing, logistics and distribution) will increase demand for Internet of Things (IoT) devices connected via mobile networks.
- The government policies, such as the digital economy, smart city project, and frequency allocation to support 5 G technology, expanding the telecommunication infrastructure network throughout the country (Currently, 5 G technology networks in 77 provinces) stimulate demand from consumers in new areas.

(Reference: <https://www.krungsri.com/th/research/industry/summary-outlook/outlook-2022-2024>)

The situation in the beginning of 2022, the entrepreneurs has started a project to expand more base stations, after October 20, 2022, the NBTC has a majority vote to 'acknowledge' the merger of TRUE-DTAC officially. The NBTC stated that True and DTAC must not reduce the number of existing Cell Sites and Telecom Towers. The network coverage will have to increase following the NBTC's requirement that 5G cover 85% of the population within three years and 90% of the population within

five years from the merger. Initially, analysts expect TRUE's 5G to cover 80% of the population by the end of this year. Recently, DTAC published a public relations article stating that the network will cover Thailand in all frequency bands after the merger between DTAC and TRUE.

(Reference : <https://workpointtoday.com/effects-after-true-dtac-merge/>)

However, in the Q4/2023, TRUE and DTAC temporarily delayed investment in the construction of new towers to plan the management direction of existing towers and will plan to expand the base station once again during the year 2023.

#### Power Generation Industry Situation

The Electricity Generating Authority of Thailand has a long-term plan to strengthen the network of 500kV, 230kV transmission towers, many projects 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 2022, 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 20,000 transmission line towers nationwide in 2022-2023,

based on the amount of work that EGAT will auction in 2023 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. 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 2023, however, the demand for towers may be less as a result of the merger of True and DTAC, but there will still be a project to expand the network of telecommunication towers in the area of 5G, which other important competitors are:

- Ua Withaya Public Co., Ltd. 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

### 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 2022, the average proportion of steel and zinc purchases accounted for approximately 72.10% and 16.49% 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 2022. 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 Wonder Industries Co., Ltd. and in

case of zinc shortage in the domestic, will purchase from abroad. In 2022, the Company purchased zinc raw materials for 16.49% 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	2020	2021	2022
<b>1. Transmission Line Tower</b>				
Capacity	Ton/Yr	11,000	11,000	11,000
Utilization	Ton/Yr	15,985	19,652	17,922
Capacity utilization rate	%	145.32	178.65	168.93
<b>2. Telecom Tower &amp; Poles</b>				
Capacity	Ton/Yr	11,000	11,000	11,000
Utilization	Ton/Yr	768	1,094	747
Capacity utilization rate	%	6.98	9.95	6.79
<b>3. Substation Steel Structure &amp; Steel Fabrication</b>				
Capacity	Ton/Yr	2,000	2,000	2,000
Utilization	Ton/Yr	3041	1,624	768
Capacity utilization rate	%	152.05	81.2	38.4
<b>Total of (1+2+3)</b>				
Capacity	Ton/Yr	24,000	24,000	24,000
Utilization	Ton/Yr	19,794	22,370	19,437
Capacity utilization rate	%	82.48	93.21	80.98
<b>4. Hot Dip Galvanized Service</b>				
Capacity	Ton/Yr	24,000	24,000	24,000
Utilization	Ton/Yr	25,290	25,227	22,595
Capacity utilization rate	%	105.38	105.11	94.15

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, ISO 14001:2015 and 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 2022 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 2022 are as follows:

Check List		Result
1.	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	PASS
4.	Oil & Grease	PASS
5.	Total Dissolved Solids	PASS
6.	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 2022, 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, 2022, there are a number of projects received and is in the process of production with a total value of 1,230.40 million Baht, of which 12.95% of the project value has been delivered. As for the value of work in progress is pending delivery at 1,072.40 million Baht, details are as follows:

Products	Pending works (THBM)	Approx. Delivery Schedule Plan
Transmission Tower	1220.00	Year 2023-2024
Substation Steel Structure	4.00	Quarter 1/23
Telecom Tower	4.00	Quarter 1-2/23
General Steel Fabrication	2.40	Quarter 1/23
<b>รวม</b>	<b>1230.40</b>	

### 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	2020	2021	2022
Target Capacity*	Gigawatt-Hr / Yr	15.00	15.00	15.00
Utilization	Gigawatt-Hr / Yr	9.20	3.74	8.67
Capacity utilization rate	%	61.00	25.00	57.80

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 the project in the future.

#### **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.

##### 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 industry is one of the main income-generating businesses of Lao PDR. The Lao PDR government has stated its policy that will make its own country as "Battery of Asia". Therefore, the Lao PDR government places importance on energy projects, especially hydroelectric power, and accelerates the development of energy sources for domestic consumption as well as exports to foreign countries. Electricite du Laos (EDL) plans to invest in electricity transmission lines to connect the northern, central, and southern regions of its country, including connecting with other ASEAN countries to export electricity abroad and generate income back into the country.

In 2022, there has been no significant development regarding the projects in Lao PDR after the announcement of the establishment of EDLT. The Company still does not have further negotiations with the Electricity of Laos or EDLT because they have not reached a conclusion about the development of transmission line projects in Lao PDR. However, the Lao PDR government has a plan to develop the Lao energy sector, especially in providing electricity to local people, leading to economic development, including exporting electricity to neighboring countries according to the country's strategy. In 2022, Singapore has begun importing renewable energy from Lao PDR via Thailand and Malaysia, which is regarded as the

beginning of trade. It is the first multilateral "electric power" in Southeast Asia and Singapore's first to import renewable energy.

As for Thailand, the new National Power Development Plan (PDP 2022) for 2022-2037 is still in the process of being revised, focusing on producing electricity from clean energy and net zero carbon dioxide emissions. Regarding the purchase of hydropower from abroad in PDP 2022, there has been an increase from the original plan by purchasing electricity from hydropower from dams in Lao PDR, increasing in total to 1,366 megawatts, from the original PDP 2018 Rev.1 plan, or 27% from the original 15%.

The Company views that the EPC business in Lao PDR still has potential. The improvements to the PDP 2022 plan and the Lao government's desire to develop power transmission lines in accordance with the country's strategy of exporting electricity to neighboring countries will benefit the Company's EPC and renewable energy businesses in Lao PDR. The increasing purchase of hydroelectric power from Lao PDR in the future requires the Lao PDR government to speed up improving the efficiency of the transmission lines, including the expansion of transmission lines in some areas from 115-230 kV to 500 kV. Hence, the transmission network improvement and investment project, especially the backbone, is an important and necessary project for Lao PDR to accelerate development in order to support electricity exports to neighboring countries.

### Production of Transmission Line Tower in Myanmar

In 2022, after the revolution in February 2021, Myanmar's energy industry sector came to a halt and therefore made strenuous efforts to maintain foreign capital energy investments. In the ASEAN, Myanmar has the lowest electricity generation rate, only 50% of the population is connected to the Nation Grid. As a result, energy shortages not only holding back the economic growth but also inhibit infrastructure expansion and other industrial developments.

According to the Ministry of Electric Power's energy planning (MOEP), annual demand increases by about 15-17% per year, causing the government try to develop a mix of power generation sources by type, including Hydropower, Natural gas, Coal, and Renewable energy to achieve the National Electrification Plan (NEP), which aims to have access to electricity by 100% of the population by 2030.

Nowadays, the country's electricity generation system is generated by 83 power plants, including 62 Hydropower plants, 20 Natural gas power plants, and 1 Coal-fired power plant. In the year 2019, new electricity tariffs have been set based on the amount of electricity consumed and the type of buildings for residential or industrial use. As a result, electricity costs increased by more than 50% from the past. Guaranteeing stable access to electricity and sufficient electricity generation is a challenge in Myanmar, amid the delay in new power plant expansion projects, expansion and repair of high-voltage transmission towers,

reduction of water reserves for electricity generation, until the problem of readiness in human resources with protests against electricity shortages in many areas. The global situation is now the state of energy costs around the world are moving up. This was coupled with the devaluation of the Myanmar Kyat, the shortage of the domestic dollar, and the decline in foreign investment. As a result, it affects the energy industry and, in the future, the gap of energy shortages will be more distant.

Opportunities and challenges for Myanmar to achieve its network development plan require investment in both infrastructure and power plants, the original installed capacity was only 4,800MW, more than doubled. However, the energy sector poses a great challenge for investors to the predicament, due to;

- Political instability
- Policy instability in the investment sector
- Ambiguity of rules and guidelines
- Shortage of skilled workers
- Corruption problems and transparency in bidding and procurement
- Finance and Banking Sector

(Reference: <https://www.trade.gov/country-commercial-guides/burma-energy>, Last published date: 2022-07-28)

#### Telecommunication tower production in Myanmar

As a result of the February 2021 coup d'état, the telecommunications tower industry was highly affected with licenses issued in 2014 to Qatar's Ooredoo and Norway's Telenor Group, the mobile telecommunication market has been expanding steadily over the past 5 years, from 2014 to 2019, reaching more than 100% of users. During the year 2020, the problem from the infectious situation Covid-19 had tiny impact, but the coup d'état in February 2021 had a huge impact on the telecommunications industry. For example, the suspension of Internet network nationwide in April 2021.

Following the military seizure of power, the Ministry of Transport and Communications (MTC) ordered the government to monitor Telcos by deploying surveillance software for security purposes. MPT and Mytel were able to comply, partly due to the fact that they were part of the government, coupled with various external pressures from the foreign policy of the parent companies both Telenor Group and Qatar Telecom towards the Myanmar military junta.

(Reference: <https://www.budde.com.au/Research/Myanmar-Burma-Telecoms-Mobile-and-Broadband-Statistics-and-Analyses>, Publication Date: January 2023)

Lebanon's M1 Group will join Shwe Byain Phyu Group (SBP), a Local Myanmar firm, to acquire Telenor.

(<https://www.commsupdate.com/articles/2022/01/21/m1-set-to-partner-with-local-firm-for-telenor-takeover/>, Publication Date: 21 January 2022)

Ooredoo is negotiating a deal to be sold to Singapore's Nine Communications, which the deal still needs approval from the government and must keep an eye on whether there will be a local partner to join the venture?

(Reference: <https://totaltele.com/ooredoo-bails-out-of-myanmar-in-576m-unit-sale/> Publication Date: 13 September 2022)

From the aforementioned situation in the past year 2022 resulting the entrepreneurs licensed to invest in mobile phones in Myanmar with investment plans to expand base stations and others still have to wait for the transition period to new investors, including political stability in the year 2023 where there will be another election at the end of the year.

#### **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 300 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 2023. In addition, the company has also participated in the bidding for a 100 MW wind power plant with the Electricity Generating Authority of Thailand, which is expected to know the auction result within the second quarter of 2023.

- 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

In the past year, the company in Japan began to relieve from the COVID situation in the country, various power plant projects has resumed making it possible

to export more products than ever before Resulting in being able to exceed the target set in 2022.

## Assets uses in business operation

### 1. Detail of assets uses in business operation

As of 31 December 2022, 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. 9457 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 323 and 5/10 square wah, located at Prakanong District, Bangkok Province. / It is uses for SCI's head office.	Own	24.50	Bank credit guarantee
	1.4 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	278.77	No obligation
		Own	53.65	Bank credit guarantee
3	Machineries and equipments	Own	174.41	No obligation
		Financial leases	1.23	Financial lease
		Own	0.03	Bank credit guarantee
4	Office equipments	Own	3.74	No obligation
		Financial leases	0.17	Financial lease
5	Vehicles	Own	9.04	No obligation
		Financial leases	3.31	Financial lease
6	Construction in progress	Own	8.95	No obligation
Total			582.53	

## 2. Detail of intangible assets uses in business operation

As of 31 December 2022, 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	202.21	No obligation
2	Expenditure on environmental and water resources implementation	Own and transfer right at the end of the contract	0.26	No obligation
Total			201.47	

- 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 94.01 million Baht.
- Intangible asset – the net book value of computer program and accounting program that uses in the business operation, are amounting to 1.07 million Baht.
- Cryptocurrency asset "Bitcoin" – there are 39.64 bitcoin, amounting to 22.74 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 2022, SCI Electric Public Company Limited (“the Company”) invests and/or joint venture in 6 affiliates as follows:



Company	Nature of Business	Hold share (%)
<b>Subsidiaries</b>		
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
SCI Venture Co., Ltd. (SCIV)	Investing in new businesses, mainly focusing on the return that is worth the investment.	99.97

Company	Nature of Business	Hold share (%)
<b>Joint Venture</b>		
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 is another business that is not included in the group of companies, 1 company, detailed and reasons as follows:

#### 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. Kriangkrai Pheanvitayaskul / 33.33%
- 2) Ms. Rasamee Phrutthinarakorn / 16.67%
- 3) Ms. Sutthisa Amponsak / 24.87%
- 4) Ms. Chaweewan Paoboonproong / 3.33%
- 6) Ms. Keerada Dhammakhampee / 21.80%

#### 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 11 November 2022 which is the latest closing date of the shareholder register book as follow:

List of Shareholders		Number of shares	Percent
	Phruttinarakorn Group :		
1	Phruttinarakorn Family	383,136,858	51.08
2	Yanisrangkul Family*	23,518,586	3.14
3	Pheanvitayaskul Family*	14,317,424	1.91
	<b>Total of Phruttinarakorn Group</b>	<b>420,972,868</b>	<b>56.13</b>
4	AG AJIKAWA CORPORATION	26,404,400	3.52
5	Mr. Rath Phongsurapipat	19,807,000	2.64
6	Mr. Sutthikiat Kittipattrarakul	7,501,601	1.00
7	Ms. Nutchra Asavathavornvanich	6,913,485	0.92
8	Mr. Mano Seethasith	6,841,700	0.91
9	UBS AG LONDON BRANCH	6,019,000	0.80
10	Ms. Kunyaporn Worakitcharoenpol	5,000,000	0.67
11	Others	250,539,946	33.41
	<b>Total</b>	<b>750,000,000</b>	<b>100.00</b>

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

<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	5,900,000
4. Ms. Jarunwan Yanisrangkul	800,000
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
<b>Total of Yanisrangkul Family</b>	<b>23,518,586</b>

<i>"Pheanvitayaskul Family "</i> *	
<u>List of Shareholders</u>	<u>Number of shares</u>
1. Mr. Kriangkrai Pheanvitayaskul	4,143,300
2. Ms. Orajid Pheanvitayaskul	10,174,124
<b>Total of Pheanvitayaskul Family</b>	<b>14,317,424</b>

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 "Phrutinarakorn"

#### Registered Capital / Paid up Capital

As of 31 December 2022, 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	2021	2020	2019
Net Profit / Retained earning (Million Baht)	(128.380)	(129.990)	27.954
	(Net Loss)	(Net Loss)	( Retained earning )
Number of Share (Million Shares)	750.00	750.00	750.00
Dividend paid per share (Baht/Share)	-	-	-
- Interim Dividend (Baht/Share)	-	-	0.02
Total Dividend payment (Million Baht)	-	-	15.00
Dividend payout ratio (Percent)	-	-	53.66
Net Profit / 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., Inter Asia Co., Ltd. and SCI Venture 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 2022, construction of domestic power substations of the Provincial Electricity Authority continuing from 2021, it was completed in the third quarter of 2022. The company 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

The situation in Myanmar after the monarchy in the early of 2021, the Company has closely monitored the situation. In the middle of 2021 until the end of 2021, the political situation in the country caused some companies to withdraw their investment according to the foreign policy of the country of

origin, resulting in the country's economic situation experiencing high inflation and fluctuating exchange rates.

The Company was directly affected and had to decide to temporarily suspend its operations. The Company has continuously monitored the situation to find a better pace of investment from the public sector. Due to the disruption of the project, the stability of power generation has not improved; power outages remain in many areas, the government is trying to launch project out, the Company has been monitoring the possibility of finding work to reopen the production plant. Later, at the end of 2022, the Myanmar government's monetary policy attempted to maintain the US dollar treasury for security purposes, such as rising global energy costs and health essentials as a result of Covid-19. As a result, the government continuously issues a policy to control the US dollar currency, such as a moratorium on repayments from abroad, approval of paying US dollars to settle foreign trade debt and applying for a permit to import goods shall be approved by the Board on a case-by-case basis. In addition, there are other measures to control financial institutions in financial transactions, such as forced exchange of money into local currency and two fixed exchange rate changes in 2022.

The import of raw materials for production has stalled causing shortages, inflation soared, and prices fluctuated. As a result, projects that the government is trying to launch out shall not proceed with bidding because bidders are still waiting for the situation to improve. Therefore, the Company is trying to find various channels to enable return of

operations with the utmost stability by monitoring both the public and private sectors, it is expected that the elections at the end of 2023 will be able to proceed successfully to create investor confidence.

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 due to the Covid-19 situation and

recently resumed bidding again at the end of 2022, but the communication tower sector still focuses on upgrading the existing towers due to the previous expansion in the number of towers still useful causing the contraction of the communication tower industry during the 2<sup>nd</sup> quarter of 2022, some operators have some expansion projects but at the end of 2022, the merger of TRUE and DTAC was announced, causing the expansion to be suspended until the merger was completed in early 2023.

## 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, together with the global economic situation Also affected by the fighting situation in Ukraine causing higher energy costs and affecting many sectors.

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 2022, 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. From the aforementioned factors, steel prices in the world market are rising and will not be able to adjust the price down as before the Covid-19 situation. 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, 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.

### 4. Risks affecting rights or investments of Shareholders

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

As of 11 November 2022 the main shareholders consisted of Phruttnarakorn Group, Yanisrangkul Group, Pheanvitayaskul Group; holding shares in the Company in number of 420,972,868 shares, calculated to be 56.13% 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 the management within the Company will be carried out in a transparent manner.

### 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 2022, 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 2022 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 2022, 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 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.

**Performance in 2022:** The electricity consumption in the Company (Production processes and Offices) compared to the previous year, was a 11.97 % reduction and decreased 8.23% of subsidiaries compared to the previous year.

#### 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 2022:** The water consumption decreased by 10.45% compared to the previous year and decreased 6.53% of subsidiaries compared to the previous year.

- 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 2022:** Reduce the cost of water supply by 5.78% 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 2022 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 2022 :** The total amount of garbage and waste disposed of year 2022 is 5,751 kilograms, increase of 19.84% compared to the amount of year 2021 is 4,799 kilograms due to the dust waste waiting for the permission from the Department of Industrial Works to be disposed of,

being stored at the factory totally 2,000 kilograms. For subsidiaries, the total amount of garbage and waste disposed of year 2022 is 1,027,710 kilograms, decrease of 9.10% compared to the amount of year 2021 is 1,130,682 kilograms. And selling the recyclable wastes such as recycled paper, cardboard boxes, water bottles, cans, various glass bottles, etc. totally 15,780 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 2022 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 2022, the Company has direct greenhouse gas emissions of 109 tons carbondioxide equivalent and indirect greenhouse gas emissions of 281 tons

carbondioxide equivalent, total 390 tons carbondioxide equivalent compared to 2021, the amount of greenhouse gas emissions decreased by 123 tons of carbondioxide equivalent due to the decrease in type 2 (electricity consumption) usage, which is the main activity of the business. As for other activities decreased accordingly because of management or control the amount of usage in each department to help reduce usage and has received good cooperation from everyone in the organization.

For the subsidiaries, the direct greenhouse gas emissions is 1,857.97 tons carbondioxide equivalent and indirect greenhouse gas emissions of 997.85 tons carbondioxide equivalent, total 2,855.82 tons carbondioxide equivalent compared to 2021, the amount of greenhouse gas emissions decreased by 193.96 tons of carbondioxide equivalent due to the use of type 1 (LPG and oil content) has decreased which is the main activity of the business. Other activities which decrease, was caused by doing projects and organizing various activities in each department to foresee the most cost-effective use of natural resources and energy.

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 2022

##### 1. Employment

Number of full-time employees

Male 402 / Female 196

Number of disabled employees 21

##### 2. Employee Engagement

**In 2022, 16.52% of employees voluntarily resigned from their jobs, a 4.85% increase from the previous year (of SCI) and 20.92% with a 1.62% 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 2022, the Company organized 206 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 60.10 hours per employee per year, from a target of 18 hours per person per year.

Type of Training	Course	Training Hour	No. of Participant
On the Job Training	141	8,502	8,502
Internal Training	41	4,749	1,238
External Training	24	343	50

There are 7 environmental courses which are

Environmental Courses Training
Project to expand the results of carbon footprint promotion
Carbon Neutral Thailand Members Seminar No. 1/2022
Guidelines for efficient use of resources and clean production
Seminar : how to collect Energy Points
Carbon Foot Print
Project to expand the promotion of the organization's carbon footprint in the industrial sector

In 2022, the Subsidiaries organized 25 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 23.05 hours per employee per year, from a target of 20 hours per person per year

Type of Training	Course	Training Hour	No. of Participant
On the Job Training	2	16	722
Internal Training	16	122	956
External Training	7	126	7

## 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 2022, the company aims to have 190 employees undergo health check-ups during November 2022, totaling 186 employees or 97.89 percent and aims to have 377 employees undergo health check-ups during November 2022, totaling 372 employees or 98.67 percent (of subsidiaries).

In 2022, 4 cases of work-related injuries, the Company has taken measures to prevent such accidents, such as provide more suitable working area, review personal protective equipment and the risk assessments related to such activities; and

2 cases of work-related injuries (of subsidiaries), the Company has taken measures to prevent such accidents, such as revise the operational manual and training the operational manual.

Table of performance on safety in 2022

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 days On duty)	0	4 case	X	
4. Other accident (Small Injury - On duty)	0	2 case	X	
5. Property Damage	0	1 case	X	
6. Number of days of death from an accident, or occupational disease	0	0	√	
7. IFR (All accident Cases)	0	12.20	X	6*1,000,000/491,776 (491,776 = MH totally 12 months)
8. ISR (All accident Cases)	0	16.26	X	8*1,00,0000/491,776
9. Compliance form internal and external (from CAR)	0	4 case	X	CAR (caused from an accident that stopped work)

Table of performance on safety in 2022 (of subsidiaries)

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 days On duty)	0	2 case	X	
4. Other accident (Small Injury - On duty)	0	2 case	X	
5. Property Damage	0	0	√	
6. Number of days of death from an accident, or occupational disease	0	0	√	
8. IFR (All accident Cases)	0	3.34	X	4*1,000,000/1,198,421.9 (1,198,421.9 = MH+OT totally 12 months)
8. ISR (All accident Cases)	0	5.84	X	7*1,00,0000/1,198,421.9
9. Compliance form internal and external (from CAR)	0	0	√	

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, there is still an epidemic of COVID-19 in the year 2022, the Company was still refrain from conducting an 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, and 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 a personal data protection policy; having manuals and regulations along with following up, evaluate the performance of personal data breaches, which in the year 2022 did not find any violations or wrongdoings.

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 2022, it was found that customers were

satisfied with all 3 areas, representing 96.96 percent and representing 95.13 percent (of subsidiaries).

### 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 2022, 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)

Table 1: Compare Performance

Consolidated Financial Statements	FY2020	FY2021	FY2022	Increased (Decreased)	
Operating results	Million Baht	Million Baht	Million Baht	Million Baht	%
Revenues from sales	1,326.63	1,443.89	1,440.68	(3.21)	(0.22)
Revenues from services	74.62	125.35	25.42	(99.93)	(79.72)
Other income	10.06	56.98	26.94	(30.04)	(52.72)
<b>Total revenues</b>	<b>1,411.31</b>	<b>1,626.22</b>	<b>1,493.04</b>	<b>(133.18)</b>	<b>(8.19)</b>
Cost of sales	(1,144.06)	(1,314.87)	(1,486.73)	(171.86)	13.07
Cost of services	(67.28)	(122.28)	(28.98)	93.30	(76.30)
Selling expenses	(39.73)	(39.71)	(34.48)	5.23	(13.17)
Administrative expenses	(131.15)	(120.81)	(113.68)	7.13	(5.90)
Other expense	(2.89)	(0.84)	(1.67)	(0.83)	98.81
Other loss (gains)	0.16	(0.02)	(7.21)	(7.19)	35,950.00
Finance costs	(20.67)	(15.95)	(21.20)	(5.25)	32.92
Gain and reversal of impairment loss					
(impairment loss) on financial assets	(170.81)	1.23	0.45	(0.78)	(63.41)
Share of loss from investment in joint ventures	(4.72)	(5.95)	(2.01)	3.94	(66.22)
<b>Total expenses</b>	<b>(1,581.15)</b>	<b>(1,619.20)</b>	<b>(1,695.51)</b>	<b>(76.31)</b>	<b>4.71</b>
<b>Profit (loss) before income tax income (expense)</b>	<b>(169.84)</b>	<b>7.02</b>	<b>(202.47)</b>	<b>(209.49)</b>	<b>(2,984.19)</b>
Income tax income (expense)	(13.12)	(5.43)	0.89	6.32	(116.39)
<b>Profit (loss) for the years</b>	<b>(182.96)</b>	<b>1.59</b>	<b>(201.58)</b>	<b>(203.17)</b>	<b>(12,777.99)</b>
<b>Profit (loss) for the years attributable to:</b>					
Non-controlling interests	(2.32)	(1.86)	(1.89)	(0.03)	1.61
Equity holders of the parent	<b>(180.64)</b>	<b>3.45</b>	<b>(199.69)</b>	<b>(203.14)</b>	<b>(5,888.12)</b>
<b>Other comprehensive income:</b>					
Change in fair value of long-term investments	0.05	(0.17)	-	0.17	(100.00)
Differences in exchange translation of the financial statements	2.90	14.62	6.03	(8.59)	(58.76)
Actuarial (loss) gain	-	(0.43)	-	0.43	(100.00)
<b>Other comprehensive income for the year</b>	<b>2.95</b>	<b>14.02</b>	<b>6.03</b>	<b>(7.99)</b>	<b>(56.99)</b>
<b>Total comprehensive income for the years</b>	<b>(180.01)</b>	<b>15.61</b>	<b>(195.55)</b>	<b>(211.16)</b>	<b>(1,352.72)</b>
<b>Total comprehensive income for the years attributable to:</b>					
Non-controlling interests	(2.22)	(1.54)	(1.78)	(0.24)	15.58
Equity holders of the parent	<b>(177.79)</b>	<b>17.15</b>	<b>(193.77)</b>	<b>(210.92)</b>	<b>(1,229.85)</b>

## Overall performance of 2022

The year 2022 is still a year of recovery from the COVID-19 epidemic. Although the country's economy is entering a steady recovery, the manufacturing and construction industry in the country is still slowing down. As a result of the rising cost of living, the purchasing power of consumers is still weak. The project is still insufficient for all manufacturers which affect price competition. In addition, the trend of increasing costs continues to increase. both from the price of raw materials, for example, steel prices rose during the year due to the closure of iron mines and steel mills in China, and energy prices, which are production costs, have been increased because of the impact of the war between Russia and Ukraine, including the impact of the adjustment of the Baht on the import of electrical equipment, which is mostly imported from abroad. The aforementioned factors, it was the main cause of the decline in both the revenue and the performance of the Group. Compared to the year 2021.

The operation of the subsidiary in Myanmar ("SCI Metal Tech (Myanmar) Co., Ltd") is currently in the process of being temporarily closed by Force Majeure case of political unrest. However, the Burmese government has announced that there will be an election within 23. The Group's management is closely monitoring the situation in the Country and will assess the impact that may occur after the election again.

For the operating of 2022, the Group had total revenues of Baht 1,493.04 million, a decrease of Baht 133.18 million as compared to the prior year of Baht 1,626.22 million. The decrease in revenue is mainly from the revenue from service, both the project management and the railway bridge repair service.

The operation results of equity holders of the parent have a net loss of Baht 199.69 million, a decrease of Baht 203.14 million as compared to the prior year that the net profit of Baht 3.45 million, mainly due to an increase in production costs.

Table 2: Revenue structure of the Group

Consolidation Statement	FY2020		FY2021		FY2022		Increased (Decreased)	
Revenue structures	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales								
Production switchboard and cable tray	460.76	32.65	448.19	27.56	444.46	29.77	(3.73)	(0.83)
Production of steel structures and galvanized service	857.62	60.77	978.84	60.19	975.13	65.31	(3.71)	(0.38)
Electric power from Hydro Power Plant	8.26	0.59	16.86	1.04	21.09	1.41	4.23	25.09
Revenue from sales	1,326.64	94.00	1,443.89	88.79	1,440.68	96.49	(3.21)	(0.22)

Table 2: Revenue structure of the Group (Continued)

Consolidation Statement	FY2020		FY2021		FY2022		Increased (Decreased)	
Revenue structures	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from services								
Contracting of project management	19.13	1.36	114.18	7.02	25.42	1.70	(88.76)	(77.74)
Contracting of railway bridges repair service	55.49	3.93	11.17	0.69	-	-	(11.17)	(100.00)
Revenue from services	74.62	5.29	125.35	7.71	25.42	1.70	(99.93)	(79.72)
Revenue from sales and services	1,401.26	99.29	1,569.24	96.50	1,466.10	98.20	(103.14)	(6.57)
Other income	10.06	0.71	56.98	3.50	26.94	1.80	(30.04)	(52.72)
Total revenue	1,411.32	100.00	1,626.22	100.00	1,493.05	100.00	(133.18)	(8.19)

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.

## Revenue

The Group had total revenues of Baht 1,493.04 million, a decrease by Baht 133.18 million or a decrease of 8.19% compared to the prior year of Baht 1,626.22 million, which can be divided by revenue as follows:

Revenue from switchboard and cable trays decreased by Baht 3.73 million or decreased 0.83%, from the delay in the delivery of power station projects due to delays in imports of electrical equipment affected by global chip shortages after the COVID-19 situation.

Revenue from sales of steel structures and galvanized service decreased by Baht 3.71 million or decreased 0.38%. The main income is still the transmission system improvement project in the lower southern region to strengthen the power system stability and solve the problem of power outages in the southern region, including transmission system work to purchase electricity from private power producers.

Revenue from electricity sales from hydroelectric power plants increased by Baht 4.23 million or increased 25.09% due to the increased rainfall.

Service revenues of Baht 25.42 million came from the domestic power substation construction project, which was delivered the project in the third of 2022, and the Group has no additional new project in FY2022. The high-voltage transmission tower and substation (500kV) project had no progress during the year 2022.

## Costs and Expenses

The Group had costs and expenses of Baht 1,695.51 million, increased by Baht 76.13 million as compared to the prior year of Baht 1,619.20 million as detailed below:

The cost of sales increased by Baht 171.86 million, mainly from the price of production materials such as steel, zinc, and electrical equipment, which are the main raw materials, have been adjusted according to the market price and the exchange rate.

Selling expenses decreased by Baht 5.23 million from the export expenses of cable tray products that in FY2021 were exported to Japan, but in FY2022, most of them were domestic projects.

Administrative expenses decreased by Baht 7.13 million. Although the COVID-19 situation began to relax, the Group still monitors and has measures to control the travel of employees during the beginning of FY2022, including limiting the recruitment of new employees to replace existing employees.

Other losses increased by Baht 7.19 million from the recognition of the allowance for the impairment of digital currency assets.

Financial costs increased by Baht 5.25 million due to the increased interest rate of the long-term loans of a subsidiary in Myanmar.

## FINANCIAL POSITION ANALYSIS

Financial Position as of 31 December	FY2020	FY2021	FY2022	Increased (Decreased)	
Statement of financial positions	Million Baht	Million Baht	Million Baht	Million Baht	%
<b>Assets</b>					
Current assets	1,855.29	2,027.66	1,749.74	(277.92)	(13.71)
Non-current assets	1,078.11	1,117.16	1,132.05	14.89	1.33
<b>Total assets</b>	<b>2,933.40</b>	<b>3,144.82</b>	<b>2,881.79</b>	<b>(263.03)</b>	<b>(8.36)</b>
<b>Liabilities</b>					
Current liabilities	1,440.12	1,632.86	1,558.62	(74.24)	(4.55)
Non-current liabilities	60.69	63.75	70.51	6.76	10.60
<b>Total liabilities</b>	<b>1,500.81</b>	<b>1,696.61</b>	<b>1,629.13</b>	<b>(67.48)</b>	<b>(3.98)</b>

## FINANCIAL POSITION ANALYSIS (Continued)

Financial Position as of 31 December	FY2020	FY2021	FY2022	Increased (Decreased)	
Statement of financial positions	Million Baht	Million Baht	Million Baht	Million Baht	%
<b>Share capital</b>					
Issued and paid up share capital	750.00	750.00	750.00	-	-
Share premium	879.04	879.04	879.04	-	-
<b>Retained earnings</b>					
Legal reserve	29.40	29.40	29.40	-	-
Unappropriated	(201.96)	(198.94)	(398.62)	(199.68)	100.37
Differences from changes in shareholding proportion	5.85	5.85	5.85	-	-
Other components of equity	(32.90)	(18.77)	(12.85)	5.92	(31.54)
<b>Total equity attributable to the parent company</b>	<b>1,429.43</b>	<b>1,446.58</b>	<b>1,252.82</b>	<b>(193.76)</b>	<b>(13.39)</b>
Non-controlling interests	3.16	1.63	(0.16)	(1.79)	(109.82)
<b>Total Shareholder's equity</b>	<b>1,432.59</b>	<b>1,448.21</b>	<b>1,252.66</b>	<b>(195.55)</b>	<b>(13.50)</b>

## ASSETS

Total assets of the Group as of 31 December 2022 were Baht 2,881.79 million, decreased by Baht 263.03 million as compared to the balance as of 31 December 2021 of Baht 3,144.82 million, with the following;

- Decreased trade and other current receivables from domestic power substation construction project receivables, with delivery at the end of 2021, the said project is delivered in the third quarter of 2022.
- Decreased inventory due to timely delivery of work before the end of the year. This was different from the end of 2021 when products were produced and waiting to be delivered in early 2022.
- Decreased other current financial assets from the sale of investment units to invest in digital currency assets.
- Decreased property, plant, and equipment, right-of-use assets, and right-in-service-concession arrangement from depreciation recognized during the year, including the result of foreign currency translation of assets in subsidiary companies in Myanmar and Laos PDR.
- Increased Cryptocurrency assets by investing in Bitcoin.

## LIABILITIES

Total liabilities of the Group as of 31 December 2022 was Baht 1,629.13 million, decreased by Baht 67.48 million as compared to the balance as of 31 December 2021 of Baht 1,696.61 million due to the following;

- Decreased trade and other current liabilities from trying to deliver goods before the end of the year, causing the purchase volume at the end of the year to decrease.
- Decreased contract liabilities from delivering the construction of the substation in the country and the control panel projects, including the unearned income of electricity Hydroelectric power;
- Increased long-term loans from the adjusted exchange rate at the end of the period of the borrowing for a subsidiary in Myanmar;
- Increase employee benefit obligation from the provision of employee benefit expenses according to the actuarial assessment.

## SHAREHOLDERS' EQUITY

As of 31 December 2022, total equity of the Group was Baht 1,252.66 million, decreased by Baht 195.55 million according to the operation result of the year 2022.

Other components of equity were the difference in the foreign exchange rate from the translation of financial statements of foreign subsidiaries.

## LIQUIDITY AND CASH FLOW ANALYSIS

Net cash used in operating activities of Baht 16.60 million came from the operating results of 2022, with a loss before tax of Baht 202.47 million, which increased the loss by Baht of 209.49 million as compare to the prior year

Net cash generated from investing activities of Baht 73.20 million came from the sale of investment units to buy equipment and digital currency assets.

Net cash used in financing activities of Baht 1.35 million was used for the repayment of financial costs and the repayment of lease liabilities.

Items	FY2020	FY2021	FY2022
Net cash generated from (used in) operating activities	29.42	196.03	(16.60)
Net cash generated from (used in) investing activities	(0.74)	(131.17)	73.20
Net cash generated from (used in) financing activities	(9.31)	(26.20)	(1.35)
Currency translation differences	2.71	(19.07)	(5.21)
<b>Net increased (decreased) in cash and cash equivalents</b>	<b>22.08</b>	<b>19.59</b>	<b>50.04</b>

## SIGNIFICANT FINANCIAL RATIO

The gross profit (loss) 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.

Profitable Ratio	%	%	%	%
For the year ended 31 December	FY2020	FY2021	FY2022	Changes
Gross Profit Margin (%)	13.55	8.42	(3.38)	(11.80)
EBITDA Margin (%)	(6.61)	4.89	(8.45)	(13.34)
Net Profit (loss) Margin (%)	(12.96)	0.10	(13.50)	(13.60)
Net Profit (loss) Margin (%)*	(12.80)	0.21	(13.37)	(13.58)
Earnings per Share (Baht)*	(0.241)	0.005	(0.266)	(101.73)

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

The Group's debt-to-equity ratio increased from the decrease in shareholders' equity from the operating results of the year 2022.

Leverage Ratio	%	%	%	%
For the year ended 31 December	FY2020	FY2021	FY2022	Changes
Debt/Equity Ratio (Times)	1.05	1.17	1.30	11.01
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times)	0.25	0.26	0.31	19.63

The Group's liquidity ratio decreased from current assets decreased by Baht 277.92 million while current liabilities decreased by only Baht 74.25 million.

Liquidity ratio	%	%	%	%
For the year ended 31 December	FY2020	FY2021	FY2022	Changes
Current Ratio (Times)	1.29	1.24	1.12	(9.60)
Quick Ratio (Times)	0.56	0.46	0.43	(6.65)
Trade account receivable turnover (Times) ***	1.02	1.09	1.04	(5.00)
Average debt collection period (Days)	360	333	351	5.00



## Schedule of trade accounts receivable classified by aging

Trade account receivable	Consolidated Financial Statements					
	As of 31 December 2021		As of 31 December 2020		Increased (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Within credit terms	251.39	75.46	215.44	61.24	35.95	0.17
Overdue less than 3 months	39.33	11.81	79.00	22.46	(39.67)	(0.50)
Overdue 3 - 6 months	5.35	1.60	11.74	3.34	(6.40)	(0.54)
Overdue 6 - 12 months	22.12	6.64	11.28	3.21	10.84	0.96
Overdue over 12 months	14.95	4.49	34.36	9.77	(19.40)	(0.56)
<b>Total trade receivables*</b>	<b>333.14</b>	<b>100.00</b>	<b>351.82</b>	<b>100.00</b>	<b>(18.68)</b>	<b>(0.05)</b>

In 2022, the average debt collection period was more days compared to the prior year due to the major trade receivables of the electrical transmission system improvement project and the cable tray 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 the lack of liquidity that is a consequence of the COVID-2019 situation. However, these trade accounts receivable from 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.

The commercial credit policy's normal trade credit is about 30 – 90 days. The Group determines lifetime expected credit loss using a provision matrix by reference to the 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 receivables with payment problems because 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 the current financial position of receivable, forecast about the future payments of receivable with consideration 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.

### Trend for 2023

The industrial sector and exports remain the main "hearts" in the long-term sustainable recovery of the Thai economy, which needs to be restored to increase trade competitiveness. In addition to accelerating investment to upgrade the country's infrastructure, moving forward to the new industry or the New S-Curve, taking care of and creating upstream industries or traditional industries that still have a future are also important.

The government sector has supported and implemented policies for public procurement that domestically Produced supplies must be used first. The Federation of Thai Industries is a central agency for certification of products manufactured in Thailand (Made in Thailand), which has a great effect on the overall of most industries in Thailand that have a lot of employment and promote the circular economy in Thailand as well as drive the manufacturing industry in a sustainable direction in various ways, including support and promotion of Low-Carbon technology for application in the manufacturing industry.

For the production cost, steel product prices have decreased as most steel mills around the world have resumed near-normal volumes. However, it is unlikely that steel prices will drop to the same price level in 2020 because steel prices in China and Asia are stable and have a chance to increase in the future as China adjusts its policy on canceling export tariffs (Rebate VAT), steel products, as well as environmental policies resulting in increased production costs, including the cost of energy and other raw materials such as zinc prices that tend to increase prices.

## 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	:	<a href="http://www.sci-mfgr.com">http://www.sci-mfgr.com</a>
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 6/2022 which was held on October 26, 2022.

### 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 2022, the results can be summarized as follows:

#### The Rights of Shareholders and the Equitable Treatment of Shareholders.

The 2022 Annual General Meeting of Shareholders was held on April 29, 2022 (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 21, 2022.

- Disclose of the invitation to the shareholders' meeting and meeting documents including the proxy form on the company's website on March 25, 2022 (34 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 2022

### 6.3.1 Corporate Governance

- Determine and review policies and guidelines for the year 2022 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 2022.
- 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

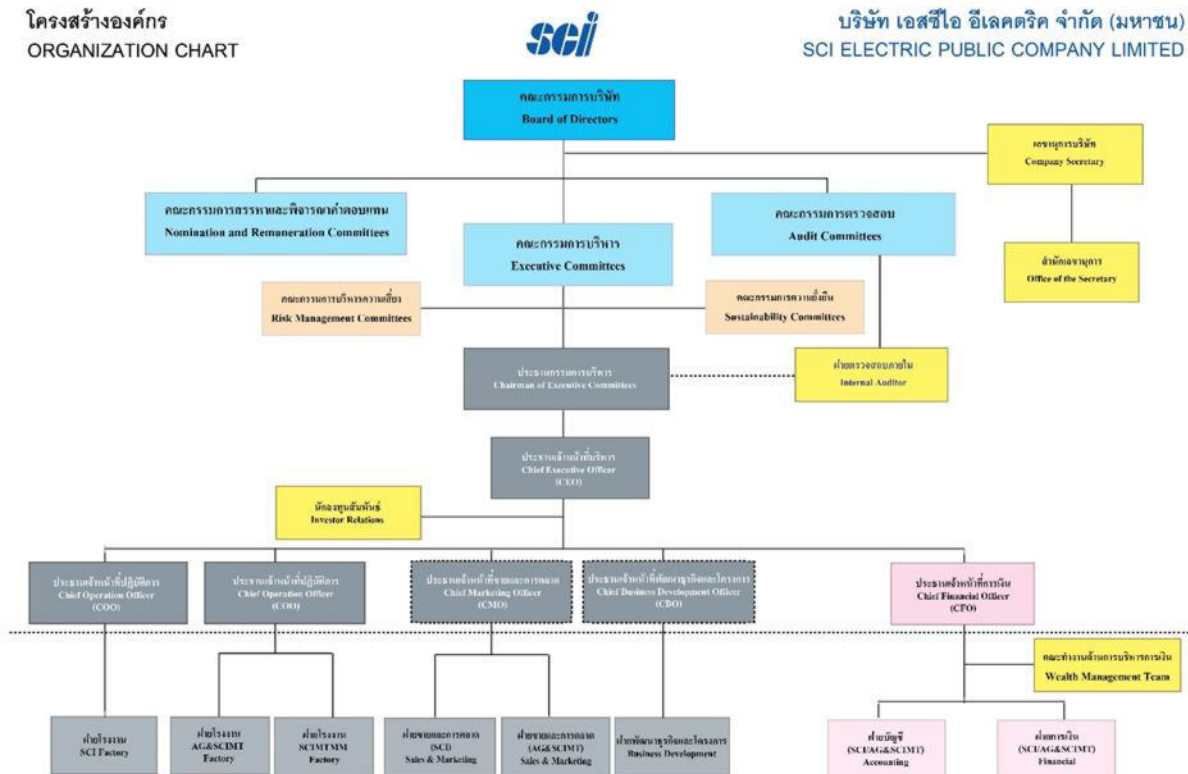
Has been assessed by the Thai Listed Companies Corporate Governance Survey (CGR) at a very good level or 4 stars from Thai institute of directors (IOD).

Received an AGM Checklist score of 98 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, 2022, 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, 2022 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 directors who have knowledge, ability and experience in business operations that are beneficial to the Company, and should be diverse in terms of skills, gender, age, experience, abilities and characteristics necessary to achieve the main objectives of the organization. The Board of Directors appointed by the shareholders' meeting, each independent director has a term of tenure 3 years, and not more than 9 consecutive years (unless there is a reason and necessities as proposed by the Company). The director

is able to hold directorship positions in other companies (but not exceed 5 listed companies), however, the said directorship must not be an obstacle to the performance of duties as a director of the Company.

Independent directors must have the qualifications as specified by the company and complies with the announcement of the Capital Market Supervisory Board and meets international standards. Must be able to look after the interests of the Board of Directors; Consist of people with knowledge, competence, honesty, be ethical in conducting business, enough time to devote knowledge ability and perform 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. Should be diverse in terms of skills, gender, age, experience, abilities and characteristics necessary to achieve the main objectives of the organization.

#### 7.2.2 The information on each director and controlling person

Name	Position
1. Mr. Noppol Milinthanggoon	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. Kiangkrai Pheanvitayaskul	Director
8. Mr. Thanawat Yanisrangkul	Director
9. Mr. Sirichai Phruttnarakorn	Director
10. Mr. Vichai Yanisrangkul	Director

#### Authorized Director

As of December 31, 2022, the authorized directors are: Ms. Aunada Phruttnarakorn or Mr. Sirichai Phruttnarakorn or Mr. Kiangkrai 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. At the board meetings, not less than one-half of the total number of directors must be present at the meeting to constitute a quorum.
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.
  19. Arrange for an annual performance assessment of the Board of Directors, Sub-committees and individual directors. Follow up the results to be used as a guideline for further improvement and development of duties.
  20. Provide an orientation for directors to enhance knowledge and understanding of roles and responsibilities as directors nature of business relevant regulations and encourage all directors to acquire new skills and knowledge regularly in

order to keep pace with the environment  
changing business

#### 7.2.4 The roles and duties of Chairman of the Board

The Board of Directors has a statutory duty to appoint an appropriate director as the Chairman of the Board to act as the leader of the Board in overseeing the management to achieve its objectives.

##### Qualifications of the Chairman

1. Independent, capable of supervising, inquiring and monitoring the management of the management effectively.
2. Chairman of the Board and Managing Director shall be held by different individual.
3. Have knowledgeable leadership qualities and have the ability to foresee the direction of the organization for the long term.
4. Possess skills, abilities and experiences that are beneficial to business operations along with knowledge and understanding of good corporate governance principles.
5. Possesses skills, abilities and experiences that are beneficial to business operations along with a thorough understanding of good corporate governance principles.
6. Able to foster an atmosphere conducive to free discussion among the committee members. At the same time, able to intervene when it deems necessary to

ensure smooth and efficient working processes of the committee.

7. The position of Chairman of the Board shall be terminated for various reasons, for example: resignation, death, retirement according to the Succession Plan, restructuring of a business in the event of a merger (MD&A), etc.

##### Duties and Responsibilities of the Chairman

1. Has a statutory duty to summon the meeting of the Board of Directors, act as the chairman of the meeting and lead the meeting until a consensus is reached.
2. Set the Board of Directors meeting agenda in consultation with the Managing Director and ensure that important matters are included in the meeting agenda.
3. Sufficient time is allocated for the management to carefully propose matters for the directors to discuss important issues.
4. Encourage directors to exercise their discretion and freely express their opinions.
5. Encourage all directors to participate in creating an ethical corporate culture and conducting business in accordance with good corporate governance principles.
6. Encourage cooperation between the directors and the Company Secretary to enable all parties able to work smoothly and efficiently.

7. Represent the Board of Directors to communicate an important matter related to the organization as well as create good interactions with the group of shareholders and stakeholders of the business.

### 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, 2022, the Audit Committee consists of 3 Directors as follows:

1. Mrs. Pranee Phasipol  
(Independent Director)  
Chairman of the audit committee\*
2. Mrs. Chattong Tipayakalin  
(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 and Whistle Blowing and Complaint Procedures.
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 behaviour (under section 89 / 25 of the law on securities and exchange).

## 2. The Nomination and Remuneration Committee

As of December 31, 2022, 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 Phruttnarakorn  
(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.

### 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.
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.

#### 7.4 Information on Executive

7.4.1 As of December 31, 2022, the Executive Committee consists of 9 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. Ms. Pornthip Asavachatchanchai  
Accounting Division Manager
7. Mrs. Wanida Phruttnarakorn  
Finance Division Manager
8. Mr. Phanuphan Jesrichai  
Sales & Business Division Manager
9. Ms. Oravid 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 22<sup>nd</sup>, 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	2021	2022
No. of Executive	10	9
Total compensation of Executives (Mil. Baht)	22.776	23.255
Type of compensation	Salary /Bonus	Salary /Bonus

##### Other Compensation

Other Monetary Compensation eg: Provident fund as follows;

List	2021	2022
No. of Executive	10	9
Total (Mil. Baht)	0.690	0.679

#### 7.5 Information on employees

As of 31 December 2022, the group of companies has a number of employees divided by main segments as follows;

- |                |                    |
|----------------|--------------------|
| 1. Local sales | total 39 persons   |
| 2. Production  | total 456 persons  |
| 3. Office      | total 103 persons  |
| <b>Total</b>   | <b>598 persons</b> |

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 2022, the company and its subsidiaries has paid compensation to employees in the total amount of 225,234,118 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](mailto: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 3,395,000 million baht, of which the audit fee of the Company was 2,050,000 million baht and that of its subsidiaries amounted to 1,345,000 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 financial consulting fee to a consulting company in the amount of 2,261,470 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 2022, 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 97.26%.

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 2022 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 96.4%.

### 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 2022, 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. 1/22, dated April 29, 2022 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 in 2023 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
Chairman of Subcommittees	20,000 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 3,250,000 baht, approved by the general meeting of shareholders.

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

In 2022, the Company paid special remuneration to the Company's directors. Totalling 5,000,000 baht, allocated according to the proportion considered from the meeting. The chairman of the board receives higher remuneration than other directors.

Table showing total amount of remuneration of individual directors in 2022 (Unit : Baht)

Item	Name-Surname	Postion	Meeting Remuneration	Monthly Remuneration	Special Remuneration
1	Mr. Noppol Milinthanagoon	Chairman / Independent Director	360,000.00	300,000.00	1,000,000.00
2	Mr. Sumeth Chailertvanitkul	Chairman of the Nomination and Remuneration Committee / Independent Director	210,000.00	240,000.00	416,667.50
3	Ms. Aunada Phruttnarakorn	Director /Nomination and Remuneration Committee	-	-	416,667.00
4	Mr. Kriangkrai 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	350,000.00	240,000.00	666,667.50
9	Mrs. Chattong Tipayakalin	Audit Committee / Independent Director	280,000.00	180,000.00	583,333.00
10	Ms. Chaovana Wiwatpanachati	Audit Committee / Independent Director	280,000.00	180,000.00	583,333.00

### Other Remuneration

-None-

### 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 registration statement (56-1 One Report) 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 2022, 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 2022, 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 2022, there is no whistleblowing and/or complaints from stakeholders.

### **8.2 Report of the Audit Committee for the year 2022**

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 2022, 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 6/6 times

Mrs. Chattong Tipayakalin : attended 6/6 times

Ms. Chaovana Viwatpanachati : attended 6/6 times

In 2022, 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 2022 is as follows:

### 1 . Review the quarterly and annual financial reports for 2022.

The Audit Committee, together with the management, Internal Audit Department and external auditor, reviewed the quarterly and annual financial report 2022 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.

In 2022, the Company established a subsidiary that operates in digital assets. The internal auditor has planned to inspect the subsidiary in September 2022 by inspecting the operation process and reporting the audit results to the Audit Committee at meeting No.5/22. The Audit Committee acknowledged and thought that the internal control system had performed well. The subsidiary has set up a policy to invest in digital assets and the risk assessment process, including the methods of keeping digital coins. In conclusion, the operations are adequate and appropriate.

#### **4. Consideration of the appointment of the auditor for the year 2022.**

The Audit Committee has considered the appointment of the auditor for the year 2022 by considering the qualifications, knowledge expertise, the satisfactory results, including considering 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 2022 from AST Master Co., Ltd. as detail below;  
Ms.Nongram Laohaareedilok (Registration No. 4334) or Mr. Pradit LodLoi Tuk, (Registration No. 218) or 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 2022, 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. 6/22, dated 12 December 2022, 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, to ensure that the internal control system is effective and efficient enough 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 realizes the importance of risk management. It is considered risk management is an important component of every process in business operations. The risk management committee has been set up consisting of high-level executives of the Company. The Risk Committee is responsible for considering risk management plans at the organization level and department level, following up, evaluating, and reporting to the Audit Committee for the overall risk management to maximize benefits.

### 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"> <li>• Purchased Baht 56.99 million</li> <li>• Trade account payable Baht 11.63 million</li> </ul>
<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"> <li>• Land rental and office rental Baht 3.48 million</li> <li>• Other receivables Baht 0.87 million</li> </ul>
<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"> <li>• Management fee Baht 4.20 million</li> <li>• Other receivables Baht 2.06 million</li> </ul>
<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"> <li>• Loan to subsidiary</li> <li>Brought forward Baht 60.00 million</li> <li>Repayment Baht (28.00) million</li> <li>Carried forward Baht 32.00 million</li> <li>• Interest income Baht 1.19 million</li> <li>• Interest receivable Baht 0.07 million</li> </ul>

## 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
<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 110.01 million Repayment Baht (-) million Carried forward Baht 110.01 million • Interest income Baht 2.75 million • Interest receivable Baht 0.92 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 31.37 million Addition Baht - million Carried forward Baht 31.37 million • Interest income Baht 0.80 million • Interest receivable Baht 2.20 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 7.97 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 0.04 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 (3.00) million Repayment Baht 37.00 million • Interest income Baht 0.93 million • Interest receivable Baht 0.23 million

## 5. SCI Venture Company Limited (“SCIV”)

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 0.02 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.	• Trade account payable Baht 4.47 million
<u>Other income – Accounting service fee</u> 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.	The transaction is necessary for the subsidiary to prepare the financial statement accurately and in time for tax filling and for the group consolidated reporting. The rate charged is not lower than the cost.	• Other receivables Baht 2.26 million
<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 1.62 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 51.34 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](http://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 2022



**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, 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 2022, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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.



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 695.47 million**

Refer to Notes 9 and 10 of the financial statements, as at 31 December 2022, 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 695.47 million accounted for 24.13% and 30.15% 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 363.00 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.

*Nongram*



**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 of fixed assets and right-of-use assets of the subsidiary with a net book value as at 31 December 2022, of Baht 384.22 million and Baht 94.01 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 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 2022 of Baht 259.75 million, Baht 26.42 million and Baht 2.20 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.

**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 4.20 and 35 to the financial statements, respectively.

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I have examined the revenue recognition by assessing and testing the effectiveness 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.

### **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.

*Nongram*



### **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.
- 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.

*Nongram*

AST MASTER

บริษัท เอเอสที มาสเตอร์ จำกัด

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.  
24 February 2023

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2022	2021	2022	2021
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	8	298,178,495	248,140,808	212,825,380	126,780,546
Trade and other current receivables	9	405,675,765	488,819,961	197,298,933	293,606,985
Unbilled completed works	10	634,183,427	613,493,625	634,183,427	613,493,625
Current portion of long-term loans to related companies	7.2	-	-	35,290,130	15,082,926
Inventories	11	364,058,281	501,564,421	54,935,142	165,883,889
Other current financial assets	12	43,502,559	157,400,035	5,446,483	77,356,536
Non-current non-cash financial assets pledged as collateral	13	-	16,000,000	-	6,000,000
Current tax assets		3,256,761	1,765,114	1,645,237	1,765,114
Other current assets		884,239	478,006	591,483	145,936
Total current assets		1,749,739,527	2,027,661,970	1,142,216,215	1,300,115,557
<b>NON-CURRENT ASSETS</b>					
Deposits at banks pledged as collateral	14	117,285,079	100,819,497	102,033,877	95,631,271
Investment in subsidiaries	15.1	-	-	674,127,149	603,627,299
Investment in joint ventures	15.2	101,007,455	102,892,634	139,000,000	139,000,000
Long-term loans to related companies	7.2	-	-	145,425,322	188,999,637
Property, plant and equipments	16	577,820,528	595,357,406	94,688,738	97,086,231
Right-of-use assets	17	98,718,989	98,280,599	4,099,631	3,483,948
Right in service concession arrangement	18	201,472,462	204,506,799	-	-
Intangible assets	18	1,067,851	1,518,959	698,032	665,555
Cryptocurrency assets	19	22,743,863	-	-	-
Deferred tax assets	20	11,140,860	10,115,140	4,235,238	3,619,979
Income tax refundable	21	-	750,439	-	750,439
Other non-current assets		791,275	2,916,664	147,900	2,217,021
Total non-current assets		1,132,048,362	1,117,158,137	1,164,455,887	1,135,081,380
<b>TOTAL ASSETS</b>		<b>2,881,787,889</b>	<b>3,144,820,107</b>	<b>2,306,672,102</b>	<b>2,435,196,937</b>

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 FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2022	2021	2022	2021
<b><u>LIABILITIES AND</u></b>					
<b><u>SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Trade and other current payables	22	1,157,869,164	1,208,333,584	772,392,424	855,134,662
Contract liabilities	23	14,699,405	48,974,289	12,065,395	24,233,377
Long-term loans					
from financial institutions					
classified as current liabilities	24	385,055,691	372,109,422	-	-
Current portion of lease liabilities	25	864,728	974,909	791,228	512,440
Corporate income tax payable		132,921	2,478,225	-	-
Total current liabilities		<u>1,558,621,909</u>	<u>1,632,870,429</u>	<u>785,249,047</u>	<u>879,880,479</u>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	25	1,469,815	676,147	1,469,815	602,647
Non-current provisions					
for employee benefit	26	61,980,246	57,180,257	27,452,132	24,660,951
Other non-current provisions	27	7,058,521	5,889,868	-	-
Total non-current liabilities		<u>70,508,582</u>	<u>63,746,272</u>	<u>28,921,947</u>	<u>25,263,598</u>
<b>TOTAL LIABILITIES</b>		<u>1,629,130,491</u>	<u>1,696,616,701</u>	<u>814,170,994</u>	<u>905,144,077</u>

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

\_\_\_\_\_  
 Director  
 (Ms. Aunada Phruttinarakorn)

\_\_\_\_\_  
 Director  
 (Mr. Sirichai Phruttinarakorn)

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2022	2021	2022	2021
<b><u>LIABILITIES AND</u></b>					
<b><u>SHAREHOLDERS' EQUITY</u></b>					
<b><u>(CONTINUED)</u></b>					
<b>SHAREHOLDERS' EQUITY</b>					
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					
28		29,400,000	29,400,000	29,400,000	29,400,000
Unappropriated					
		(398,624,408)	(198,937,405)	(165,936,875)	(128,385,123)
Differences from changes in					
shareholding proportion					
		5,848,967	5,848,967	-	-
Other components of equity					
		(12,849,451)	(18,772,337)	-	-
Total equity attributable to					
the parent company					
		1,252,813,091	1,446,577,208	1,492,501,108	1,530,052,860
Non-controlling interests					
		(155,693)	1,626,198	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>					
		<u>1,252,657,398</u>	<u>1,448,203,406</u>	<u>1,492,501,108</u>	<u>1,530,052,860</u>
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		<u>2,881,787,889</u>	<u>3,144,820,107</u>	<u>2,306,672,102</u>	<u>2,435,196,937</u>

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

\_\_\_\_\_  
Director  
(Ms. Aunada Phruttnarakorn)

\_\_\_\_\_  
Director  
(Mr. Sirichai Phruttnarakorn)

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2022	2021	2022	2021
<b>Revenues</b>					
	Revenues from sales	1,440,682,984	1,443,889,158	444,465,402	448,205,278
	Revenues from services	25,416,608	125,345,825	25,416,608	114,177,846
29	Other income	26,940,351	56,977,004	23,500,526	33,502,129
	<b>Total revenues</b>	<b>1,493,039,943</b>	<b>1,626,211,987</b>	<b>493,382,536</b>	<b>595,885,253</b>
<b>Expenses</b>					
	Cost of sales	1,486,732,405	1,314,865,196	413,115,527	373,322,709
	Cost of services	28,978,669	122,282,656	28,978,669	112,954,445
	Selling expenses	34,479,110	39,707,354	18,612,041	22,260,382
	Administrative expenses	113,675,540	120,806,440	70,949,339	77,047,860
30	Other expenses	1,672,693	838,749	252,237	23,458,463
	Other losses	7,207,320	15,872	82,551	59,371
31	<b>Total expenses</b>	<b>1,672,745,737</b>	<b>1,598,516,267</b>	<b>531,990,364</b>	<b>609,103,230</b>
	<b>Profit (loss) from operating activities</b>	<b>(179,705,794)</b>	<b>27,695,720</b>	<b>(38,607,828)</b>	<b>(13,217,977)</b>
	Finance costs	(21,204,106)	(15,951,674)	(72,244)	(279,716)
	Gain and reversal of impairment loss on financial assets	453,166	1,229,062	513,061	2,144,079
15.2	Share of loss from investment in joint ventures	(2,010,104)	(5,948,059)	-	-
	<b>Profit (loss) before income tax income (expense)</b>	<b>(202,466,838)</b>	<b>7,025,049</b>	<b>(38,167,011)</b>	<b>(11,353,614)</b>
33	Income tax income (expense)	892,796	(5,426,815)	615,259	(279,489)
	<b>Profit (loss) for the years</b>	<b>(201,574,042)</b>	<b>1,598,234</b>	<b>(37,551,752)</b>	<b>(11,633,103)</b>
<b>Other comprehensive income:</b>					
<b>Items to be reclassified to profit or loss in subsequent years</b>					
	Change in fair value of investments	-	(174,891)	-	(89,240)
	Differences on exchange translating of the financial statements	6,027,884	14,616,572	-	-
	<b>Total items to be reclassified to profit or loss in subsequent years</b>	<b>6,027,884</b>	<b>14,441,681</b>	<b>-</b>	<b>(89,240)</b>
<b>Items not to be reclassified to profit or loss in subsequent years</b>					
	Actuarial gain (loss)	-	(428,023)	-	284,600
	<b>Other comprehensive income for the years</b>	<b>6,027,884</b>	<b>14,013,658</b>	<b>-</b>	<b>195,360</b>
	<b>Total comprehensive income for the years</b>	<b>(195,546,158)</b>	<b>15,611,892</b>	<b>(37,551,752)</b>	<b>(11,437,743)</b>

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 (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
Notes	2022	2021	2022	2021
<b>Profit (loss) for the years attributable to:</b>				
Equity holders of the parent	(199,687,003)	3,454,718	(37,551,752)	(11,633,103)
Non-controlling interests	(1,887,039)	(1,856,484)	-	-
<b>Profit (loss) for the years</b>	<b>(201,574,042)</b>	<b>1,598,234</b>	<b>(37,551,752)</b>	<b>(11,633,103)</b>
<b>Total comprehensive income for the years attributable to:</b>				
Equity holders of the parent	(193,764,117)	17,148,294	(37,551,752)	(11,437,743)
Non-controlling interests	(1,782,041)	(1,536,402)	-	-
<b>Total comprehensive income for the years</b>	<b>(195,546,158)</b>	<b>15,611,892</b>	<b>(37,551,752)</b>	<b>(11,437,743)</b>
<b>Basic earning (loss) per share attributable to equity holders of the parent</b>				
Earning (loss) per share (Baht per share)	(0.266)	0.005	(0.050)	(0.016)
Weighted average number of common shares (share)	750,000,000	750,000,000	750,000,000	750,000,000

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**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	In Baht										
	Equity attributable to the parent company										
	Retained earnings (deficit)				Differences	Other components of equity					
	Issued and	Share	Appropriated		from		Differences	Total other		Non-	Total
	paid-up	premium	for legal	Unappropriated	shareholding	Investments	on translating	shareholders'	Total equity	controlling	shareholders'
	capital		reserve		proportion		financial	equity	of the parent	interests	equity
							statements				
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	750,000,000	879,037,983	29,400,000	(198,937,405)	5,848,967	-	(18,772,337)	(18,772,337)	1,446,577,208	1,626,198	1,448,203,406
Balance as at 1 January 2022	750,000,000	879,037,983	29,400,000	(198,937,405)	5,848,967	-	(18,772,337)	(18,772,337)	1,446,577,208	1,626,198	1,448,203,406
Additional investment in a subsidiary by non-controlling interest (Note 15.1)	-	-	-	-	-	-	-	-	-	150	150
Loss for the year	-	-	-	(199,687,003)	-	-	-	-	(199,687,003)	(1,887,039)	(201,574,042)
Other comprehensive income for the year	-	-	-	-	-	-	5,922,886	5,922,886	5,922,886	104,998	6,027,884
Total comprehensive income for the year	-	-	-	(199,687,003)	-	-	5,922,886	5,922,886	(193,764,117)	(1,782,041)	(195,546,158)
Balance as at 31 December 2022	750,000,000	879,037,983	29,400,000	(398,624,408)	5,848,967	-	(12,849,451)	(12,849,451)	1,252,813,091	(155,693)	1,252,657,398

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

\_\_\_\_\_  
 (Ms. Aunada Phruttnarakorn) Director

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 (Mr. Sirichai Phruttnarakorn) Director

**SCI ELECTRIC PUBLIC COMPANY LIMITED**  
**SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	In Baht					
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of equity Investments	Total shareholders' equity
			Appropriated for legal reserve	Unappropriated		
<b>Balance as at 1 January 2021</b>	750,000,000	879,037,983	29,400,000	(117,036,620)	89,240	1,541,490,603
Loss for the year	-	-	-	(11,633,103)	-	(11,633,103)
Other comprehensive income for the year	-	-	-	284,600	(89,240)	195,360
Total comprehensive income for the year	-	-	-	(11,348,503)	(89,240)	(11,437,743)
<b>Balance as at 31 December 2021</b>	<u>750,000,000</u>	<u>879,037,983</u>	<u>29,400,000</u>	<u>(128,385,123)</u>	<u>-</u>	<u>1,530,052,860</u>
<b>Balance as at 1 January 2022</b>	750,000,000	879,037,983	29,400,000	(128,385,123)	-	1,530,052,860
Loss for the year	-	-	-	(37,551,752)	-	(37,551,752)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(37,551,752)	-	(37,551,752)
<b>Balance as at 31 December 2022</b>	<u>750,000,000</u>	<u>879,037,983</u>	<u>29,400,000</u>	<u>(165,936,875)</u>	<u>-</u>	<u>1,492,501,108</u>

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

\_\_\_\_\_  
 (Ms. Aunada Phruttinarakorn) Director

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 (Mr. Sirichai Phruttinarakorn) Director

**FOR THE YEAR ENDED 31 DECEMBER 2022**

### CASH FLOWS FROM OPERATING ACTIVITIES

\_\_\_\_\_  
(Ms. Aunada Phruttinarakorn) Director

(Mr. Sirichai Phruttinarakorn)

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2022	2021	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(CONTINUED)					
		546,800	937,189	578,992	745,422
		(5,734,989)	(17,404,672)	(1,645,237)	(1,765,114)
	21	749,485	13,395,449	749,485	12,727,500
	26	(5,332,888)	(5,956,014)	(1,471,331)	(4,131,541)
		(16,599,226)	196,025,100	55,238,567	(13,519,486)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
		(465,582)	(410,608)	(402,606)	(380,024)
	7.2	-	-	34,774,574	37,234,046
	12	212,116,529	230,777,157	82,000,000	138,178,118
		844,465	65,327	439,252	65,327
		-	236,610	-	-
		-	-	-	37,799,300
	12	(98,000,000)	(297,818,075)	(10,000,000)	(125,278,075)
	7.2	-	-	-	(14,808,890)
	15.1	-	-	(70,499,850)	(827,879)
	15.2	(124,925)	(35,437,500)	-	(35,437,500)
		(814,300)	-	(814,300)	-
		(10,212,266)	(15,919,235)	(3,608,889)	(740,533)
		-	(12,662,610)	-	-
		(220,659)	(881)	(220,778)	-
	19	(29,924,708)	-	-	-
		73,198,554	(131,169,815)	31,667,403	35,803,890

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 CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

		In Baht				
		Consolidated		Separate		
		financial statements		financial statements		
Notes		2022	2021	2022	2021	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	Cash received from short-term loans					
	from financial institutions	24	4,500,000	20,000,000	-	10,000,000
	Cash received from additional investment in					
	a subsidiary by non-controlling interest		150	-	-	-
	Cash paid for short-term loans from					
	financial institutions	24	(4,500,000)	(40,000,000)	-	(20,000,000)
	Cash paid for lease liabilities	25	(1,251,361)	(1,664,320)	(788,892)	(1,212,351)
	Cash paid for finance costs		(101,116)	(4,531,326)	(72,244)	(279,716)
	Net cash used in financing activities		(1,352,327)	(26,195,646)	(861,136)	(11,492,067)
	Differences on translating of the financial statements		(5,209,314)	(19,069,036)	-	-
	<b>Net increase in cash and cash equivalents</b>		50,037,687	19,590,603	86,044,834	10,792,337
	<b>Cash and cash equivalents, beginning of years</b>		248,140,808	228,550,205	126,780,546	115,988,209
	<b>Cash and cash equivalents, ending of years</b>	8	298,178,495	248,140,808	212,825,380	126,780,546
<b>SUPPLEMENT DISCLOSURE</b>						
<b>OF CASH FLOWS INFORMATION</b>						
	Cash paid for acquisition of property,					
	plant and equipments					
	Acquisition of property, plant and equipments					
	during the years	16	(10,449,989)	(16,451,804)	(3,681,758)	(830,915)
	Increase in payables					
	from acquisition of assets		237,723	532,569	72,869	90,382
	Cash paid for acquisition of property,					
	plant and equipments		(10,212,266)	(15,919,235)	(3,608,889)	(740,533)
	Cash paid for acquisition of right-of-use assets					
	Acquisition of right-of-use assets during the years	17	(2,784,600)	-	(2,784,600)	-
	Assets acquired under lease liabilities	25	1,970,300	-	1,970,300	-
	Cash paid for acquisition of right-of-use assets		(814,300)	-	(814,300)	-
	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 payables from acquisition of assets		-	2,307,832	-	-
	Cash paid for acquisition of right in service					
	concession arrangement		-	(12,662,610)	-	-
	Cash paid for acquisition of intangible assets					
	Acquisition of intangible assets during the years	18	(232,673)	(881)	(220,778)	-
	Increase in payable from acquisition of assets		12,014	-	-	-
	Cash paid for acquisition of intangible assets		(220,659)	(881)	(220,778)	-
	Reclassified income tax refundable from					
	current tax assets		-	750,439	-	750,439

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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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.

**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 from political situation within the country. As at 31 December 2022, 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	384,221,681	-
Right-of-use assets	94,013,674	-
Investment in subsidiary (net of impairment)	-	259,754,867
Loan to	-	26,417,165
Accrued interest income	-	2,200,903
Total	478,235,355	288,372,935

In the year 2021, the Group’s management considers to recognize the allowance for impairment loss on investment in subsidiary amounting to Baht 23.40 million in the separate financial statements (Note 15.1). In this regards, the management is required to use estimates and make judgments on various issue when situation changes.

**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.

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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 as at 31 December are as follows:

	Country of incorporation	Percentage of holding		Nature of Business
		2022	2021	
<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 Investment
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
SCI Venture Co., Ltd. (“SCIV”)	Thailand	99.99	-	Investment
<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
<u>Joint venture holding by SCIV</u>				
S Digital Asset Co., Ltd. (“SDA”)	Thailand	49.97	-	Investment

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

**3.2 Financial reporting standards which will be effective for the financial statement with the fiscal years beginning on or after 1 January 2023, onwards**

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 2023, onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards making financial reporting standards clearer and more appropriate and for some standards, providing temporary reliefs or temporary exemptions for users.

The Group's management believes that the adoption of these amendment will not have any significant impact on the Group's financial statements.

**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 unrealized 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 recognized 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.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized 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 recognized 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 recognized 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 recognized 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 recognized when the Group has unconditional rights to receive compensation under the contract. If the Group recognizes revenue before having unconditional rights to receive compensation, the amount of compensation is recognized 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. 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 recognized 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 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 recognizes 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 recognize 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 recognized 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 recognizes 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 recognized profits (less recognized 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 recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes 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 recognized profits (less recognized 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 recognize 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 associated with the item will flow to the Group and the cost of the item can be measured reliably. 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 capitalized 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 direct 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 Cryptocurrency assets**

The Group considers the objective of investing in cryptocurrency assets to be for long-term investment. The Group has adopted the principles of TAS 38 “Intangible Assets” and classifies them as non-current assets.

The Group initially recognizes cryptocurrency assets at cost, which is the fair value of the asset on the date of acquisition. After initial recognition, cryptocurrency assets are carried at cost (weighted average method) less accumulated impairment losses. The Group does not amortize cryptocurrency assets because they are indefinite useful lives. The assessment of their status with indefinite useful lives is reviewed by the Group at the end of reporting period.

At the end of reporting period, the Group performs impairment reviews on cryptocurrency assets. An impairment loss is recognized when the carrying amount is higher than cryptocurrency assets’ fair value at the end of the reporting period, with fair value measured using the closing price at the end of the reporting period on digital coins’ trading websites ([www.bitkub.com](http://www.bitkub.com)).

Cryptocurrency assets are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

**4.13 Impairment loss of non-financial assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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.

**4.14 Accounting for leases - where the Group 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 recognizes 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 recognized 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 recognized 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 recognizes 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 recognized as expenses on a straight-line basis over the lease term.

#### **4.15 Borrowings**

Borrowings are recognized initially at the fair value of consideration received; net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognized 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 drawdown 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 capitalized as a pre-payment for liquidity services and amortized 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.

#### **4.16 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 recognizes deferred tax liabilities for all taxable temporary differences while they recognize 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 utilized.

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 utilized.

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.

#### **4.17 Employee benefits**

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognized 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 recognized 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 recognized immediately in profit or loss.

#### **4.18 Provisions**

Provisions for environmental restoration and legal claims are recognized 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 recognized 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 recognized 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 recognized as interest expense.

#### **4.19 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.

#### **4.20 Revenue and expense recognition**

Revenue is recognized 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 recognized 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 recognized 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 recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized 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 recognized using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

Other incomes and expenses are recognized on accrual basis.

#### **4.21 Dividend distribution**

Dividend distribution to the Company's shareholders is recognized 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 recognized when the Company's board of directors approve.

#### **4.22 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.

#### **4.23 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. Joint venture 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.

#### **4.24 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 maximizes 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 categorized within the fair value hierarchy into three levels based on categorize 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.

#### **4.25 Financial instruments**

The Group initially recognizes a financial instrument at fair value, other than financial instrument measured at fair value through profit or loss, plus transaction costs. However, trade receivables and contract assets without a significant financing component is initially measured at the transaction price as disclosed in Note 4.5.

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 recognized 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 amortized cost*

The Group measures financial assets at amortized 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 amortized cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, 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 recognized 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 derecognized, the cumulative gain or loss previously recognized 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 amortized 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 recognized in profit or loss.

Classification and measurement of financial liabilities

Except for derivatives, at initial recognition, the Group's financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process. In determining amortized cost, the Group takes into account any fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization 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 recognize 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 financial asset's credit risk 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 recognizes 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 derecognized 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 derecognized 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 recognized in the profit or loss.

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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 recognized amounts and there is an intention to settle on a net basis, to realize 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 minimize potential adverse effects on the Group's financial performance.

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, recognized assets and liabilities and net investments in foreign operations.

As at 31 December 2022 and 2021 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 2022				
Assets	\$20.49	704.75	\$20.72	712.73
Liabilities	\$20.29	704.58	\$20.25	703.24
	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

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 monetary items denominated in foreign currency and adjusts their translation at 31 December 2022 for a 5% change in US Dollars currency rates as follows:

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	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Assets	Liabilities	Assets	Liabilities
Profit (loss)				
5% appreciate	(35.24)	35.23	(35.64)	35.16
5% depreciate	35.24	(35.23)	35.64	(35.16)

**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 25.

**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 recognized 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 recognizes revenue over time if one of the following criteria is met:

- 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 recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognized 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 diminution in value of inventories**

The Group considers the allowance for diminution in value of inventories 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 the assets and to review estimate useful lives and residual values when there are any changes.



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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.

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 26.

**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:

	<b>Relationship</b>
<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 a subsidiary and directorship
Interasia Trading Co., Ltd.	Shareholding by the Company and directorship
SCI Venture Co., Ltd.	Shareholding by the Company and directorship

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	<b>Relationship</b>
<u>Joint ventures</u>	
T Utilities Co., Ltd.	Shareholding by the Company and directorship
SCI Enesys Co., Ltd.	Shareholding by the Company and directorship
S Digital Asset Co.,Ltd.	Shareholding by a subsidiary 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
<u>Related persons</u>	
Aunada Phrutinnarakorn	Shareholder and director
Sirichai Phrutinnarakorn	Shareholder and director
Kriengkrai Pienwitthayasakul	Shareholder and director
Vichai Yanisrangkul	Shareholder and director
Thanawat Yanisrangkul	Shareholder and director
	<b>Pricing policies</b>
Long-term loan to	Interest charged at rate of 2.5% per annum and LIBOR 3 months plus 4% 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	
	2022	2021	2022	2021
<b><u>Other receivables</u></b> (Note 9)				
Subsidiaries	-	-	12,314,187	11,598,940
Joint ventures	64,200	-	64,200	-
Total	64,200	-	12,378,387	11,598,940
<b><u>Trade payables</u></b> (Note 22)				
Subsidiary	-	-	11,627,285	28,054,378
<b><u>Accrued expenses</u></b> (Note 22)				
Subsidiary	-	-	-	11,770
<b><u>Unearned income</u></b> (Note 23)				
Subsidiary	-	-	-	484,805
<b><u>Loans to related companies</u></b>				
Subsidiaries				
- Due within 1 year	-	-	35,290,130	15,082,926
- Long-term loans	-	-	145,425,322	188,999,637
Total loans to related companies	-	-	180,715,452	204,082,563

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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 4% per annum according to the loan agreements. The Company adjusted the amount of loan with the market interest rate to measure and recognize fair value of loans at the initial date.

The movements of long-term loan to related companies for the years ended 31 December, are as follows:

	In Baht	
	Separate financial statements	
	2022	2021
<b>Subsidiaries</b>		
Balance, at the beginning of the years	204,082,563	213,326,835
Increase in loans provided under the loan agreement during the years	-	15,636,769
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)
Refund of loan	(34,774,574)	(37,234,046)
Interest income (Note 29)	11,226,620	12,265,867
Gain from revising estimated receipts	180,843	915,017
Balance, at the end of years	<u>180,715,452</u>	<u>204,082,563</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 for the years ended 31 December, are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Sale and service income</b>				
Subsidiary	-	-	-	19,000
Related company	9,411,589	2,636,192	-	-
Total	<u>9,411,589</u>	<u>2,636,192</u>	<u>-</u>	<u>19,000</u>
<b>Interest income (Note 29)</b>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>11,226,620</u>	<u>12,265,867</u>
<b>Other income (Note 29)</b>				
Subsidiaries	-	-	8,346,800	8,340,000
Joint ventures	120,000	-	120,000	-
Total	<u>120,000</u>	<u>-</u>	<u>8,466,800</u>	<u>8,340,000</u>
<b>Purchase of goods and service</b>				
Subsidiary	<u>-</u>	<u>-</u>	<u>56,992,505</u>	<u>87,267,877</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	
	2022	2021	2022	2021
Short-term benefits	29,606,046	31,493,731	24,081,672	25,185,881
Post-employment benefits	1,747,757	1,637,754	1,448,842	1,370,509
Total	<u>31,353,803</u>	<u>33,131,485</u>	<u>25,530,514</u>	<u>26,556,390</u>

**8. CASH AND CASH EQUIVALENTS**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash	428,342	584,188	396,410	423,432
Deposit at banks - current accounts	154,338,175	176,789,194	73,577,200	62,233,386
Deposit at banks - saving accounts	142,682,687	70,707,063	138,851,770	64,120,133
Cheque due but not deposited	729,291	60,363	-	3,595
Total	<u>298,178,495</u>	<u>248,140,808</u>	<u>212,825,380</u>	<u>126,780,546</u>

As at 31 December 2022, saving deposits bear interest at rates between 0.04% to 0.35% per annum (2021: 0.05% to 0.50% per annum).

**9. TRADE AND OTHER CURRENT RECEIVABLES**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade receivables - other companies	333,139,358	403,587,279	115,248,096	200,690,264
Trade receivables - service agreement of foreign project	93,290,750	90,186,420	93,290,750	90,186,420
Total trade receivables	426,430,108	493,773,699	208,538,846	290,876,684
<u>Less</u> Allowance for credit losses of trade receivables - other companies	(325,576)	(657,794)	(325,576)	(657,794)
<u>Less</u> Allowance for credit losses of trade receivables - service agreement of foreign project	(32,009,078)	(30,943,948)	(32,009,078)	(30,943,948)
Trade receivables - net	394,095,454	462,171,957	176,204,192	259,274,942
Receivable - retention	-	9,749,463	-	9,749,463
Other receivables - related companies (Note 7.2)	64,200	-	12,378,387	11,598,940
Other receivables - other companies	6,132,917	5,810,360	5,694,067	5,618,800
Revenue Department receivable	3,243,334	3,216,174	1,778,061	442,637

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	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Prepaid expenses	2,132,360	3,323,303	1,236,726	2,388,179
Advance payments for goods and service	7,500	4,548,704	7,500	4,534,024
Total	<u>405,675,765</u>	<u>488,819,961</u>	<u>197,298,933</u>	<u>293,606,985</u>

Aging of trade receivables are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Within credit terms	251,387,503	256,967,364	42,544,691	100,883,915
Overdue less than 3 months	39,334,204	79,003,041	32,298,547	65,550,877
Overdue 3 - 6 months	5,346,055	11,743,204	5,161,073	9,165,453
Overdue 6 - 12 months	22,118,052	21,516,625	22,106,817	10,653,647
Overdue over 12 months	108,244,294	124,543,465	106,427,718	104,622,792
Total trade receivables	426,430,108	493,773,699	208,538,846	290,876,684
<u>Less</u> Allowance for credit losses of trade receivables - other companies	(325,576)	(657,794)	(325,576)	(657,794)
<u>Less</u> Allowance for credit losses of trade receivables - service agreement of foreign project	(32,009,078)	(30,943,948)	(32,009,078)	(30,943,948)
Trade receivables - net	<u>394,095,454</u>	<u>462,171,957</u>	<u>176,204,192</u>	<u>259,274,942</u>

As at 31 December 2022 and 2021, the Group does not have the factoring receivables with financial institutions.

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.

The Group has recognized 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 other trade receivables which overdue not more than 1 year as at 31 December 2022, 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.

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.

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As at 31 December 2022 and 2021, the Company has outstanding receivables, relating to the construction service contract with a government agency in a foreign country (“the employer”) of Baht 93.29 million and Baht 90.19 million, respectively, and unbilled completed works relating to such contract of Baht 965.18 million and Baht 933.06 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 2022, of Baht 363.00 million for trade receivable of Baht 32.01 million and unbilled completed works of Baht 330.99 million (2021 : Baht 350.92 million consists of trade receivable of Baht 30.94 million and unbilled completed works of Baht 319.98 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	
	2022	2021
Net book value, beginning of years	31,601,742	29,685,396
Reversal allowance for expected credit losses	(332,218)	(1,229,062)
Unrealized loss on foreign exchange rate	1,065,130	3,145,408
Net book value, end of years	32,334,654	31,601,742

**10. UNBILLED COMPLETED WORKS**

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Construction revenues				
recognized to date	1,244,672,308	1,321,433,623	1,244,672,308	1,219,255,700
<u>Less</u> Installments due to date	(252,014,043)	(325,257,833)	(252,014,043)	(223,079,910)
<u>Less</u> Loss on foreign exchange rate	(27,480,383)	(62,701,835)	(27,480,383)	(62,701,835)
Unbilled completed works	965,177,882	933,473,955	965,177,882	933,473,955
<u>Less</u> Allowance for credit losses				
- service agreement of				
a foreign project	(330,994,455)	(319,980,330)	(330,994,455)	(319,980,330)
Unbilled completed works - net	634,183,427	613,493,625	634,183,427	613,493,625

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.

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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:

	In Baht	
	Consolidated and Separate financial statements	
	2022	2021
Net book value, beginning of years	319,980,330	287,454,786
Unrealized loss on foreign exchange rate	11,014,125	32,525,544
Net book value, end of years	330,994,455	319,980,330

Significant outstanding contract

As at 31 December 2022 and 2021, the Company has entered in to the Service Agreement for the high-voltage transmission line and substation project with the contract revenue value of US Dollar 416.55 million. The Company has recognized 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 recognize upon receiving the conclusion of the plan change from the employer.

## 11. INVENTORIES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Raw materials	248,009,023	256,182,404	32,297,952	37,930,451
Work in process	93,909,284	196,246,848	15,952,899	106,419,945
Finished goods	21,493,945	48,508,117	6,684,291	21,533,493
Production material	646,029	627,052	-	-
Total	364,058,281	501,564,421	54,935,142	165,883,889

For the year ended 31 December 2022, the Group and the Company have cost of inventories recognized as cost of sales amounting to Baht 1,486.73 million and Baht 413.12 million, respectively (2021: Baht 1,314.87 million and Baht 373.32 million, respectively).

## 12. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets are as follow:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cost	43,425,478	157,255,698	5,425,478	77,255,698
Unrealized gain	77,081	144,337	21,005	100,838
Fair value at the end of years	43,502,559	157,400,035	5,446,483	77,356,536

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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 2022	For the year ended 31 December 2021		
	Investments in opened-end fund	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	157,400,035	79,200,478	9,767,442	88,967,920
Purchase of investments	98,000,000	268,540,000	29,278,075	297,818,075
Disposal of investments	(212,116,529)	(190,777,157)	(40,000,000)	(230,777,157)
Interest income for the years	-	-	954,483	954,483
Gain on disposal of investments	245,528	452,586	-	452,586
Changes in fair value	(26,475)	(15,872)	-	(15,872)
Net book value, at the end of years	43,502,559	157,400,035	-	157,400,035

	In Baht			
	Separate financial statements			
	For the year ended 31 December 2022	For the year ended 31 December 2021		
	Investments in opened-end fund	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	77,356,536	79,200,478	9,767,442	88,967,920
Purchase of investments	10,000,000	96,000,000	29,278,075	125,278,075
Disposal of investments	(82,000,000)	(98,178,118)	(40,000,000)	(138,178,118)
Interest income for the years	-	-	954,483	954,483
Gain on disposal of investments	172,498	393,547	-	393,547
Changes in fair value	(82,551)	(59,371)	-	(59,371)
Net book value, at the end of years	5,446,483	77,356,536	-	77,356,536

**13. NON-CURRENT NON-CASH FINANCIAL ASSETS PLEDGED AS COLLATERAL**

During the first quarter of 2022, the Group and the Company redeemed the government bonds amounting to Baht 16 million and Baht 6 million, respectively and deposit into bank accounts (Note 14) to pledge as collateral for short-term loans facilities from financial institutions (Note 24).



**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**14. DEPOSITS AT BANKS PLEDGED AS COLLATERAL**

As at 31 December 2022, the Group and the Company have bank accounts totaling Baht 117.29 million and Baht 102.03 million, respectively (2021: Baht 100.82 million and Baht 95.63 million, respectively) pledged as collateral for short-term loans facilities from financial institutions (Note 24) and letters of guarantee issued by bank (Note 37).

**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	
	2022	2021
Net book value, beginning of years	603,627,299	626,199,420
Addition invest during the year	70,499,850	-
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
Allowance for impairment of investment in subsidiary	-	(23,400,000)
Net book value, at the end of years	674,127,149	603,627,299

During the year 2021, the Group's management recognized 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 the separate financial statement (Note 1).

**Transactions incurred during the year 2022**

**SCI Venture Co., Ltd.**

The Board of Directors' meeting No. 1/2022 of the Company on 21 February 2022, passed a resolution to approve the investment in ordinary shares of SCI Venture Co., Ltd., which is the newly established subsidiary with registered share capital of Baht 1 million (comprising of 10,000 common shares, Baht 100 per share), by approving the Company to invest in 9,997 common shares with a par value of Baht 100 per share, representing 99.99% of the subsidiary's registered capital. The first called subscription shares is at Baht 25 per share, amounting to Baht 249,925. The subsidiary has registered the company establishment with the Ministry of Commerce on 10 March 2022. The main business of the company is to invest in businesses that provide a return that is worth investment.

The Board of Directors' meeting No. 2/2022 of the Company on 7 April 2022, passed a resolution to approve the investment in additional ordinary shares of SCI Venture Co., Ltd., of Baht 140 million for investing in Bitcoin Mining business, by approving the Company to invest in 1,400,000 common shares with a par value of Baht 100 per share, representing 100% of the subsidiary's additional registered capital. The called subscription shares is at Baht 50 per share, amounting to Baht 70,000,000 and such subsidiary called for additional subscription shares of 9,997 common shares at Baht 25 per share, amounting to Baht 249,925. The subsidiary has registered the additional share capital of 1,400,000 shares with the Ministry of Commerce on 28 April 2022.

As at 31 December 2022, the Company has investment in ordinary shares of SCI Venture Co., Ltd. of 1,409,997 shares with called and paid-up value of Baht 50 per share, representing 99.99% of the subsidiary's registered and paid-up share capital.

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Details of subsidiaries are as follows:

				In Baht					
				Separate financial statements					
		Shareholding percentage		31 December 2022			31 December 2021		
Country of incorporation		2022	2021	Investment at cost method	Allowance for impairment of investment	Investment-net	Investment at cost method	Allowance for impairment of investment	Investment-net
<b>Subsidiaries</b>									
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	283,154,867	(23,400,000)	259,754,867
Interasia Trading Co., Ltd.	Thailand	99.99	99.99	19,094,602	-	19,094,602	19,094,602	-	19,094,602
SCI Venture Co., Ltd.	Thailand	99.99	-	70,499,850	-	70,499,850	-	-	-
<b>Subsidiary's shares held by SCIH</b>									
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>697,527,149</u>	<u>(23,400,000)</u>	<u>674,127,149</u>	<u>627,027,299</u>	<u>(23,400,000)</u>	<u>603,627,299</u>

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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15.2 Investment in joint ventures

The movements in investment in joint ventures are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	At equity method		At cost	
	2022	2021	2022	2021
Net book value, beginning of years	102,892,634	73,403,193	139,000,000	103,562,500
Additional invest	124,925	35,437,500	-	35,437,500
Share of loss from investment in joint ventures	(2,010,104)	(5,948,059)	-	-
Net book value, ending of years	101,007,455	102,892,634	139,000,000	139,000,000

The Group recognized share of loss from investments in joint ventures, as follows:

Company's name	In Baht	
	Consolidated financial statements	
	Share of loss	
	2022	2021
T Utilities Co., Ltd.	(6,103,761)	(4,972,016)
SCI Enesys Co., Ltd.	4,105,740	(976,043)
S Digital Asset Co., Ltd.	(12,083)	-
Total	(2,010,104)	(5,948,059)

**Transactions incurred during the year 2022**

**S Digital Asset Co., Ltd.,**

During the year of 2022, SCI Venture Co., Ltd., (subsidiary) has invested in ordinary shares of S Digital Asset Co., Ltd., which is the newly established joint venture with registered share capital of Baht 1 million (comprising of 10,000 common shares, at the par value of Baht 100 per share). The joint venture has registered the company establishment with the Ministry of Commerce on 17 May 2022. The main business of the joint venture is investing in mining for digital coins. The subsidiary has invested in the ordinary shares of such joint venture in 4,997 common shares, representing 49.97% of the joint venture's registered capital. The first called subscription shares is at Baht 25 per share, amounting to Baht 124,925.

According to the extraordinary general meeting of shareholders No. 1/2023 of S Digital Asset Co., Ltd. held on 25 January 2023, the meeting had a special resolution regarding the dissolution of the joint venture. As the prospects for cryptocurrency mining, which is the core business of the establishment of the joint venture, did not meet the expectation of shareholders. Therefore, the joint venture registered its dissolution with the Ministry of Commerce on 8 February 2023.

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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	
			2022	2021	2022	2021	2022	2021
<b>Joint venture holding by the Company</b>								
T Utilities Co., Ltd.	Invest in company and basic infrastructure	Thailand	45	45	96,693,364	102,797,125	135,000,000	135,000,000
SCI Enesys Co., Ltd.	Sale of cable tray and related equipments	Thailand	40	40	4,201,249	95,509	4,000,000	4,000,000
<b>Joint venture holding by a subsidiary</b>								
S Digital Asset Co., Ltd.	Investment	Thailand	49.97	-	112,842	-	-	-
Investment in joint ventures					101,007,455	102,892,634	139,000,000	139,000,000

**Transactions incurred during the year 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. 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, the Company paid investment in share capital of 10,125,000 shares at Baht 3.50 per share, totaling Baht 35,437,500.

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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15.2.2 Summarized financial information of joint ventures

Financial informations of joint ventures are summarized below:

	In Baht				
	2022			2021	
	The group of T Utilities Co., Ltd.	SCI Enesys Co., Ltd.	S Digital Asset Co., Ltd.	The group of T Utilities Co., Ltd.	SCI Enesys Co., Ltd.
<b>Summary of statement of financial position</b>					
Total current assets	34,863,971	22,718,115	250,000	112,042,190	3,859,360
Total non-current assets	256,813,333	578,407	-	164,295,465	527,398
Total current liabilities	(56,638,896)	(12,740,396)	(24,180)	(8,594,660)	(3,996,335)
Total non-current liabilities	(6,811,493)	(53,003)	-	(25,924,118)	(151,651)
Non-controlling interests	(17,669,368)	-	-	(17,697,417)	-
Net assets	210,557,547	10,503,123	225,820	224,121,460	238,772
<b>Summary of statement of comprehensive income</b>					
Total revenues	14,731,459	95,313,792	-	13,347,616	24,532,655
Profit (loss) for the years	(13,563,913)	10,264,351	(24,180)	(11,048,925)	(2,440,109)
<b>Reconciliation to carrying amount</b>					
Net assets brought forward, beginning of years	224,121,460	238,772	-	156,420,385	2,678,881
Call for share subscription	-	-	250,000	78,750,000	-
Profit (loss) for the years	(13,563,913)	10,264,351	(24,180)	(11,048,925)	(2,440,109)
Net assets, ending of years	210,557,547	10,503,123	225,820	224,121,460	238,772
<b>Group's share in joint ventures (%)</b>	45.00	40.00	49.97	45.00	40.00
Group's share in joint ventures	94,750,896	4,201,249	112,842	100,854,657	95,509
Goodwill	1,942,468	-	-	1,942,468	-
Joint venture's carrying amount	96,693,364	4,201,249	112,842	102,797,125	95,509

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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
<b>As at 1 January 2021</b>							
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>
<b>Transactions during the year ended 31 December 2021</b>							
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 of assets	-	-	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>
<b>As at 31 December 2021</b>							
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>

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	In Baht						
	Consolidated financial statements						
	Land	Buildings and buildings improvement	Machineries and equipment	Office equipment	Vehicles	Construction in progress	Total
<b>Transactions during the year ended 31 December 2022</b>							
Net book value, beginning of year	47,223,750	333,228,013	194,262,158	4,547,865	8,199,710	7,895,910	595,357,406
Acquisition of assets	-	-	882,264	807,819	-	8,759,906	10,449,989
Disposals/ write-off	-	(1,765,333)	(87,901)	(6,658)	(650,032)	-	(2,509,924)
Transfer in (out)	-	5,723,833	1,985,112	-	-	(7,708,945)	-
Transfer of assets due to expiration of lease	-	-	-	-	2,539,106	-	2,539,106
Depreciation	-	(14,478,803)	(24,777,344)	(1,658,038)	(1,058,796)	-	(41,972,981)
Exchange differences on translation financial statements	-	9,711,490	4,174,579	46,134	18,333	6,396	13,956,932
Net book value, end of year	<u>47,223,750</u>	<u>332,419,200</u>	<u>176,438,868</u>	<u>3,737,122</u>	<u>9,048,321</u>	<u>8,953,267</u>	<u>577,820,528</u>
<b>As at 31 December 2022</b>							
Cost	47,223,750	488,551,457	427,789,567	38,224,335	23,338,998	8,953,267	1,034,081,374
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(156,132,257)</u>	<u>(251,350,699)</u>	<u>(34,487,213)</u>	<u>(14,290,677)</u>	<u>-</u>	<u>(456,260,846)</u>
Net book value	<u>47,223,750</u>	<u>332,419,200</u>	<u>176,438,868</u>	<u>3,737,122</u>	<u>9,048,321</u>	<u>8,953,267</u>	<u>577,820,528</u>
	In Baht						
	Separate financial statements						
	Land	Buildings and buildings improvement	Machineries and equipment	Office equipment	Vehicles	Construction in progress	Total
<b>As at 1 January 2021</b>							
Cost	27,365,000	71,709,222	49,574,132	23,585,409	10,322,640	-	182,556,403
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(25,406,845)</u>	<u>(28,372,132)</u>	<u>(17,829,374)</u>	<u>(5,522,077)</u>	<u>-</u>	<u>(77,130,428)</u>
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>

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	In Baht						
	Separate financial statements						
	Land	Buildings and buildings improvement	Machineries and equipment	Office equipment	Vehicles	Construction in progress	Total
<b>Transactions during the year ended 31 December 2021</b>							
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 of assets	-	-	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	27,365,000	42,967,743	19,117,724	2,455,614	5,180,150	-	97,086,231
<b>As at 31 December 2021</b>							
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	27,365,000	42,967,743	19,117,724	2,455,614	5,180,150	-	97,086,231
<b>Transactions during the year ended 31 December 2022</b>							
Net book value, beginning of year	27,365,000	42,967,743	19,117,724	2,455,614	5,180,150	-	97,086,231
Acquisition of assets	-	-	198,990	376,018	-	3,106,750	3,681,758
Disposals/ write-off	-	-	(29,320)	(4,935)	(650,000)	-	(684,255)
Transfer of assets due to expiration of lease	-	-	-	-	1,698,455	-	1,698,455
Depreciation	-	(3,329,686)	(2,456,154)	(528,508)	(779,103)	-	(7,093,451)
Net book value, end of year	27,365,000	39,638,057	16,831,240	2,298,189	5,449,502	3,106,750	94,688,738
<b>As at 31 December 2022</b>							
Cost	27,365,000	71,709,222	46,963,188	23,787,499	13,859,981	3,106,750	186,791,640
<u>Less</u> Accumulated depreciation	-	(32,071,165)	(30,131,948)	(21,489,310)	(8,410,479)	-	(92,102,902)
Net book value	27,365,000	39,638,057	16,831,240	2,298,189	5,449,502	3,106,750	94,688,738

As at 31 December 2022, the net book value of property, plant and equipments of the Group and the Company amounting to Baht 100.90 million and Baht 67.00 million, respectively (2021: Baht 103.70 million and Baht 70.33 million, respectively) are mortgaged as collateral for loans facilities from financial institutions (Note 24).



**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**17. RIGHT-OF-USE ASSETS**

	In Baht				
	Consolidated financial statements				
	Prepaid leased land	Machineries and equipment	Office equipment	Vehicles	Total
<b>As at 1 January 2021</b>					
Cost	94,132,183	-	127,742	9,529,781	103,789,706
<u>Less</u> Accumulated depreciation	(8,542,542)	-	(50,659)	(2,612,554)	(11,205,755)
Net book value	85,589,641	-	77,083	6,917,227	92,583,951
<b>Transactions during the year ended 31 December 2021</b>					
Net book value, beginning of year	85,589,641	-	77,083	6,917,227	92,583,951
Transfer of assets due to expiration of lease	-	-	-	(781,163)	(781,163)
Depreciation	(2,123,399)	-	(31,936)	(980,316)	(3,135,651)
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
<b>As at 31 December 2021</b>					
Cost	104,783,251	-	127,742	7,931,691	112,842,684
<u>Less</u> Accumulated depreciation	(11,703,547)	-	(82,595)	(2,775,943)	(14,562,085)
Net book value	93,079,704	-	45,147	5,155,748	98,280,599
<b>Transactions during the year ended 31 December 2022</b>					
Net book value, beginning of year	93,079,704	-	45,147	5,155,748	98,280,599
Acquisition of assets	-	1,300,000	186,000	1,298,600	2,784,600
Disposals/ write-off	-	-	(29,311)	-	(29,311)
Transfer of assets due to expiration of lease	-	-	-	(2,539,106)	(2,539,106)
Depreciation	(2,325,386)	(69,525)	(32,573)	(609,665)	(3,037,149)
Differences on translating of the financial statements	3,259,356	-	-	-	3,259,356
Net book value, end of year	94,013,674	1,230,475	169,263	3,305,577	98,718,989
<b>As at 31 December 2022</b>					
Cost	108,390,022	1,300,000	186,000	4,091,291	113,967,313
<u>Less</u> Accumulated depreciation	(14,376,348)	(69,525)	(16,737)	(785,714)	(15,248,324)
Net book value	94,013,674	1,230,475	169,263	3,305,577	98,718,989

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As at 31 December 2022, a subsidiary has prepaid leased land at the Republic of the Union of Myanmar, amounting to US Dollar 2.73 million (2021: US Dollar 2.80 million), which has been included as part of right-of-use assets above.

	In Baht			
	Separate financial statements			
	Machineries and equipment	Office equipment	Vehicles	Total
<b>As at 1 January 2021</b>				
Cost	-	127,742	7,025,781	7,153,523
<u>Less Accumulated depreciation</u>	-	(50,659)	(2,096,112)	(2,146,771)
Net book value	-	77,083	4,929,669	5,006,752
<b>Transactions during the year ended 31 December 2021</b>				
Net book value, beginning of year	-	77,083	4,929,669	5,006,752
Transfer of assets due to expiration of lease	-	-	(781,163)	(781,163)
Depreciation	-	(31,936)	(709,705)	(741,641)
Net book value, end of year	-	45,147	3,438,801	3,483,948
<b>As at 31 December 2021</b>				
Cost	-	127,742	5,427,691	5,555,433
<u>Less Accumulated depreciation</u>	-	(82,595)	(1,988,890)	(2,071,485)
Net book value	-	45,147	3,438,801	3,483,948
<b>Transactions during the year ended 31 December 2022</b>				
Net book value, beginning of year	-	45,147	3,438,801	3,483,948
Acquisition of assets	1,300,000	186,000	1,298,600	2,784,600
Disposals/ write-off	-	(29,311)	-	(29,311)
Transfer of assets due to expiration of lease	-	-	(1,698,455)	(1,698,455)
Depreciation	(69,525)	(32,573)	(339,053)	(441,151)
Net book value, end of year	1,230,475	169,263	2,699,893	4,099,631
<b>As at 31 December 2022</b>				
Cost	1,300,000	186,000	3,226,291	4,712,291
<u>Less Accumulated depreciation</u>	(69,525)	(16,737)	(526,398)	(612,660)
Net book value	1,230,475	169,263	2,699,893	4,099,631

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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	Total	Software program
<b>As at 1 January 2021</b>						
Cost	254,322,434	352,652	254,675,086	17,266,843	271,941,929	3,554,241
<u>Less</u> Accumulated amortization	(67,634,212)	(98,668)	(67,732,880)	(14,999,515)	(82,732,395)	(2,724,917)
Net book value	<u>186,688,222</u>	<u>253,984</u>	<u>186,942,206</u>	<u>2,267,328</u>	<u>189,209,534</u>	<u>829,324</u>
<b>Transactions during the year ended 31 December 2021</b>						
Net book value, beginning of year	186,688,222	253,984	186,942,206	2,267,328	189,209,534	829,324
Acquisition of assets	14,970,442	-	14,970,442	881	14,971,323	-
Disposals of asset	(9,079,698)	-	(9,079,698)	-	(9,079,698)	-
Amortization	(9,249,548)	(14,069)	(9,263,617)	(823,794)	(10,087,411)	(163,769)
Exchange differences on translation financial statements	20,909,198	28,268	20,937,466	74,544	21,012,010	-
Net book value, end of year	<u>204,238,616</u>	<u>268,183</u>	<u>204,506,799</u>	<u>1,518,959</u>	<u>206,025,758</u>	<u>665,555</u>
<b>As at 31 December 2021</b>						
Cost	285,055,368	392,554	285,447,922	17,211,937	302,659,859	3,554,241
<u>Less</u> Accumulated amortization	(80,816,752)	(124,371)	(80,941,123)	(15,692,978)	(96,634,101)	(2,888,686)
Net book value	<u>204,238,616</u>	<u>268,183</u>	<u>204,506,799</u>	<u>1,518,959</u>	<u>206,025,758</u>	<u>665,555</u>

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**FOR THE YEAR ENDED 31 DECEMBER 2022**

	In Baht					Separate financial statements
	Consolidated financial statements					
	Right in service concession arrangement	Expenditure on environmental and water resources implementation	Total	Software program	Total	Software program
<b>Transactions during the year ended 31 December 2022</b>						
Net book value, beginning of year	204,238,616	268,183	204,506,799	1,518,959	206,025,758	665,555
Acquisition of assets	-	-	-	232,673	232,673	220,778
Disposals/ write-off of asset	-	-	-	(13,375)	(13,375)	(13,375)
Amortization	(10,304,329)	(15,407)	(10,319,736)	(696,168)	(11,015,904)	(174,926)
Exchange differences on translation financial statements	7,275,801	9,598	7,285,399	25,762	7,311,161	-
Net book value, end of year	201,210,088	262,374	201,472,462	1,067,851	202,540,313	698,032
<b>As at 31 December 2022</b>						
Cost	294,867,331	406,066	295,273,397	16,795,859	312,069,256	3,074,895
<u>Less</u> Accumulated amortization	(93,657,243)	(143,692)	(93,800,935)	(15,728,008)	(109,528,943)	(2,376,863)
Net book value	201,210,088	262,374	201,472,462	1,067,851	202,540,313	698,032

As at 31 December 2022 and 2021, 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 27). 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 20 years from 31 December 2022.

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. CRYPTOCURRENCY ASSETS**

	In Baht	
	Consolidated	
	financial statements	
	2022	2021
Cryptocurrency assets	22,743,863	-
		In Baht
		Consolidated
		financial
		statements
<b>For the year ended 31 December 2022</b>		
Net book value, beginning of year		-
Addition during the year		29,924,708
Recognize allowance for impairment loss on cryptocurrency assets (including in "Other losses")		(7,180,845)
Net book value, end of year		22,743,863

The Group recognized allowance for impairment loss on cryptocurrency assets when the carrying amount is higher than the asset's fair value.

As at 31 December 2022, the Group had the outstanding cryptocurrency assets of 39.64 Bitcoin (2021: None)

**20. 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	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for credit losses	65,115	131,559	65,115	131,559
Non-current provisions				
for employee benefit	12,396,049	11,436,052	5,490,427	4,932,191
Deferred tax assets	12,461,164	11,567,611	5,555,542	5,063,750
<b>Deferred tax liabilities</b>				
Right-of-use assets	(1,316,103)	(1,423,603)	(1,316,103)	(1,423,603)
Investments in opened-end fund	(4,201)	(28,868)	(4,201)	(20,168)
Deferred tax liabilities	(1,320,304)	(1,452,471)	(1,320,304)	(1,443,771)
Deferred tax assets - net	11,140,860	10,115,140	4,235,238	3,619,979

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**FOR THE YEAR ENDED 31 DECEMBER 2022**

The movements of deferred tax account is as follows:

	In Baht			
	Consolidated financial statements			
	1 January 2022	Recognized in profit or loss	Recognized in other comprehensive income	31 December 2022
<b>Deferred tax assets</b>				
Allowance for credit losses	131,559	(66,444)	-	65,115
Non-current provisions for employee benefit	11,436,052	959,997	-	12,396,049
Total deferred tax assets	11,567,611	893,553	-	12,461,164
<b>Deferred tax liabilities</b>				
Right-of-use assets	(1,423,603)	107,500	-	(1,316,103)
Investments in opened-end fund	(28,868)	24,667	-	(4,201)
Total deferred tax liabilities	(1,452,471)	132,167	-	(1,320,304)
Deferred tax assets - net	10,115,140	1,025,720	-	11,140,860

	In Baht			
	Separate financial statements			
	1 January 2022	Recognized in profit or loss	Recognized in other comprehensive income	31 December 2022
<b>Deferred tax assets</b>				
Allowance for credit losses	131,559	(66,444)	-	65,115
Non-current provisions for employee benefit	4,932,191	558,236	-	5,490,427
Total deferred tax assets	5,063,750	491,792	-	5,555,542
<b>Deferred tax liabilities</b>				
Right-of-use assets	(1,423,603)	107,500	-	(1,316,103)
Investments in opened-end fund	(20,168)	15,967	-	(4,201)
Total deferred tax liabilities	(1,443,771)	123,467	-	(1,320,304)
Deferred tax assets - net	3,619,979	615,259	-	4,235,238

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.

**21. INCOME TAX REFUNDABLE**

	In Baht			
	Consolidated		Separate	
	financial statements 2022	financial statements 2021	financial statements 2022	financial statements 2021
Income tax refundable	9,862,712	10,613,151	-	750,439
<u>Less</u> Allowance for diminution in value of assets	(9,862,712)	(9,862,712)	-	-
Total	-	750,439	-	750,439

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As at 31 December 2022, a subsidiary have withholding income tax and prepaid income tax of Baht 9.86 million (2021: the Company, amounting to Baht 0.75 million and a subsidiary, amounting to Baht 9.86 million). A subsidiary is 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.

**Transactions incurred during the year 2022**

In June 2022, the Company received the corporate income tax refund of Baht 749,485 from the Revenue Department. In addition, the Company has written-off income tax refundable of Baht 954 as expense in the current period which is the unrecoverable amount notified by the Revenue Department.

**Transactions incurred during the year 2021**

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 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 which is the unrecoverable amount notified by the Revenue Department.

**22. TRADE AND OTHER CURRENT PAYABLES**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade payables - other companies	354,326,449	439,713,678	36,722,574	122,089,082
Trade payables - service agreement of foreign project	834,702,397	807,291,928	834,702,397	807,291,928
Trade payables - related companies (Note 7.2)	-	-	11,627,285	28,054,378
Total trade payables	1,189,028,846	1,247,005,606	883,052,256	957,435,388
<u>Less</u> Deferred discounts from devaluation expected cash flow to be paid to trade payable - service agreement	(131,882,933)	(127,552,080)	(131,882,933)	(127,552,080)
Trade payables - net	1,057,145,913	1,119,453,526	751,169,323	829,883,308
Payables - retention	800,931	800,931	-	-
Accrued expenses	29,615,743	41,084,325	18,055,855	23,373,161
Accrued expenses - related companies (Note 7.2)	-	-	-	11,770
Accrued interest	42,482,998	22,204,679	-	-
Revenue Department payable	5,054,906	2,895,415	2,514,570	1,013,126
Other payables	22,768,673	21,894,708	652,676	853,297
Total	1,157,869,164	1,208,333,584	772,392,424	855,134,662

As at 31 December 2022 and 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 131.88 million (2021: Baht 127.55 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	
	2022	2021	2022	2021
Unearned income	14,699,405	46,436,872	12,065,395	21,211,155
Unearned income				
- related companies (Note 7.2)	-	-	-	484,805
Advance received from customer	-	2,537,417	-	2,537,417
Total contract liabilities	14,699,405	48,974,289	12,065,395	24,233,377
Revenue recognized in the current years previously included in contract liabilities balance at the beginning of the years	42,635,940	83,414,077	17,895,028	21,559,167

**24. 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	
	2022	2021	2022	2021
<b>Current</b>				
Long-term loans from financial institutions				
- classified as current liabilities	385,055,691	372,109,422	-	-

The movements of loans are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Net book value, beginning of years	372,109,422	354,305,677	-	10,000,000
Received from short-term loan	4,500,000	20,000,000	-	10,000,000
Payments on short-term loan	(4,500,000)	(40,000,000)	-	(20,000,000)
Amortized bank fee	316,281	315,063	-	-
Exchange differences on translation financial statements	12,629,988	37,488,682	-	-
Net book value, ending of years	385,055,691	372,109,422	-	-

**Short-term loans from financial institutions**

As at 31 December 2022, the Group has short-term loans facilities and other facilities from various local financial institutions of Baht 601 million (2021: Baht 605 million) and the Company has short-term loans facilities of Baht 151 million (2021: Baht 155 million). The credit facilities are mortgaged by deposits at banks (Note 14) and land, buildings and machineries (Note 16)

**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 4% per annum and LIBOR 6 months plus 3.75% per annum, respectively.



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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.

On 20 September 2022, 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 installments (June 2020 - December 2022) and adjusting the amount of principal to be paid from the 17th - 22nd installments (March 2023 - May 2024) of the contract, include revising the deferral of interest payments due from September 2022 to September 2023 to pay the total amount in the 22nd installment, which is the last installment 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 2022 to December 2023.

As at 31 December 2022 and 2021, the subsidiary has outstanding long-term loans of US Dollar 11.10 million. The subsidiary is unable to maintain such ratio stipulated in the agreement. However, on 20 September 2022, 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 financial statement of 2021. Therefore, the Group still classified the loan as current liabilities as at 31 December 2022 according to the financial reporting standards.

**Forward contract facilities**

As at 31 December 2022 and 2021, 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.

**25. LEASE LIABILITIES**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Minimum payments	2,473,149	1,698,101	2,399,157	1,154,177
<u>Less</u> Deferred interest charges	(138,606)	(47,045)	(138,114)	(39,090)
Present value of minimum payments amount	2,334,543	1,651,056	2,261,043	1,115,087
<u>Less</u> Current portion	(864,728)	(974,909)	(791,228)	(512,440)
Lease liabilities due between 1-5 years	<u>1,469,815</u>	<u>676,147</u>	<u>1,469,815</u>	<u>602,647</u>

The movements of lease liabilities for the years ended 31 December, are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of the years	1,651,056	3,315,376	1,115,087	2,327,438
Addition from lease agreement during the years	1,970,300	-	1,970,300	-
Increase from interest	79,707	85,233	72,244	67,270
Payments	(1,331,068)	(1,749,553)	(861,136)	(1,279,621)
Terminate contract before expired	(35,452)	-	(35,452)	-
Balance at ending of the years	2,334,543	1,651,056	2,261,043	1,115,087
<u>Less</u> Current portion	(864,728)	(974,909)	(791,228)	(512,440)
Lease liabilities due between 1 - 5 years	<u>1,469,815</u>	<u>676,147</u>	<u>1,469,815</u>	<u>602,647</u>

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Expenses related to the lease agreements are recognized in profit or loss as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>For the years ended 31 December</b>				
Depreciation of right-of-use assets (Note 17)	3,037,149	3,135,651	441,151	741,641
Interest expense on lease liabilities	79,707	85,233	72,244	67,270
Expense relating to short-term lease	1,703,172	1,794,184	831,000	925,684
Total	4,820,028	5,015,068	1,344,395	1,734,595

**26. 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	
	2022	2021	2022	2021
Net book value, beginning of years	57,180,257	53,740,089	24,660,951	25,784,673
Current service cost	9,109,316	8,282,245	3,723,676	3,385,437
Interest expense	827,429	710,708	342,704	299,908
(Gain) loss on settlement	196,132	(131,800)	196,132	(321,776)
Employee benefit paid	(5,332,888)	(5,956,014)	(1,471,331)	(4,131,541)
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	61,980,246	57,180,257	27,452,132	24,660,951

Expense recognized in statement of comprehensive income is presented in the following line items:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>For the years ended 31 December</b>				
Cost of sale and service	6,359,488	5,608,965	1,974,959	1,644,235
Selling expenses	1,196,779	1,034,271	636,699	559,173
Administrative expenses	2,576,610	2,217,917	1,650,854	1,160,161
Total expense recognized in profit or loss	10,132,877	8,861,153	4,262,512	3,363,569

As at 31 December 2022 and 2021, the weighted average duration of the payments for long-term employee benefit of the Group was approximately 7 - 10 years.

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Principal actuarial assumptions at the reporting date

	Consolidated financial statements	
	2022	2021
Discount rate	1.43 - 1.57% per annum	1.43 - 1.57% 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 - 26%
Mortality rate	According to Thailand	According to Thailand
	TMO 2017 tables	TMO 2017 tables
	Separate financial statements	
	2022	2021
Discount rate	1.43% per annum	1.43% 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 - 24%
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 financial statements		Separate financial statements	
	Change 1%		Change 1%	
	Increase	Decrease	Increase	Decrease
<b>Employee benefit obligation as at 31 December 2022</b>				
Discount rate	(4,341,418)	4,913,649	(1,905,287)	2,172,309
Salary increase rate	5,679,480	(5,095,032)	2,525,227	(2,253,160)
Employee turnover rate	(4,764,179)	4,120,705	(2,052,825)	1,162,205

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.

**27. 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 2022, the subsidiary recognized long-term provision of US Dollar 203,219 or equivalent to Baht 7.06 million (2021: US Dollar 175,331 or equivalent to Baht 5.89 million).

For the year 31 December 2022, the subsidiary recognizes the increase in provision arising from discounted amount in 2022 of US dollars 27,888 or equivalent to approximately Baht 0.97 million, which recognized as finance cost for the year.

**28. 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.

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**29. OTHER INCOME**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest income - related companies (Note 7.3)	-	-	11,226,620	12,265,867
Interest income - other companies	675,572	1,756,094	578,953	1,578,896
Management income (Note 7.3)	120,000	-	8,466,800	8,340,000
Gain on disposal in investment in opened-end fund and general fixed income fund	245,528	452,586	172,498	393,547
Insurance claim on assets - net	-	11,195,157	-	-
Gain on foreign exchange rate - net	7,421,354	25,657,101	1,544,950	2,528,553
Scrap sale	16,417,536	16,360,351	1,316,499	8,221,860
Other income	2,060,361	1,555,715	194,206	173,406
Total	26,940,351	56,977,004	23,500,526	33,502,129

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		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Loss on disposal equipments	1,672,693	838,749	252,237	58,463
Impairment loss on investment in subsidiary	-	-	-	23,400,000
Total	1,672,693	838,749	252,237	23,458,463

**31. EXPENSE BY NATURE**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Raw material and consumables used	1,223,763,383	1,123,672,915	368,292,239	404,023,904
Employee benefit expenses	272,856,059	294,818,472	111,227,197	115,389,101
Depreciation and amortization	56,026,034	56,565,684	7,709,528	10,733,442

**32. GAIN AND REVERSAL OF IMPAIMENT LOSS ON FINANCIAL ASSETS**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Reversal credit losses of trade receivables - other companies and other receivables (excluding foreign project receivable)	453,166	1,229,062	332,218	1,229,062
Profit from revising estimated receipts	-	-	180,843	915,017
Total	453,166	1,229,062	513,061	2,144,079

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**33. INCOME TAX INCOME (EXPENSE)**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax	(132,924)	(5,873,248)	-	-
Deferred tax	1,025,720	446,433	615,259	(279,489)
Income tax income (expense)	<u>892,796</u>	<u>(5,426,815)</u>	<u>615,259</u>	<u>(279,489)</u>

Information about deferred tax further disclosed in Note 20.

As at 31 December 2022 and 2021, the Group has not recognized deferred tax assets in respect of loss carry forward expired in 2023 - 2027 and 2022 - 2026, respectively, as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets in respect of unrecognized loss carry forward	<u>101.88</u>	<u>57.14</u>	<u>14.55</u>	<u>12.32</u>

Reconciliations of effective tax rate

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Profit (loss) before income tax (income) expense	<u>(200,466,838)</u>	<u>7,025,049</u>	<u>(38,167,011)</u>	<u>(11,353,614)</u>
Corporate income tax rate	20 - 25%	20 - 25%	20%	20%
Tax calculated at a tax rate	(41,706,011)	2,136,949	(7,633,402)	(2,270,723)
Tax effects of:				
Income not subject to tax	-	(245,812)	-	(245,812)
Non-deductible expenses	3,595,354	2,082,114	832,178	5,337,267
Additional expense deductions allowed	(1,730,501)	(1,963,989)	(799,239)	(1,299,602)
Tax losses for the years	39,974,082	5,385,116	7,600,463	-
Utilize tax losses during the years	<u>-</u>	<u>(1,521,130)</u>	<u>-</u>	<u>(1,521,130)</u>
Current income tax	132,924	5,873,248	-	-
Changes of temporary differences	<u>(1,025,720)</u>	<u>(446,433)</u>	<u>(615,259)</u>	<u>279,489</u>
Income tax (income) expense presented in the statement of comprehensive income	<u>(892,796)</u>	<u>5,426,815</u>	<u>(615,259)</u>	<u>279,489</u>

For the years 2022 and 2021, corporate income tax rate of the Company and its domestic subsidiaries are 20%. For a subsidiary in Myanmar, the corporate income tax rate is applied at 25%. In addition, the corporate income tax rate of a subsidiary in Laos is 24%.

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**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 financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit (loss) for the years				
- Attributable to the equity holders of the parent (Baht)	(199,687,003)	3,454,718	(37,551,752)	(11,633,103)
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)	(0.266)	0.005	(0.050)	(0.016)

**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.

**Major customers**

For the year 2022, the Group has revenue from five major customers, equivalent to 64% of sales and service income, three of which derived from manufacture and galvanized service segment (equivalent to 55% of sales and service income) and two of which derived from manufacture of switch board segment (equivalent to 9% of sales and service income) (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)).

The timing of revenue recognition of satisfied performance obligation of the Group, are as follows:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>For the years ended 31 December</b>				
Point in time	1,440.68	1,443.89	444.46	448.21
Over time	25.42	125.34	25.42	114.17
Total revenue from sales and services	1,466.10	1,569.23	469.88	562.38

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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 2022				
	Manufacture of switch board	Manufacture and galvanized service	Services and others	Eliminate	Total
Revenues from sales from external customers					
- Local	433.68	965.72	-	-	1,399.40
- Overseas	10.78	9.41	21.09	-	41.28
Inter-segment revenues from sales	-	56.99	-	(56.99)	-
Total revenues from sales	444.46	1,032.12	21.09	(56.99)	1,440.68
Revenues from services from external customers					
- Local	-	-	25.42	-	25.42
Total revenues	444.46	1,032.12	46.51	(56.99)	1,466.10
Gross profit (loss)	31.35	(81.79)	0.11	0.72	(49.61)
Other income					26.94
Selling expenses					(34.48)
Administrative expenses					(113.68)
Other expense					(1.67)
Other losses					(7.21)
Finance costs					(21.20)
Gain and reversal of impairment loss on financial assets					0.45
Share of loss from investment in joint ventures					(2.01)
<b>Loss before income tax income</b>					(202.47)
Income tax income					0.89
<b>Loss for the year</b>					(201.58)
<u>Less</u> loss attributable to non-controlling interests					(1.89)
<b>Loss attributable to equity holders of the parent</b>					(199.69)

	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

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	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 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)
Financial costs					(15.95)
Gain and reversal of impairment loss on financial assets					1.23
Share of loss from investment in joint ventures					(5.95)
<b>Profit before income tax expense</b>					7.02
Income tax expense					(5.43)
<b>Profit for the year</b>					1.59
<u>Less</u> loss attributable to non-controlling interests					(1.86)
<b>Profit attributable to equity holders of the parent</b>					3.45

Assets and liabilities classified by segment are as follows:

	In Million Baht							
	Consolidated financial statements							
	As at 31 December 2022							
	Manufacture of switch board		Manufacture and galvanized service		Services and others		Eliminate	Total
	Thai	Overseas	Thai	Overseas	Thai	Overseas		
<b>Assets classified by segment</b>								
Property, plant and equipments	94.69	-	98.56	384.22	0.04	2.10	(1.79)	577.82
Right-of-use assets	4.10	-	0.61	94.01	-	-	-	98.72
Right in service concession arrangement	-	-	-	-	-	201.47	-	201.47
Other assets	1,448.40	-	593.58	61.36	206.49	765.95	(1,072.00)	2,003.78
Total assets	1,547.19	-	692.75	539.59	206.53	969.52	(1,073.79)	2,881.79
<b>Liabilities classified by segment</b>								
Total liabilities	106.87	-	404.84	543.30	43.44	828.12	(297.44)	1,629.13



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	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		
<b>Assets classified by segment</b>								
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
<b>Liabilities classified by segment</b>								
Total liabilities	189.04	-	437.41	513.01	78.73	822.73	(344.30)	1,696.62

**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
<b>As at 31 December 2022</b>		
<u>Current</u>		
Investments in opened-end fund measured at fair value through profit or loss	43,502,559	43,502,559
<b>As at 31 December 2021</b>		
<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

**SCI ELECTRIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	In Baht	
	Separate financial statements	
	Carrying amount	Fair value Level 2
<b>As at 31 December 2022</b>		
<u>Current</u>		
Investments in opened-end fund measured at fair value through profit or loss	5,446,483	5,446,483
<b>As at 31 December 2021</b>		
<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

**37. COMMITMENT AND CONTINGENT LIABILITIES**

As at 31 December, 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 14) as follows:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Letters of guarantee issued in Thai Baht	68.91	107.06	63.10	87.77

As at 31 December 2022 and 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. The Company has credit facilities for letter of credit issued by banks totaling Baht 45 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 2022, debt to equity ratio in the consolidated financial statements is 1.30 : 1 and in the separate financial statements is 0.55 : 1 (2021: debt to equity ratio is 1.17 : 1 and 0.59 : 1, respectively).

**39. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved for issuing by the Company's Board of Directors on 24 February 2023.

## Part 4

### Certification of Information

The Company has reviewed the information on this Annual Registration Statement (56-1 One Report) with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

- (1) The financial statements and financial information summarized in this annual registration statement show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;
- (2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;
- (3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on the latest date available to the auditor and the Audit Committee on 17 February 2022, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Ms. Aunada Phruttnarakorn and Mr. Kriangkrai Pheanvitayaskul to sign on every page of the documents, and the absence of the authorized signature of Ms. Aunada Phruttnarakorn and Mr. Kriangkrai Pheanvitayaskul on any document shall be deemed that such unsigned document has not been certified by the Company.

#### SCI Electric Public Company Limited

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Ms. Aunada Phruttnarakorn	Chairman of Executive Committee	
2. Mr. Kriangkrai Pheanvitayaskul	Chief Executive Officer	
<u>Responsible person</u>		
Mrs. Wanida Phruttnarakorn	Company Secretary	

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 (1<sup>st</sup> Term)

Age: 68 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)

**Training Record (Other Programs)**

: 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)**

**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 (1<sup>st</sup> Term)

Age: 72 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)

**Training Record (Other Programs)**

: 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

- 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 (1<sup>st</sup> Term)

Age: 73 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)
- Role of the chairman Program (RCP  
49/2022)

**Training Record (Other Programs)**

- Hot Issue for Directors : What Directors  
Need to Know about Digital Assets 2022

**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, Chairman of Audit  
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 (1<sup>st</sup> Term)

Age: 70 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)

**Training Record (Other Programs)**

- Hot Issue for Directors : What Directors  
Need to Know about Digital Assets 2022

**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 (1<sup>st</sup> Term)

Age: 61 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)
- Subsidiary Governance Program (SGP  
1/2022)

#### Training Record (Other Programs)

- Hot Issue for Directors : What Directors  
Need to Know about Digital Assets 2022

#### 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)

4 Organization

- Director at  
Piti Sevi Co., Ltd.  
Moore Stephens DIA Sevi Co., Ltd.  
75 CPE Co., Ltd.
- Independent Director, Chairman of Audit  
Committee  
Nutrition Profess 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 (1<sup>st</sup> Term)

Age: 72 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 Special Event 1/2019 (Board of the Year, Board of the Future)
- Board Nomination and Compensation Program (BNCP 8/2019)
- Strategic Board Master Class (SBM 8/2020)

**Training Record (Other Programs)**

- Hot TMA Trend Talk : Better we Better World 2022

**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 at  
Ajikawa & SCI Metal Tech Co., Ltd.  
SCI Holding Co., Ltd.  
SCI Metal Tech (Myanmar) Co., Ltd.
- The Executive Committee  
T Utilities Co., Ltd.

**Working Experience (Past 5 Years)**

- 1991 - 2013  
Director, World Coating Process Co., Ltd.

**Shareholding in SCI (Including Spouse and Minor)**

- 8.37%

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 Phrutinarakorn and Mrs. Wanida Phrutinarakorn and is Mr. Kiangkrai Pheanvitayaskul and Mr. Thanawat Yanisrangkul's aunt.

**[MR. KRIANGKRAI PHEANVITAYASKUL**

Director/Chief Executive Officer/

Authorized Director

Appointed Date: 22 April 2015 (1<sup>st</sup> Term)

Age: 43 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)

**Training Record (Other Programs)**

- The Story #5/2022
- ELITE WEALTH #2022

**Current position in other organizations**

Listed company – The Stock Exchange of  
Thailand

: None

**Other organizations / Companies (Not listed in the  
Stock Exchange of Thailand)**

**9 Organizations**

- Director at  
Ajikawa & SCI Metal Tech Co., Ltd.  
SCI Holding Co., Ltd.  
Tadsalen Co., Ltd. (Laos)  
Star Rail Co., Ltd.  
SCI Enesys Co., Ltd.  
SCI Metal Tech (Myanmar) Co., Ltd.  
SCI Venture Co., Ltd.  
Medix (Thailand) Co., Ltd.
- Executive Committee  
T Utilities Co., Ltd.

**Working Experience (Past 5 Years)**

: None

**Shareholding in SCI (Including Spouse and Minor)**

- 0.55%

**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 and Mrs.  
Wanida Phruttnarakorn
- Is younger brother of Ms. Oravid  
Pheanvitayaskul and Is cousin of Mr.  
Thanawat Yanisrangkul

**MR. THANAWAT YANISRANGKUL**

Director/Chief Financial Officer

Appointed Date: 22 April 2015 (1<sup>st</sup> Term)

Age: 41 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) 2022

**Training Record (Other Programs)**

- Digital Asset with business growth opportunities (New S-Curve) 2022

- Director's Briefing Financial disputes in Digital Currency today 2022

**Current position in other organizations**

Listed company – The Stock Exchange of Thailand

: None

**Other organizations / Companies (Not listed in the Stock Exchange of Thailand)**

5 Organizations

- Director  
SCI Holding Co., Ltd.  
Ajikawa & SCI Metal Tech Co., Ltd.  
SCI Metal Tech (Myanmar) Co., Ltd.  
Interasia Trading Co., Ltd.  
SCI Venture Co., Ltd.

**Working Experience (Past 5 Years)**

- 2019-2020  
Director, Yeummai (Thailand) Co., Ltd.

**Shareholding in SCI (Including Spouse and Minor)**

- 0.79%

**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 Phruttnarakorn, Mr. Sirichai and Mrs. Wanida Phruttnarakorn
- Is cousin of Mr. Kriangkrai Pheanvitayaskul and Ms. Orajid Pheanvitayaskul

**MR. SIRICHA PHRUTTINARAKORN**

Director/Chief Operation Officer/

Authorized Director

Appointed Date: 22 April 2015 (1<sup>st</sup> Term)

Age: 61 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)

**Training Record (Other Programs)**

: 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)**

4 Organizations

- Director  
Ajikawa & SCI Metal Tech Co., Ltd.  
SCI Holding Co., Ltd.  
SCI Enesys Co., Ltd.  
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  
Phrutinarakorn and Mrs. Wanida  
Phrutinarakorn
- 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 (1<sup>st</sup> Term)

Age: 69 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)

**Training Record (Other Programs)**

- Digital Asset with business growth opportunities (New S-Curve) 2022

**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)**

- 0.77%

**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. Oravid Pheanvitayaskul

**[MRS. WANIDA PHRUTTINARAKORN**

Executive Committee/Company Secretary

Appointed Date: 22 April 2015 (1<sup>st</sup> Term)

Age: 63 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)

#### Training Record (Other Programs)

- Digital Asset with business growth  
opportunities (New S-Curve) 2022

#### 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  
Phruttinarakorn and Mr. Sirichai  
Phruttinarakorn
- Is an aunt of Mr. Kiangkrai  
Pheanvitayaskul, Mr. Thanawat  
Yanisrangkul and Ms. Orajid  
Pheanvitayaskul

**[MR. PORNTIP ASAWACHATCHANCHAI**

**Executive Committee**

Appointed Date: 22 April 2015 (1<sup>st</sup> Term)

Age: 48 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

**Training Record (Other Programs)**

- Rules of Origin; Techniques for  
manufacturing products to comply with  
the rules of AFTA and the use of 15 Thai  
FTAs in practice according to the new  
guidelines under the new announcement  
of the Customs Department 2022

**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 (1<sup>st</sup> Term)

Age: 48 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)

**Training Record (Other Programs)**

- Executive Management Development  
Program (EMDP 31/2022)

**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 (1<sup>st</sup> Term)

Age: 47 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)

**Training Record (Other Programs)**

- Executive Management Development  
Program (EMDP 31/2022)
- Preparation for PDPA Enforcement for  
Company Secretary 2022

**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)**

: None

**Shareholding in SCI (Including Spouse and Minor)**

- 1.36%

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  
Phrutinarakorn, Mr. Sirichai  
Phrutinarakorn and Mrs. Wanida  
Phrutinarakorn
- Is an elder sister of Mr. Kiangkrai  
Pheanvitayaskul
- Is cousin of Mr. Thanawat Yanisrangkul

# 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 Chailertvanitkul	Mrs. Pranee Phasipol	Mrs. Chattong Tippiyakalin	Ms. Chaovana Viwatpanachati	Ms. Aunada Phrutinarakorn	Mr. Kiangkrai Pheanvitayaskul	Mr. Thanawat Yanisrangkul	Mr. Sirichai Phrutinarakorn	Mr. Vichai Yanisrangkul	Mrs. Wanida Phrutinarakorn	Ms. Porntip Asawachatchamchai	Mr. Phanuphan Jesrichai	Ms. Orajid 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
2	Ajikawa & SCI Metal Tech Co., Ltd.						B	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	T Utilities Co., Ltd.						B	C							
7	SCI Enesys Co., Ltd.							B,D		B					
8	SCI Metal Tech Co., Ltd. (Myanmar)						B	B	B		B			B,D	
9	Interasia Trading Co., Ltd.								B	B		B			
10	Thai Wiwat Insurance Public Company Limited			B,X,Z											

## 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	Related Company	Mr. Noppol Milinthagoon	Mr. Sumeth Chailertvanitkul	Mrs. Pranee Phasipol	Mrs. Chattong Tippyakalin	Ms. Chaovana Viwatpanachati	Ms. Aunada Phruttinarakom	Mr. Kiangkrai Pheanvitayaskul	Mr. Thanawat Yanisrangkul	Mr. Sirichai Phruttinarakom	Mr. Vichai Yanisrangkul	Mrs. Wanida Phruttinarakom	Ms. Porntip Asawacharnchai	Mr. Phanuphan Jesrichai	Ms. Orajid Pheanvitayaskul
11	Dusit Thani Public Company Limited			B,X,Z											
12	Fareast DDB Public Company Limited				B,Y,Z										
13	Food and Drinks Public Company Limited					B,X,Z									
14	Moore Stephens DIA Sevi Co., Ltd.					B,D									
15	Pitisevi Co., Ltd.					B									
16	75 CPE Co., Ltd.					B									
17	Wind Energy Holding Co., Ltd.	Z													
18	PKN Inter Holding Co., Ltd.	B,D													
19	Nutrition Profess Co., Ltd.					B,X,Z									
20	SCI Venture Co., Ltd.							B	B						
21	Medix (Thailand) Co., Ltd.							B							

**ATTACHMENT 3 Details of the Heads of Internal Audit****|MS. ROMKLAO MUANGYEUNNAN**

Section Manager: Internal Audit

Appointed Date: 1 January 2016

Age: 65 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
- Analytical thinking in the practice of internal auditing
- PDPA of internal Auditing

**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.

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**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](http://www.sci-mfgr.com) / Topic Good Corporate Governance

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**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.



## SCI Electric Public Company Limited

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Investor Relation contact : (662) 361 8014-5 Email : [IR@sci-groups.com](mailto:IR@sci-groups.com)