

Subject: Management Discussion and Analysis for the Third Quarter of 2020  
 To: The President, the Stock Exchange of Thailand

We, SCI Electric Public Company Limited would like to report the result of the Company and subsidiaries (all together as “SCI Group”) for the Third Quarter of 2020 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 8/2020 held on 13<sup>rd</sup> November 2020. The details are as follows:

**The operating result analysis**

Unit: Million Baht

	For 3 months period ended 30 September			
	2020	2019	Increased (Decreased)	
			Amount	%
Total revenue	418.51	343.61	74.90	21.80
Net profit of Equity holders of the parent	1.39	(32.36)	33.76	104.31

**Net Profit**

For the third quarter of 2020, SCI Group had net profit of Baht 1.39 million, increased by Baht 33.76 million or 104.31 as compared to the net loss of Baht 32.36 million incurred in the same period last year. The main reasons are as follows:

**Revenue**

For the third quarter of 2020, SCI Group had total revenues of Baht 418.51 million, increased by Baht 74.90 million or 21.80% compared to that of Baht 343.61 million the same period last year with details as follows:

- The sales revenues were Baht 390.27 million, increased by Baht 56.72 million or 17.00%, compared to that of Baht 333.56 million in the same period last year. The sales increased from transmission tower business.
- Service revenues increased Baht 11.20 million from railway bridge and substation EPC project in Thailand. The high-voltage transmission tower and substation (500kV) project in Lao PDR still had no progress due to the delay. The management team still positive on the continuous of the 500kV project.

## Cost and Expense

For the third quarter of 2020, SCI Group had total expenses of Baht 408.00 million, increased by Baht 40.43 million or 11.00% compared to that of Baht 367.57 million in the same period last year with details as follows:

- Cost of sales were Baht 351.44 million, increased by Baht 30.65 million or 9.55%, compared to that of Baht 320.79 million in the same period last year. Cost of sales increased in proportion to the sales rise;
- Cost of services increased from railway bridge and substation EPC project in Thailand;

## Statement of financial position

Unit: Million Baht

	As of Sep 30,2020	As of Dec 31,2019	Increased (Decreased)	
			Amount	Percentage
Total Assets	3,237.81	2,968.37	269.43	9.08
Total Liabilities	1,597.21	1,340.77	256.44	19.13
Total Shareholder's Equity	1,640.59	1,627.60	12.99	0.80
D/E Ratio	0.97	0.82	0.15	18.18

## Total Assets

As of 30 Sep 2020, SCI Group had total assets of Baht 3,237.81 million, increased by Baht 269.43 million or 9.08% from as of 31 December 2019 of Baht 2,968.37 million with details as follows:

- Cash and cash equivalents increased from normal operations;
- Accounts receivable increased from delay payment from some major customers;
- Inventory increased from production work in process and work pending for delivery in Thailand as well as raw material stocks for transmission towers and telecommunication towers manufacturing factory in Myanmar;
- Investments in joint ventures decreased by Baht 15.00 million from selling shares of Yuemmai (Thailand) Company Limited.

## Liabilities

As of 30 Sep 2020, SCI Group had total liabilities of Baht 1,597.21 million, increased by Baht 256.44 million or 19.13% from as of December 31, 2019 of Baht 1,340.77 million with details as follows:

- Account payables increased from purchasing equipment and raw materials for manufacturing;
- Advance received from employers are from substation EPC project in Thailand;

## D/E Ratio

As of 30 Sep 2020, SCI Group had D/E ratio of 0.97, slightly increased from 0.82 as of 31 December 2019. This was primarily due to increase in account payable.

Kindly be informed accordingly.

Yours faithfully,  
(Mr. Kriengkrai Pienwitthayasakul)  
Chief Executive Officer