

Subject: Management Discussion and Analysis for the Year 2021
 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 Year 2021 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 1/2022 held on 21st February 2022. The details are as follows:

The operating result analysis

Unit: Million Baht

For the year ended 31 December	FY 2021	FY 2020	Increased (Decreased)	
			Amount	%
Total revenue	1,626.22	1,411.31	214.91	15.23
Net profit of Equity holders of the parent	3.45	(180.64)	184.09	101.91

Net Profit (Loss)

For the year 2021, SCI Group had net profit of Baht 3.45 million, increased by Baht 184.09 million or 101.91% as compared to the net loss of Baht 180.64 million incurred last year. The main reasons are as follows:

Revenue

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

- The sales revenues were Baht 1,443.89 million, increased by Baht 117.25 million or 8.84%, compared to that of Baht 1,326.63 million in the same period last year. The sales increased from tower business.
- Service revenues were Baht 125.35 million, increased by Baht 67.98 million, compared to the same period last year. Service revenues increased from substation EPC project in Thailand. The high-voltage transmission tower and substation (500kV) project in Lao PDR still had no progress.

Cost and Expense

For the year 2021, SCI Group had total expenses of Baht 1,598.52 million, increased by Baht 213.56 million or 15.42% compared to that of Baht 1,384.96 million in the same period last year with details as follows:

- Cost of sales were Baht 1,314.87 million, increased by Baht 170.81 million or 14.93%, compared to that of Baht 1,144.06 million in the same period last year. Cost of sales increased from rising material costs.
- Cost of services increased Baht 55.00 million from substation EPC project in Thailand.

Statement of financial position

Unit: Million Baht

As of 31 December	FY 2021	FY 2020	Increased (Decreased)	
			Amount	Percentage
Total Assets	3,144.82	2,933.40	211.42	7.21
Total Liabilities	1,696.61	1,500.81	195.80	13.05
Total Shareholder's Equity	1,448.21	1,432.59	15.62	1.09
D/E Ratio	1.17	1.05	0.12	11.83

Total Assets

As of 31 December 2021, SCI Group had total assets of Baht 3,144.82 million, increased by Baht 211.42 million or 7.21% from as of 31 December 2020 of Baht 2,933.40 million with details as follows:

- Account Receivables decreased as there was no delivery of major projects at the year end as in the year 2020.
- Unbilled revenue increased from the substation EPC project and exchange rate changes from 500kV projects.
- Inventory increased from production work in process and work pending for delivery in 2022.
- Investment in joint ventures increased from capital increase of Baht 35.44 million in T-Utilities.

Liabilities

As of 31 December 2021, SCI Group had total liabilities of Baht 1,696.61 million, increased by Baht 195.80 million or 13.05% from as of 31 December 2020 of Baht 1,500.81 million with details as follows:

- Account payables increased from purchasing equipment and raw materials for manufacturing.
- Contract liabilities decreased from the delivery of EPC substation project and switchboard project as well as deferred income from the hydropower plant.
- Long-term loans from financial institutions increased from exchange rate adjustment of the loan agreement of a subsidiary in Myanmar.
- Corporate income tax payable decreased according to decreased the operating result FY2021 of a subsidiary in Thailand when compared to the prior year.

D/E Ratio

As of 31 December 2021, SCI Group had D/E ratio of 1.17, increased from 1.05 as of 31 December 2020. This was primarily due to the increase in account receivables and long-term loan from financial institutions and the decrease in shareholder's equity in accordance with the operation results.

Kindly be informed accordingly.

Yours faithfully,

(Mr. Kriangkrai Pheanvitayaskul)
Chief Executive Officer