

Subject: Management Discussion and Analysis for the Second Quarter of 2022
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 2nd Quarter of 2022 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 5/2022 held on 11st August 2022. The details are as follows:

The operating result analysis

Unit: Million Baht

	For the year ended 30 June			
	2022	2021	Increased (Decreased)	
			Amount	%
Total revenue	402.04	326.52	75.52	23.13
Net profit (loss) of Equity holders of the parent	(56.94)	(15.10)	(41.84)	(277.00)

Net Profit (Loss)

For the 2nd quarter of 2022, SCI Group had net loss of Baht 56.94 million, increased by Baht 41.84 million or 277.00% as compared to the net loss of Baht 15.10 million incurred in the same period last year. The main reasons are as follows:

Revenue

For the 2nd quarter of 2022, SCI Group had total revenues of Baht 402.04 million, increased by Baht 72.52 million or 23.13 % compared to that of Baht 326.52 million the same period last year with details as follows:

- Total sales were Baht 379.43 million, increased by Baht 96.40 million or 34.06%, compared to that of Baht 283.03 million in the same period last year. The sales increased from transmission tower business.
- Service revenues were Baht 6.18 million, decreased by Baht 28.90 million or 82.38%, compared to the same period last year. Service revenues decreased as the substation EPC project in Thailand is closed to completion and will be delivered in 3rd quarter of 2022. The high-voltage transmission tower and substation (500kV) project in Lao PDR still had no progress.

Cost and Expense

For the 2nd quarter of 2022, SCI Group had total expenses of Baht 456.39 million, increased by Baht 116.71 million or 34.36% compared to that of Baht 339.68 million in the same period last year with details as follows:

- Cost of sales were Baht 411.85 million, increased by Baht 149.03 million or 56.70%, compared to that of Baht 262.82 million in the same period last year. Cost of sales increased from rising material costs especially steel and zinc which are main materials used in production.

Statement of financial position

Unit: Million Baht

	As of 30 June 2022	As of 31 December 2021	Increased (Decreased)	
			Amount	Percentage
Total Assets	3,063.60	3,144.82	(81.22)	(2.58)
Total Liabilities	1,707.96	1,696.62	11.35	0.67
Total Shareholder's Equity	1,355.64	1,448.20	(92.56)	(6.39)
D/E Ratio	1.26	1.17	0.09	7.54

Total Assets

As of 30 June 2022, SCI Group had total assets of Baht 3,063.60 million, decreased by Baht 81.22 million or 2.58% from as of 31 December 2021 of Baht 3,144.82 million with details as follows:

- Other current financial asset decreased from selling short-term investments for investing in new subsidiary;
- Inventory decreased from raw materials and work delivered in 2Q22.

Liabilities

As of 30 June 2022, SCI Group had total liabilities of Baht 1,707.96million, increased by Baht 11.35 million or 0.67% from as of 31 December 2021 of Baht 1,696.62 million with details as follows:

- Account payables decreased from raw material payment according to the payment period;
- Contract liabilities increased from deferred income of switchboard projects and high voltage transmission towers projects.

D/E Ratio

As of 30 June 2022, SCI Group had D/E ratio of 1.26, increased from 1.17 as of 31 December 2021. This was primarily due to the decrease in shareholder's equity in accordance with the operation results.

Kindly be informed accordingly.

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