

Subject: Management Discussion and Analysis for the Second Quarter of 2023
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 Second Quarter of 2023 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 3/2023 held on 11st August 2023. The details are as follows:

The operating result analysis

Unit: Million Baht

	For the 3 month period ended 30 June			
	2023	2022	Increased (Decreased)	
			Amount	%
Total revenue	436.23	402.04	34.19	8.50
Net profit (loss) of Equity holders of the parent	(47.63)	(56.94)	9.32	16.36

Net Profit (loss)

For the second quarter of 2023, SCI Group had net loss of Baht 47.63 million, decreased by Baht 9.32 million or 16.36% as compared to the net loss of Baht 56.94 million incurred in the same period last year. The main reasons are as follows:

Revenue

For the second quarter of 2023, SCI Group had total revenues of Baht 436.23 million, increased by Baht 34.19 million or 8.50% compared to that of Baht 402.04 million the same period last year with details as follows:

- The sales revenues were Baht 422.06 million, increased by Baht 42.63 million or 11.24%, compared to that of Baht 402.04 million in the same period last year. The sales increased from transmission tower business.
- Service revenues decreased Baht 6.18 million, decreased 100%, compared to the same period last year. Service revenues decreased as the substation EPC project in Thailand was completed in 2022. The high-voltage transmission tower and substation (500kV) project in Lao PDR still had no progress.

Cost and Expense

For the second quarter of 2023, SCI Group had total expenses of Baht 469.86 million, increased by Baht 13.47 million or 2.95% compared to that of Baht 456.39 million in the same period last year with details as follows:

- Cost of sales were Baht 432.72 million, increased by Baht 20.88 million or 5.07%, compared to that of Baht 411.85 million in the same period last year. Cost of sales increased as sales increased.
- Service cost decreased 7.00 million, decreased 100%, compared to the same period last year as the substation EPC project in Thailand was completed in 2022.

Statement of financial position

Unit: Million Baht

	As of 30 June 2023	As of 31 December 2022	Increased (Decreased)	
			Amount	Percentage
Total Assets	2,952.84	2,881.79	71.05	2.47
Total Liabilities	1,783.17	1,629.13	154.04	9.46
Total Shareholder's Equity	1,169.67	1,252.66	(82.99)	(6.62)
D/E Ratio	1.52	1.30	0.22	17.22

Total Assets

As of 30 June 2023, SCI Group had total assets of Baht 2,952.84 million, increased by Baht 71.05 million or 2.47% from as of 31 December 2022 of Baht 2,881.79 million with details as follows:

- Cash decreased from purchasing investment units and loan repayments;
- Account receivables and other current receivables decreased from payment received from switchboard and cable tray customers;
- Inventory increased from work in progress and raw materials (e.g. steel, equipment);
- Digital assets increased from reversal of Bitcoin impairment allowance.

Total Liabilities

As of 30 June 2023, SCI Group had total liabilities of Baht 1,783.17 million, increased by Baht 154.04 million or 9.46% from as of 31 December 2022 of Baht 1,629.13 million with details as follows:

- Account payables increased from purchasing raw material for production;
- Contract liabilities increased from advance received from customer of high voltage transmission towers projects and switchboard projects.

D/E Ratio

As of 30 June 2023, SCI Group had D/E ratio of 1.52, increased from 1.30 as of 31 December 2022. 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