

Subject: Management Discussion and Analysis for the Third 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 Third Quarter of 2023 which has been reviewed from the external auditor and approved by the Board of Directors’ meeting No. 5/2023 held on 14th November 2023. The details are as follows:

The operating result analysis

Unit: Million Baht

	For the three-month period ended 30 September			
	2023	2022	Increased (Decreased)	
			Amount	%
Total revenue	429.08	360.07	69.01	19.17
Net profit of Equity holders of the parent	(12.86)	(58.40)	45.54	77.98

Net Profit (loss)

For the third quarter of 2023, SCI Group had net loss of Baht 12.86 million, decreased by Baht 45.54 million or 77.98% as compared to the net loss of Baht 58.40 million incurred in the same period last year. The main reasons are as follows:

Revenue

For the third quarter of 2023, SCI Group had total revenues of Baht 429.08 million, increased by Baht 69.01 million or 19.17% compared to that of Baht 360.07 million the same period last year with details as follows:

- The sales revenues were Baht 413.90 million, increased by Baht 82.25 million or 24.80%, compared to that of Baht 331.65 million in the same period last year. The sales increased from transmission tower business.
- Service revenues decreased Baht 6.74 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 third quarter of 2023, SCI Group had total expenses of Baht 430.20 million, increased by Baht 17.20 million or 4.17% compared to that of Baht 413.00 million in the same period last year with details as follows:

- Cost of sales were Baht 393.73 million, increased by Baht 24.22 million or 6.55%, compared to that of Baht 369.51 million in the same period last year. Cost of sales increased as sales increased.
- Service cost decreased Baht 7.07 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

	30 September 2023	31 December 2022	Increased (Decreased)	
			Amount	Percentage
Total Assets	3,068.50	2,881.79	186.71	6.48
Total Liabilities	1,911.28	1,629.13	282.15	17.32
Total Shareholder's Equity	1,157.22	1,252.66	(95.44)	(7.62)
D/E Ratio	1.65	1.30	0.35	26.99

Total Assets

As of 30 September 2023, SCI Group had total assets of Baht 3,068.50 million, increased by Baht 186.71 million or 6.48% from as of 31 December 2022 of Baht 2,881.79 million with details as follows:

- Cash decreased from purchasing investment units, factory renovation included the solar roof installation, and loan repayments;
- Trade and other current receivables increased from transmission tower project, switchboard and cable tray projects;
- Inventory increased from work in progress and raw materials (e.g., steel, equipment);
- Digital assets increased from reversal of Bitcoin impairment allowance

Liabilities

As of 30 September 2023, SCI Group had total liabilities of Baht 1,911.28 million, increased by Baht 282.15 million or 17.32% from as of 31 December 2022 of Baht 1,629.13 million with details as follows:

- Trade and other current payables increased from purchased raw material and equipment for production as well as accrued interest on loans of the subsidiary in Myanmar;
- Contract liabilities increased from deferred income of high voltage transmission towers projects and switchboard projects.

D/E Ratio

As of 30 September 2023, SCI Group had D/E ratio of 1.65, 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 Pheanvitayaskul)
 Chief Executive Officer