



Professional for Drives and Power

CPT Drives and Power Public Company Limited

Annual Report

2019

CPT Drives and Power Public Company Limited

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Vision

"We are the leading company (Top Class) in the electrical and control system providing full service (Solution Provider) by using appropriate technology (Optimized) and to be worthwhile (Cost Effective) with great after-sales service (Excellent Services). "

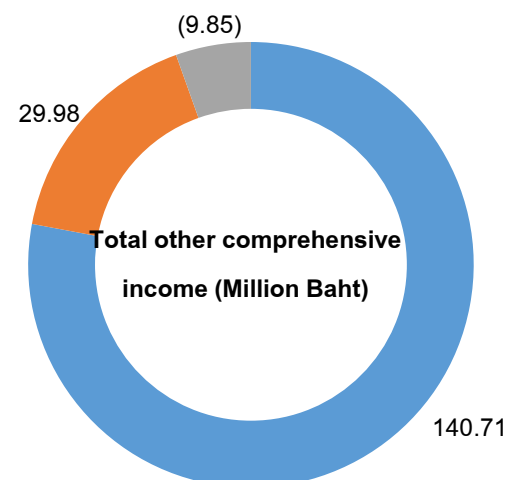
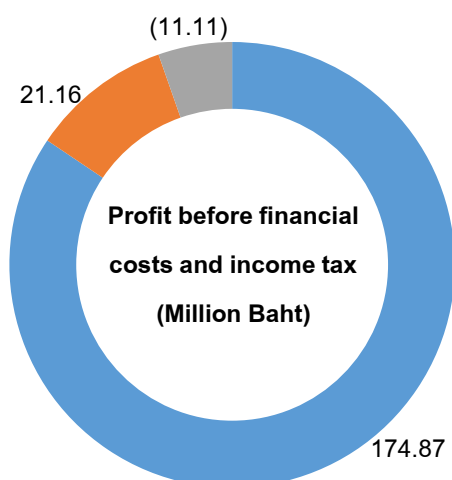
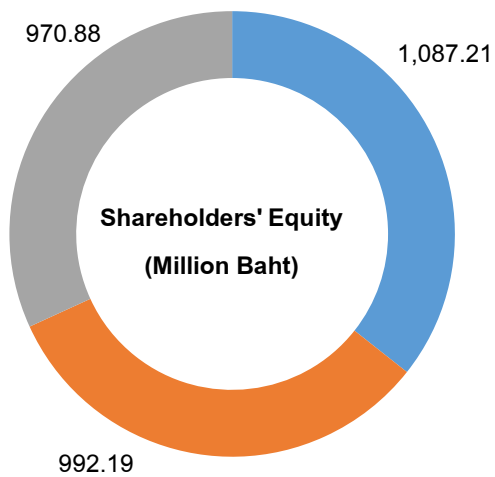
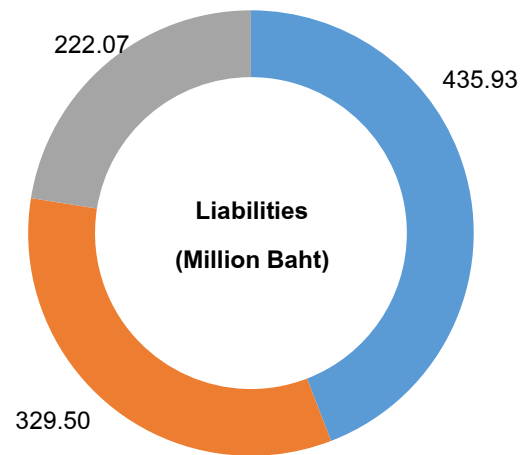
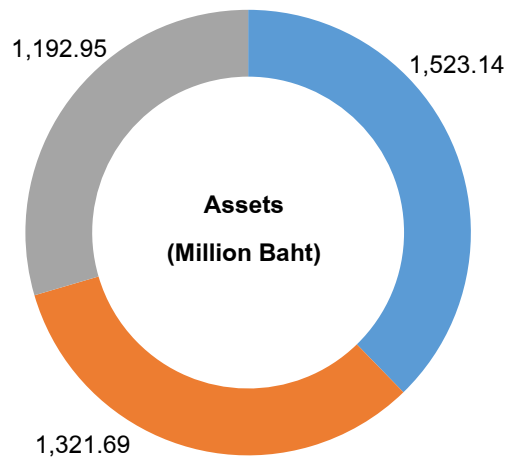
Core Values

1. Honesty and Discipline
2. Customer Centric
3. Accountability
4. Quality
5. Team Work

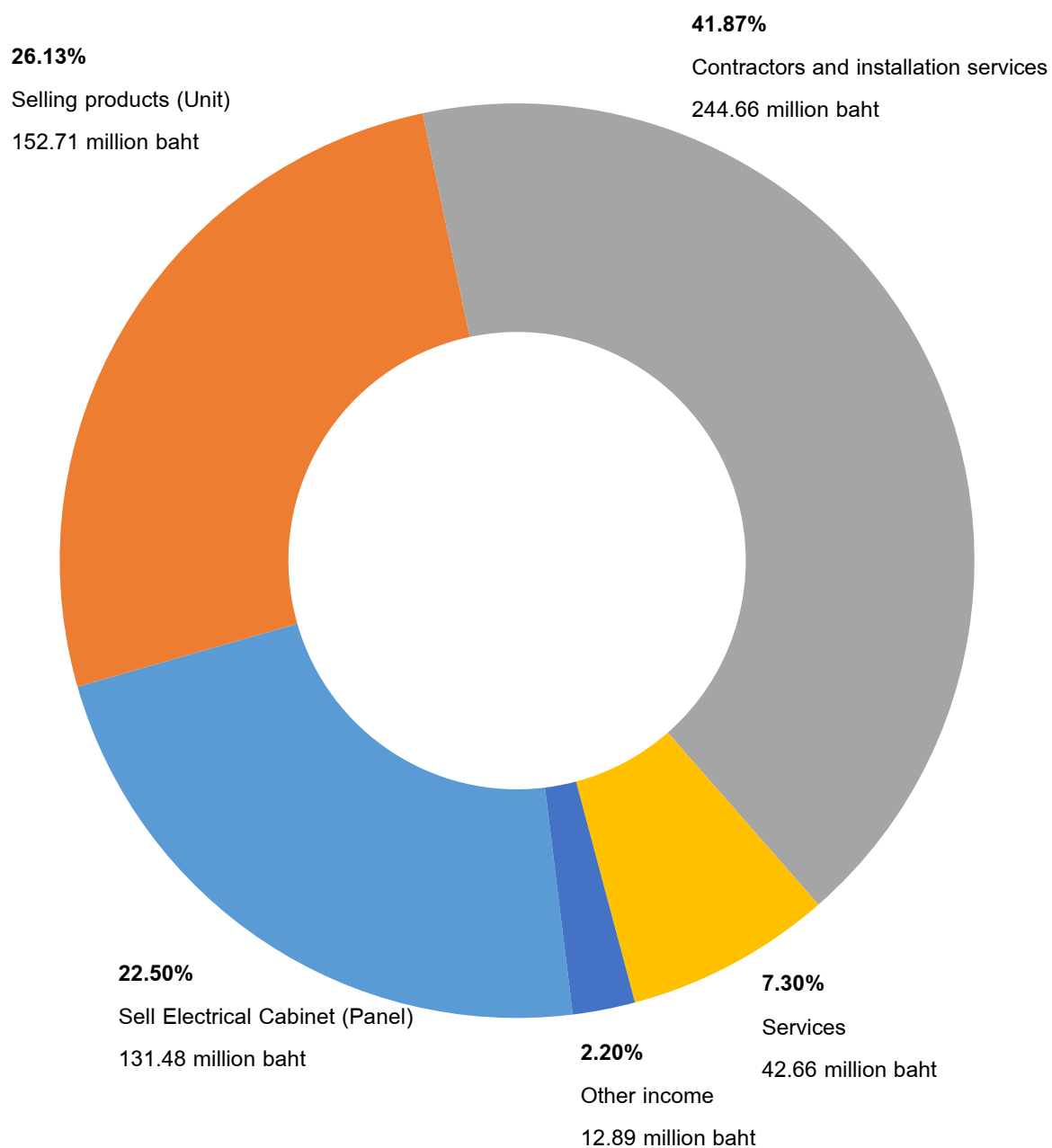


Financial Highlights

Statement of Financial Position			
Financial Statements (Unit: Million Baht)	2017	2018	2019
Assets	1,523.14	1,321.69	1,192.95
Liabilities	435.93	329.50	222.07
Total Shareholders' Equity	1,087.21	992.19	970.88
Income Statement			
Operating Performance (Unit: Million Baht)	2017	2018	2019
Revenues			
Sales revenues	952.11	649.31	284.19
Revenue from contractors and installation services	254.12	274.16	244.66
Service income	29.88	28.20	42.66
Other income	3.18	11.42	12.89
Total Revenues	1,239.29	963.09	584.40
Expenses			
Cost of sales	695.00	510.56	237.61
Cost of contractors and installation services	206.15	236.35	185.21
Cost of services	13.59	17.00	35.05
Selling expenses	62.83	57.76	49.63
Administrative expenses	82.40	121.36	86.58
Loss (Gain) from Foreign exchange	4.46	(1.10)	1.43
Total Expenses	1,064.43	941.93	595.51
Profit (Loss) before financial costs and income tax	174.87	21.16	(11.11)
Profit (Loss) before income tax	172.87	19.57	(11.98)
Net Profit (Loss)	140.71	14.31	(9.85)
Other Comprehensive Income	-	15.67	-
Total other comprehensive income	140.71	29.98	(9.85)
Financial Ratios			
Financial Ratios	2017	2018	2019
Current Ratio (times)	3.11	3.17	4.13
Gross profit margin (%)	26.00	19.73	19.88
Operating profit margin (%)	14.11	2.20	(1.90)
Net profit margin (%)	11.35	1.49	(1.69)
Return on equity (%)	22.79	1.32	(1.00)
Return on assets (%)	11.55	0.94	(0.78)
Return on fixed assets (%)	63.20	5.55	(2.66)
Debt to equity ratio (times)	0.40	0.33	0.23



Revenue Structure 2019



Message from Chairman of the Board



First of all, I would like to congratulate the new CEO who joined CPT Drives & Power Public Company Limited in the 4th quarter of 2019. I am confident that with his experience, knowledge, and ability at an international level able to help further the Company.

The previous year was the first year that the Company had a loss due to reduced income, which was a result of the overall economic fluctuation, investment in the industrial sector was slowing down, including the delay of government investment. However, the highlight achievement in the past year was the expansion of the second factory of the Company. In which the construction and the commercial operation had already been completed as well as received high attention from the customers and business partners.

The economic conditions in 2020 are still challenging both in terms of government budget delays and new virus disease (Covid-19) as well as international trade barriers, which results in overall economic instability. Nevertheless, I still have confidence in the government's policy in driving the EEC project, including the energy policy that is a positive factor for impelling the economy this year combined with the Company's potential that can be extended in other industries variously. On behalf of the Board of Directors of the Company, I assured of the vision of the new CEO, including the potentiality of the management and employees that can generate a profit and grow continuously along with being ready to support the needs of domestic and international industries to create the growth of all involved parties.



Assoc. Prof. Prapas Praisuwan

Chairman of the Board

Message from Chief Executive Officer



I am grateful to the Board of Directors of CPT Drives and Power Public Company Limited for their trust and allowing me to take over the position of CEO on 1st October 2019. In the past year was the year of changes and challenges for the Company. Aside from the economic factors and investment in the industrial sector that had slowed down. There were still changes within the organization in respect of the business direction under new strategies and vision, which caused the organization to adapt moderately.

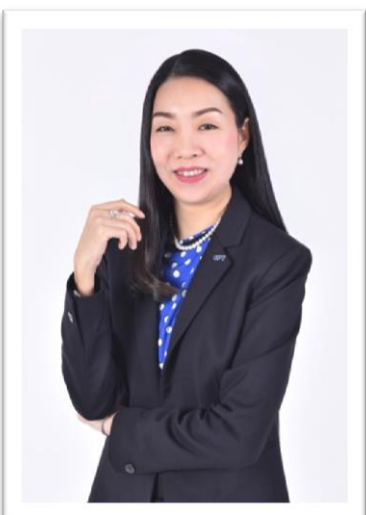
2019 was the first year that the Company with loss due to the decreased income. However, I believe that the Company has already passed one of the most challenging points. The main target in 2020, it will be the year to generate positive results. Meanwhile, it also strengthens the organization base to achieve long-term growth with the principles of conducting business by using customers as the center, the cost-effective leader together with offering the optimized technology and fortify the efficient after-sales service to meet the needs of customers. With the determination to push the Company for sustainable growth and received admiration from the Thai company and the Thai engineering community that can provide the electrical and automation services fully integrated and able to compete internationally



Mr. Chaivot Piyawannarat

Chief Executive Officer

Board of Directors



Assoc. Prof. Prapas Praisuwanna
Chairman of the Board / Independent Director



Education Qualification

- Master of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program (DCP 119/2009), Thai Institute of Directors Association
- Financial Statements of Directors (FSD 20/2013), Thai Institute of Directors Association
- Capital Market Academy Program (CMA 17)

Work experience in the past 5 years

2018 - Present	Chairman of the Board/Independent Director	CPT Drives and Power PCL.
2016 - Present	Director	PEA Encom International Co., Ltd.
2015 - Present	Chairman of the Board/Independent Director	Communication & System Solution PCL.
2014 - Present	Director	KMIT Lat Krabang Co., Ltd.
2014 - Present	Chairman of the Audit Committee/ Independent Director	Bangkok Sheet Metal PCL.
2013 - 2018	Audit Committee/ Independent Director	CPT Drives and Power PCL.
2010 - Present	Director	State Enterprises Committee (Director's Pool)

Mrs. Wanchalee Kanchanachongkol
Vice Chairman of the Board / Audit Committee / Independent Directors



Education Qualification

- Master of Economics, Faculty of Economic Development, NIDA
- Bachelor of Arts (Accounting), Chiang Mai University
- Director Accreditation Program (DAP 104/2013), Thai Institute of Directors Association

Work experience in the past 5 years

2019 - Present	Director and Authorized Director	Yuwan 2019 Co., Ltd.
2020 - Present	Vice Chairman of the Audit Committee/ Independent Director	CPT Drives and Power PCL.
2013 - 2018	Audit Committee/ Independent Director	CPT Drives and Power PCL.

Mr. Suvit Singhajan

Chairman of the Audit Committee / Independent Director



Education Qualification

- Master of Public Administration, (NIDA)
- Bachelor of Law, Ramkhamhaeng University
- Director Certification Program (DCP 176/2013), Thai Institute of Directors Association
- Director Accreditation Program (DAP 104/2013), Thai Institute of Directors Association

Work experience in the past 5 years

2016 - Present	Chairman of the Audit Committee / Independent Director	CPT Drives and Power PCL.
2013 - Present	Chairman of the Audit Committee / Independent Director	Power Solution Technologies PCL.
2012 - Present	Assistant Governor, EGAT	Electricity Generating Authority of Thailand
2012 - Present	Eminent Person	Office of Energy Regulatory Commission

Mr. Worapoj Yodsatat

Audit Committee / Independent Director



Education Qualification

- Bachelor of Engineering in Mechanical, Kasetsart University

Work experience in the past 5 years

2018 - Present	Audit Committee / Independent Director	CPT Drives and Power PCL.
2018 - Present	Chairman of the Board	Indra Systema SA Thailand Co., Ltd
2013 - Present	Director	Poll Online Co., Ltd.
2013 - Present	Director	Cyber Vote Co., Ltd.
2012 - Present	Chairman and Authorized Director	Thaitronic Co., Ltd.
2006 - Present	Director	Alangkarn Property Co., Ltd.

Mr. Somsak Limprasert

Director / Chairman of the Executive Committee



Education Qualification

- Master of Business Administration, Kasetsart University
- Bachelor of Engineering in Telecommunications, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP 104/2013), Thai Institute of Directors Association

Work experience in the past 5 years

2019 - Present	Director/Chairman of the Executive Committee	CPT Drives and Power PCL.
2013 - 2019	Chief Executive Officer	CPT Drives and Power PCL.

Mr. Chaiyot Piyawannarat

Director / Chief Executive Officer



Education Qualification

- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Electrical Engineering, 2nd Class Honors, King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program (DCP 2017), Thai Institute of Directors Association

Work experience in the past 5 years

2019 - Present	Director and Chief Executive Officer	CPT Drives and Power PCL.
2007 - 2019	Managing Director	ABB (Thailand) Co., Ltd.

Mr. Noppadol Wichienkuer
Director / Managing Director



Education Qualification

- Bachelor's Degree in Electronics Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP 100/2013), Thai Institute of Directors Association

Work experience in the past 5 years

2018 - Present	Director and Managing Director	CPT Drives and Power PCL.
2016 - 2018	Director and Deputy Managing Director	CPT Drives and Power PCL.
2013 - 2016	General Manager (Service Department)	CPT Drives and Power PCL.

Ms. Haruthai Limprasert
Director and Deputy Managing Director (Administration)



Education Qualification

- Master of Internet and E-commerce, Assumption University
- Bachelor of Business Administration in Finance, 1st class honor, Dhurakij Pundit University
- Director Accreditation Program (DAP 100/2013), Thai Institute of Directors Association
- Company Secretary Program (CSP 49/2013), Thai Institute of Directors Association
- Chief Financial Officer Certification Program (CFO 10/2008), Federation of Accounting Professions

Work experience in the past 5 years

2016 - Present	Director and Deputy Managing Director (Administration)	CPT Drives and Power PCL.
2013 - 2016	General Manager (Administration)	CPT Drives and Power PCL.

Mr. Monchai Thanyathanet
Director and Deputy Managing Director (Sales and Engineering)



Education Qualification

- Master of Business Administration, Assumption University
- Bachelor's Degree in Electrical Power Engineering, King Mongkut's Institute of Technology Ladkrabang

Work experience in the past 5 years

2018 - Present	Director and Deputy Managing Director (Sales and Engineering)	CPT Drives and Power PCL.
2013 - 2018	General Manager (Sales)	CPT Drives and Power PCL.

Part 1 Nature of Business

1.1 Nature of Business

In 1994, a group of engineers with experience in industrial machinery control equipment consisted of Mr. Somsak Limprasert, Mr. Aphichat Peepathum (resigned on 22 August 2018), and Mr. Noppadol Wichienkuer had seen the opportunity to increase the efficiency and productivity of machines for Thai entrepreneurs by a Thai company. Therefore, all three executives jointly founded CPT (Thailand) Company Limited on 22 March 1994, with a registered capital of 10.00 million baht. The initial objective was to sell electrical equipment to modify the control of old machinery but in a usable condition for quick and stable control by controlling the speed and function of motors and various sensor systems in the control of machinery to be consistent with the production with the quality devices in reasonable price. Subsequently, there has been a change in the structure. The Company group has therefore established CPT Drives & Power Company Limited, or currently is CPT Drives & Power Public Company Limited ("the Company" or "CPT"), which stands for "Control Power and Transmission", means that the electric power system for controlling the operation of the machine. Whereby the business is divided into 4 segments as follows:

1. The sale of electrical cabinets (Panel)

The Company is an expert in the business of selling electrical cabinets (Panel) by assembling electrical cabinets at the Company's factories and distributing to customers in various industrial factories, including the power plants. The type of electrical cabinets the Company producing is divided into 2 categories i.e.

1.1 Electrical cabinet, Machine Control System

The Company has been conducting the business of selling the electrical cabinet control systems and electric power to control the operation of machines in industrial plants by automation, which allows machines working with better efficiency by linking the system to the computer, where can store and display data for the production. Then apply the information to control the functioning of each machine, result in precision work both speed and work procedures to meet the needs of the production, including controlling appropriate energy in the production and managing of excess energy. It is due to the operation of some types of machinery returning the power to the electrical system to save energy. The result is the production of quality products and increasing as well as reminding to repair and maintain each machinery promptly, along with reporting faults of each section of the machine through the reporting and analysis program, which helps to solve various problems faster and resulting to reduce unexpected machinery downtime.

Together with the management of electrical cabinet systems, which is an efficient system for controlling the power supply in the factory toward the connection (Synchronize) the system with electricity to provide electricity to the state as well.

1.2 Low voltage electrical cabinet (220 - 690 V.) and medium voltage (3.3 - 36 kV.) for factories

The business of selling electrical cabinets for low voltage electrical systems having a size less than 1,000 Volt is the transformation of electrical voltage to be used in homes and medium-sized motors for the factories. The medium voltage electrical system has a size of 3.3 - 36 kV, which is a transformation down to drive large motors in the factory.

2. The sale of finished products (Unit)

The Company is a large distributor of finished products in the category of electrical equipment and control equipment, which there are standard products distributed as follows:

Brand	Producing Country	Product Type
Siemens AG	German	LV/MV Switchgear Panels (License Partner)
Danfoss (VACON)	Finland	Inverter 220-690V
TMEIC	Japan	Medium Voltage Inverter & AC Motor
Hyosung	Korea	AC Motor Large Size
WEG	Brazil	AC Motor Large and Small Size
TT Electric	France	DC Motor Large and Small Size
Parker Hannifin	England	DC Drives
ZEZ SILKO	Czech Republic	LV Capacitor Bank and MV Capacitor Bank
LS	Korea	PLC, MCCB, Contactor, Overload and MV Switchgear Component
AUCOM	New Zealand	MV and LV Softstarter

3. The contractor services of cable installation and construction of substation with a voltage of 69 - 115 kV

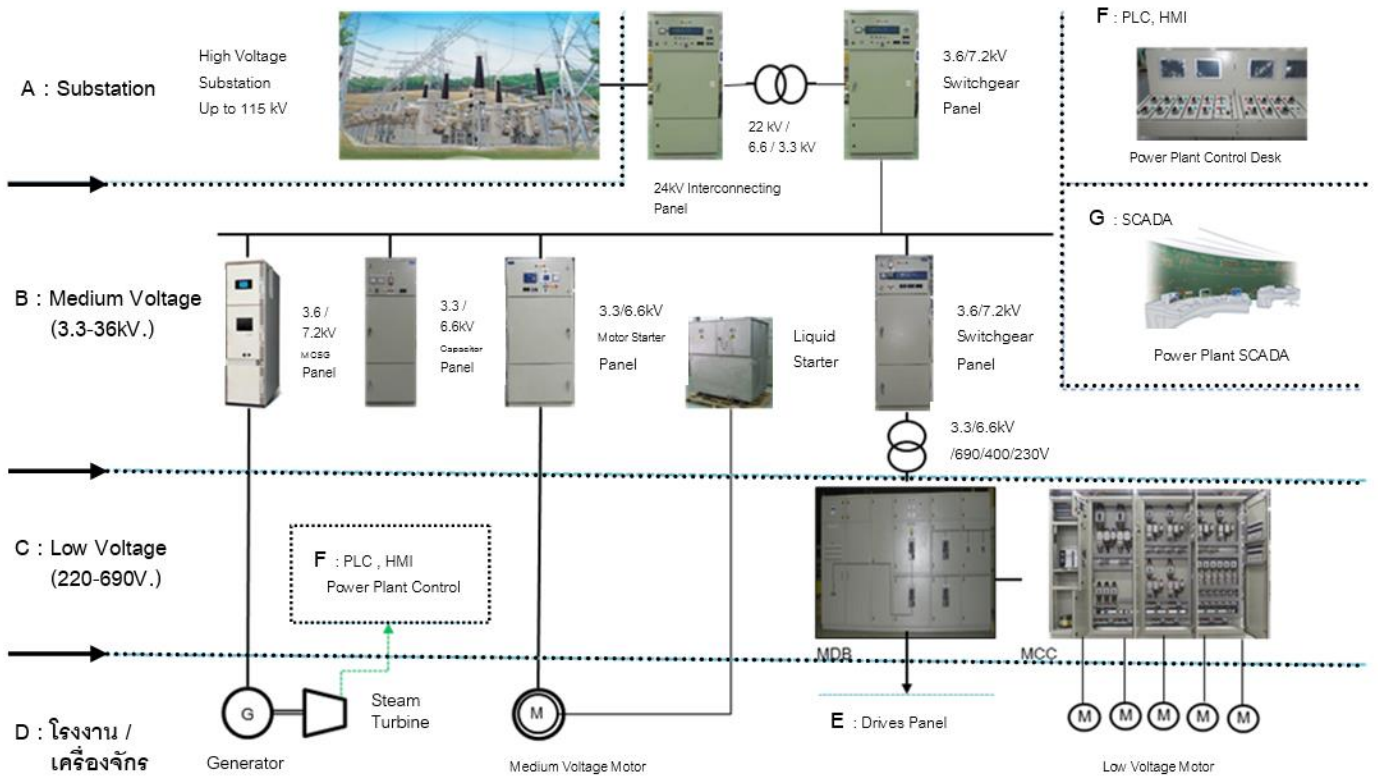
The Company engages in the design and construction of the High Voltage Substation 69 - 115 kV. The electrical power distribution shall start at the power station, which receives electrical energy from the Electricity Generating Authority of Thailand at the voltage level of 230 kV or 115 kV through the transformer (Power Transformer) to reduce the voltage to 33 or 22 kV. The transmission of electrical energy to consumers must reduce the voltage again by using transformers so that there is a voltage that can be used.

The Company also provides cable installation services for electrical cabinet assembly in general industrial plants and substations, such as LV Power Cable & Control Cable, MV Power Cable, Overhead & Underground Line, System Grounding, etc.

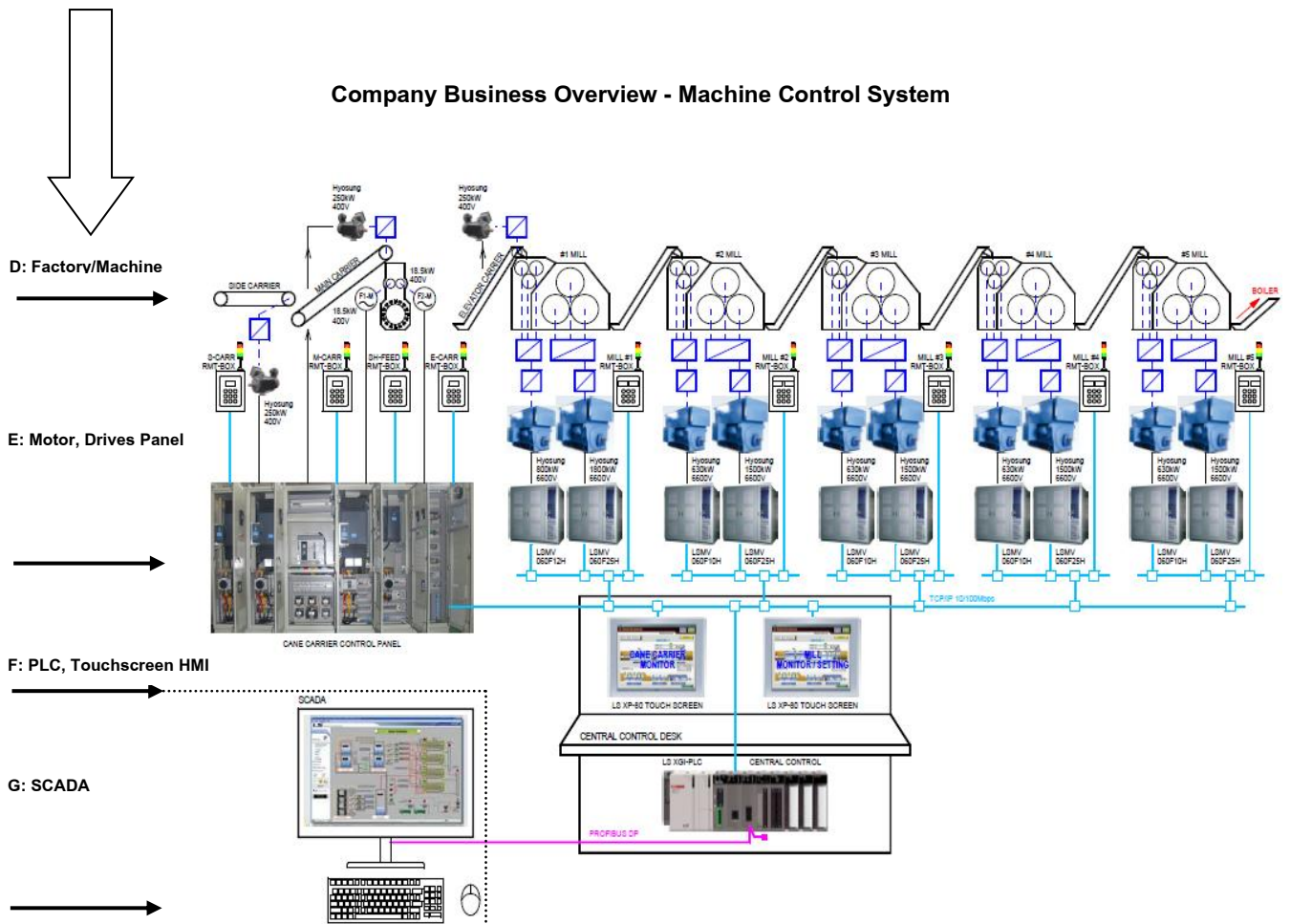
4. Service & Repair

The Company has a service department for customers both within the warranty period and the warranty period has expired. When the product has a problem or cannot be used, the customer can contact the service department. After checking the operation of the machine in case the product cannot be used anymore, the Company shall offer the new product to replace the damaged one. In some cases, it is a service to install and modify the electrical systems at the customer factory so that the machine working normally. Besides, the Company provides service to check the electrical equipment or electrical systems at the customer's factory as well as providing repair service and selling spare parts to keep the products in good working condition. However, the Company shall inspect and repair the product distributed from the Company only.

Company Business Overview - Electrical Distribution control system



Company Business Overview - Machine Control System



Group of Customers, Distribution and its Channels

Group of Customers

CPT Drives and Power Public Company Limited commits to use the accumulated knowledge and experience and sees the opportunity in business. Therefore, it has extended the business to other industries for long-term growth. Whereby the Company's customers are in the industrial business, which wants to set up machine control systems and electrical control systems.

1. Utility and Government Segment

At present, urban and economic expansion in the country is fast. Utilities are, therefore, very important in economic development. For this group of customers are the water industry, petroleum pipelines, electricity generation, government work, infrastructure work, utility system construction, etc.

2. Process Industries Segment

The industrial sector is one of the most important mechanisms that lead the country to economic development in many areas and motivate the business sector to produce and develop new products. In which this customer group is the owners of industrial factories who need the machinery to produce products such as pulp and paper, tire and rubber, cement, plastic, steel, aluminum and metal, electric wire, etc.

3. Energy Industries Segment

The energy industry trend is considered a large industry that provides benefits and necessities for living. The world is interested in the renewable energy business to make the most of the production and use of renewable energy. It also can use renewable energy for economic development for agriculture and industry. This group of customers is petrol, gas, petrochemical, private power generation industry, renewable energy industry such as solar, wind, water, etc.

4. Sugar and F&B Segment

The sugar industry is an important processed agricultural industry in Thailand to meet the needs of domestic consumers, including exporting. Besides, the food and beverage industry is still growing continuously, thus, the food manufacturers and exporters to search for business opportunities resulting in food products continuously expanding. This group of customers is the sugar factory, and palm oil factory, etc.

In the year 2015 - 2019, the proportion of revenue from sales and services in the country and abroad during the past 5 years can be summarized as follows:

Table showing the proportion of revenue from domestic and foreign sales and services from 2015 - 2019

Sales and Service Revenue	2015 (Revised)		2016		2017		2018		2019	
	Mill. Baht	%	Mill. Baht	%	Mill. Baht	%	Mill. Baht	%	Mill. Baht	%
- Domestic	1,010.35	95.23	1,160.19	94.52	1,219.07	98.62	883.96	92.87	562.47	98.42
- Foreign	50.60	4.77	67.24	5.48	17.03	1.38	67.88	7.13	9.04	1.58
Total	1,060.95	100.00	1,277.43	100.00	1,236.10	100.00	951.84	100.00	571.51	100.00

Distribution and its Channels

The Company's distribution channels are divided into two channels consisting of:

1. Direct Contact: The Company uses the direct sales strategy to sell products regarding machine control systems by presenting the Company's past work to ensure trust among customers. The Company currently has got 197

employees divided into 5 teams and consisted of 12 salespeople in each team with both domestic and foreign sales teams.

2. Distributor: The Company provides products to the distributors to forward and increase the distribution channels of the Company's products to customers both in Bangkok and other provinces.

There are 8 distributors of CPT separated into Bangkok and metropolitan areas 5 distributors and upcountry 3 distributors. Its distribution proportion through direct distribution and distributors (2015 - 2019) is approximately 90% and 10% of sales and service revenue respectively.

1.2 Industry Conditions and Competitions

The Company's products and services are an important component of the system control of machinery and electrical systems in industrial plants, including electrical systems in large buildings such as shopping malls, condominiums, and office buildings. Therefore, the Company's revenue tends to grow according to the economic expansion and investment in the industry, in which the sugar factory group is the main customer group of the Company.

Industrial Situation and Investment

According to the government policies stimulating the economy has benefited the confidence of entrepreneurs in the industrial sector, causing there is the expansion of investment in the new business, such as the construction of industrial plants and the increase of production capacity, which overall affects the demand for machinery control systems and related supporting equipment. From the applications for investment promotion information of BOI, reflects the trend of the industrial sector of Thailand, which is in the period of continuous expansion.

Information applying for investment promotion from the BOI between 2014 - 2019

Request for Investment Promotion	2014	2015	2016	2017	2018	2019
Number of projects (projects)	3,469	988	1,455	1,456	1,626	1,624
Investment value (billion baht)	2,192.70	197.73	524.34	641.98	901.77	756.10

Source: Office of the Board of Investment (BOI)

The applications for investment promotion in 2019 were 1,624 projects with a total value of 756.10 million baht or a decrease of 7%. Since in 2018, there were requests for the promotion of special polymer products, which was a large investment project worth approximately 326,000 million baht. In the year 2019, there were 1,500 projects approved for investment promotion, increasing by two percent from the same period last year and the investment value of 447,360 million baht, a decrease of 19 percent from the same period last year. Due to the approval in 2018, there was to promote the petroleum refinery business, a large investment project, worth approximately 157,000 million baht. Besides, there were 1,327 promotional certificates issued in 2019, a 7% decrease from the same period last year and the investment value was 357,680 million baht, a decrease of 50% from the same period last year. Since in 2018 there was the issuance of promotional certificates in the petroleum refinery business, which was a large investment project worth approximately 157,000 million baht. If considering the number of projects found that most of them were investments in agriculture and food processing. As for the value of the investment, it was found that in the electric appliance and electronic industry having the highest investment.

The Eastern Special Development Zone (EEC) project, the strategic plan under Thailand 4.0

Asia is a leader in driving the world, both investment and economic growth, which China, India, Japan, South Korea, and ASEAN is essential for driving with a total population of over 3.5 billion people and GDP accounting for 32% of global GDP. Thailand is the center of connection with economic groups in Asia from north to south, from China to Indonesia, from east to west, from Vietnam crossing to Myanmar as well as it is a strategic point of the ASEAN Economic Community (AEC) in terms of production, trade, export, and transportation. It is also halfway between Cambodia, Laos, Myanmar, and Vietnam, which is growing rapidly. Thailand is, therefore, the best location for investment in ASEAN to connect Asia and the world.

The Eastern Economic Corridor (EEC) Project is a strategic plan under Thailand 4.0 with spatial development, which is the success of the Eastern Seaboard development project operating for over 30 years. This time, the Eastern Economic Corridor Office of Thailand (EECO) has the primary goal of fulfilling the overall picture of investment promotion, which will enhance the country's industry, increase competitiveness, and make Thailand's economy can grow in the long run. In the first phase, there are 3 provinces to be upgraded i.e., Chon Buri, Rayong, and Chachoengsao to be a special economic zone in the eastern region to support the Economy systematically and efficiently through management mechanisms under the supervision of the Eastern Economic Corridor Policy Committee.

The government has many development plans to support the EEC, with large projects interesting include Bangkok - Rayong high-speed train project connecting Don Mueang Airport and Suvarnabhumi Airport to Rayong to make traveling to the Eastern districts very convenient and instant. It is expected that the development of this high-speed train will be a catalyst for the economy of the surrounding cities of the high-speed train route. In which there is one main station, U-Tapao Airport Station. Therefore, there is the U-Tapao Airport Development Project became an airport city (Aerotropolis) to accommodate more passengers from the current capacity of 800,000 people per year to 5 million people per year by 2020. Besides, there is a plan to develop an elevated transport system, including various shopping malls in the airport area. Therefore, the area around the airport is another interesting location in real estate development and business related to the airport. Another interesting project is the area to establish the Innovation Zone of the Eastern Economic Corridor, which may call a science park to promote the development of science and innovation for commercial use. It will be the brains for the economic development of this upcoming eastern region efficiently. Of course, if the EEC proceed in the Eastern region, it will be another golden location that investors are interested in and soon will be the country's economic city. The main investment of EEC will be to develop the infrastructure for travel and transportation to be ready supporting and contributing to the growth of the industry and tourism which will also have joint ventures from the private sector in some projects.

1.3 Future Operational Goals

According to the business principles aimed to put the customer as the center of operations for sustainable growth, CPT provides 3 main goals of conducting as follows:

1. The goal of expanding the customer base

As is well known that CPT in the past has a customer base in the sugar industry, in which CPT commits to using the knowledge and experience to expand the customer base into other industries, such as Cement, pulp and paper, steel, energy industry including the private power plant, oil & gas industry, and petrochemical, including investment in government infrastructure with an overall market value estimate of not less than 15,000 million baht/year. In this regard, CPT is continuing the expansion of the market abroad by focusing on marketing in Southeast Asian countries (ASEAN), which has a GDP growth rate at the top.

2. Service business development

To be in line with CPT's strategy of being a leader in providing after-sales services to customers, CPT has a goal of continuous human resource development, both providing knowledge technological capability to be able to effectively serve customers aside from technical knowledge, flexibility, agility in customer service also considered as a guideline for CPT's business operations.

3. Cooperation with partners to expand business

CPT has signed a cooperation agreement with SIEMENS to produce electrical cabinets within the brand of SIEMENS. In which CPT is already able to produce and sell commercially.

At the same time, CPT is moving to find additional alliances in all forms, whether a joint venture or merger to increase the opportunity to grow and expand the business base in the future relentlessly.

1.4 Risk Factors

In the business conducting inevitably faces various risks like other businesses. The risks discussed below is a risk that the Company has considered and viewed that if it happens, it will harm the business, financial status, and the Company's operating results significantly. Besides, there may be other risks that the Company cannot know at this time or is a risk that considers not a risk that may cause significant damage to the business of the Company at this time.

Business Risks

The risk of relying on customers in the sugar industry

Due to the past, the Company has the main customer base mainly in the sugar factory. If the growth of production in the sugar industry slows down, it may affect the Company's revenue. However, Thailand is the 4th largest producer of sugar in the world, but there is a small amount of consumption compared to the quantity produced resulting in Thailand being the 2nd largest exporter of sugar in the world. Therefore, if the amount of sugar demand in the world market decreases, it may affect the Company's customer base in the sugar industry. In which it is expected that the demand for sugar in the world market and the Asian region will increase continually.

Although in the past most of the Company's revenue came from sugar factories, the Company's products can be sold to all types of manufacturing industries such as automotive parts factories, paper mills, steel industry, construction industry, and power plants, etc, which the rest is revenue from other industry groups. Therefore, the Company's income does not have to rely on only the sugar industry. Since 2015, the Company has set up a guideline to reduce the risk of relying on the sugar industry by establishing a policy to expand the customer base to support more industries such as substations, high buildings, and system control cabinets of machines for the cement industry. In 2019, the Company also places the importance of generating revenue from the after-sales service and maintenance business. After the second factory started production at the end of the year under the Siemens license, it has increased the capability to produce electric cabinets with world-class standards in the factory. It is regarded as the development of new products aside from the existing products and services to provide higher efficiency and more responsiveness to the needs.

The risk of project management

Project management risks are important to business operations. Whereby the risk arises from delays in project management which may come from customers such as specification and installation changes, shortage of working capital, and liquidity of customers, etc, as well as the delay from the Company itself that the subcontractor is unable to deliver the work as scheduled to the Company. This may cause the Company to pay late fines or incur additional costs from the projections resulting in delayed revenue recognition from the plan. In which the project work is a type of contractor and installation service (Installation / Substation).

The Company has risk prevention, which has formulated a work plan to strict control of the contractors and subcontractors and closely follows, including there is a plan for emergencies if the contractor does not work as planned. Also, there will be a follow-up meeting for weekly work to allow relevant parties to know the problem and solve it in time. Also, there has contracted with the contractor to pay compensation for damages caused by late delivery as well as providing sufficient funds for operations, etc. In the past, the Company has never been fined due to late delivery in any way.

The risk of rising costs due to material prices changing

Due to the proposal for clients, especially the project of installing electrical control systems or substation construction, the offering price must be proposed as a complete contract for both the materials and equipment and the wages of the project. Therefore, the increase in the cost of materials and equipment will result in higher operating costs.

The Company has a risk prevention plan by the purchasing department shall review the main equipment prices, which can determine the price. For other materials like cables and copper, there will be comparisons to create median prices along with generating relationships with many suppliers to negotiate prices. There is also to purchase the materials in advance to control the price before accepting the work and stock of some certain materials to reduce the effects of such risks.

Financial Risk

The risk from the fluctuation of foreign exchange rates

Since the Company has ordered electrical equipment for controlling the operation of machines in industrial plants such as electric motor control systems for automatic power transmission and electrical cabinet system, which most of them are imported from abroad. In the year 2018 - 2019, the Company purchased equipment from foreign countries, representing approximately 23.03 percent and 19.38 percent of the total purchase and payment was made in US dollars and Euros, etc. While the majority of the Company's income is in Thai Baht, approximately 98% of total revenue. Therefore, the Company is exposed to the risk of fluctuations in exchange rates. If the Thai Baht depreciates, it will affect the financial statements causing the Company to have expenses from foreign exchange losses. In case the exchange rate on the order date is lower than the exchange rate on the date the Company recorded it as product cost.

The Company has reduced the risk from exchange rates by increasing the volume of orders from in the country. While in 2017 - 2019, the Company ordered goods and raw materials from abroad at the rate of 31.80%, 23.03%, and 19.38% of the total purchase value respectively. The Company also reduces the risk from the foreign exchange by using the credit limit of the forward exchange contract when the Company wants to purchase products from abroad according to the purchase order. However, the Company must still record expenses from foreign exchange losses. If the foreign exchange rate under the foreign currency forward contract is lower than the exchange rate recorded by the Company on the goods receipt date. The company is also affected by the exchange

rate due to the purchase and payment of goods or raw materials not occurring in the same accounting period. As a result, on the closing date of the accounting period, the Company must record unrealized gain or loss on foreign exchange rates.

Other Risks

The risk of relying on executives and personnel with experience and ability

Due to the business of the Company requires knowledge and expertise, including the experience of management and operating personnel, especially good relations with customers, in which there will be an order from the existing customers continually. If there is a new factory expansion, installing machinery equipment in each plant, therefore, requires technical expertise personnel. In case the Company loses management or personnel or assign inappropriate personnel may result in damage to the Company. The Company, therefore, attaches importance to human resource development to increase knowledge, skills and work efficiency by providing regular training for both existing and new employees, including recruiting a variety of additional people. The Company, therefore, attaches importance to human resource development to increase knowledge, skills, and work efficiency by providing regular training for both existing and new employees, including recruiting a variety of additional people. Whereby there is a succession plan regarding the key positions and leadership continuity by focusing on the development of personnel to have leadership and readiness to take up the assigned positions, including planning for suitable successors.

Part 2 Shareholding Structure and Management

2.1 Shareholding Structure and Management

As of December 31, 2019, the Company has registered capital of 627,500,000 baht, divided into 900,000,000 ordinary shares with a par value of 0.50 baht per share, which is a paid-up capital of 450,000,000 baht.

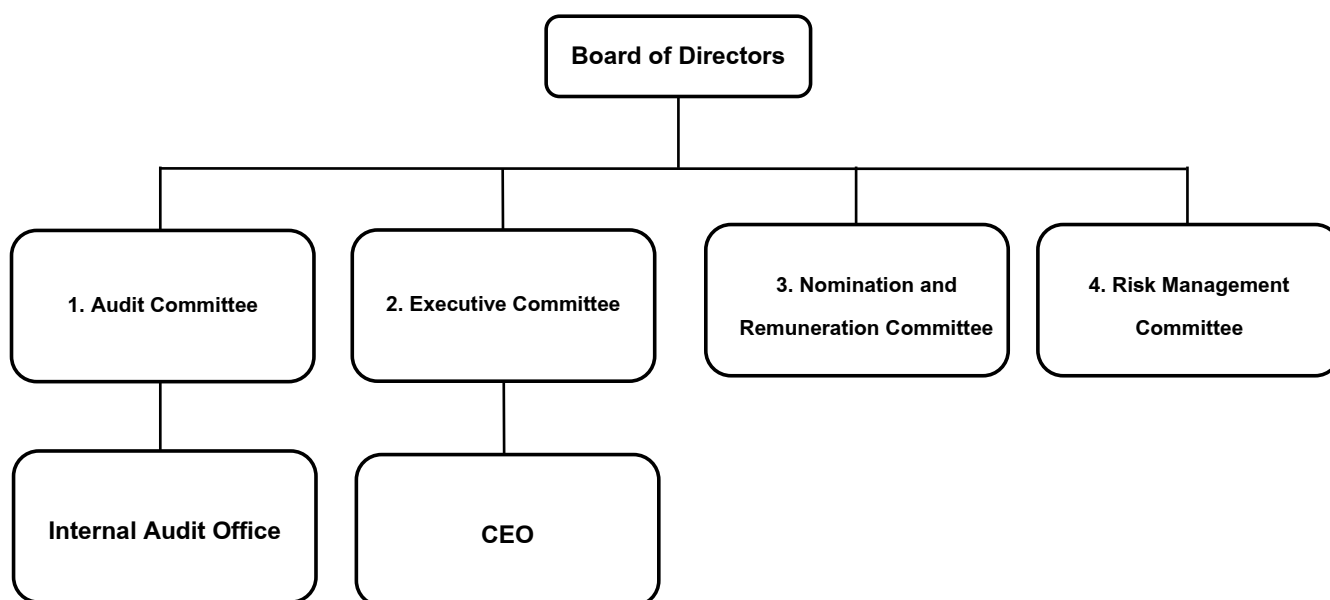
Major Shareholders

List of the top 10 shareholders of the Company as shown in the table below:

No.	List of shareholders	Number of Shares	Ratio
1	Mr. Jirawut Kuvananant	96,224,600	10.69
2	Mrs. Kanya Limprasert	93,400,000	10.38
3	Mr. Noppadol Wichienkuer	81,300,000	9.03
4	Mr. Somsak Limprasert	79,527,600	8.83
5	Ms. Haruthai Limprasert	65,140,000	7.23
6	Mr. Chaiyot Piyawannarat	50,000,000	5.55
7	Mr. Phengpian Laoramkot	33,429,000	3.71
8	Ms. Piyawadee Yanwari	18,960,300	2.10
9	Thai NVDR Company Limited	18,844,406	2.09
10	Mr. Prakrit Witthayabenjang	15,000,000	1.66

Management Structures

As of 31 December 2019, the management structure of the Company consists of the Board of Directors and four sub-committees, which are the Audit Committee, Executive Committee, Nomination and Remuneration Committee, and the Risk Management Committee.



Board of Directors

The Company has a total of 9 directors consisting of:

List of shareholders	Position
1. Assc. Prof. Prapas Praisuwan	Chairman of the Board / Independent Directors
2. Mrs. Wanchalee Kanchanachongkol	Vice Chairman / Audit Committee / Independent Directors
3. Mr. Suwit Singhajan	Chairman of the Audit Committee / Independent Directors
4. Mr. Worapoj Yodsatat	Audit Committee / Independent Directors
5. Mr. Somsak Limprasert	Director / Chairman of the Executive Committee
6. Mr. Chaiyot Piyawannarat	Director / Chief Executive Officer
7. Mr. Noppadol Wichienkuer	Director
8. Ms. Haruthai Limprasert	Director
9. Mr. Monchai Thunthanase	Director

With Ms. Phakamas Chimlek acting as the Company Secretary, which passed the 95/2019 Company Secretary Training Program of the Thai Institute of Directors Association.

Directors Authorized to sign to bind the Company

The authorized directors who sign to bind the company are Mr. Noppadol Wichienkuer or Ms. Haruthai Limprasert, jointly signed with Mr. Chaiyot Piyawannarat or Mr. Monchai Thunthanase totaling two people together with the Company's seal affixed.

The scope of duties and responsibilities of the Board of Directors

1. To perform duties under the laws, objectives, and articles of association of the Company as well as the resolutions of the shareholders' meeting in good faith, be cautious, and protect the interests of the Company.
2. To specify the vision, policy, and the operating direction of the Company, to ensure that it is following the specified policies and plans to maximize the benefit for the business and shareholders.
3. To set the goals, guidelines, policies, and budgets of the Company. Supervise the administration and management or the assigned person to be under the policy that the Board of Directors has provided.
4. To define the authority for approval and operation relating to the Company with the regular review at least once a year.
5. To provide the control systems for the operation, financial report, and compliance with rules and policies. The Board of Directors should assign a person or an organization that can perform duties independently to be responsible for supervising the said control system as well as review important systems at least once a year and disclose in the annual report.
6. To ensure the preparation of the Balance sheet and Profit and loss statement of the Company at the end of the accounting period, which the auditors have already reviewed then propose to the shareholders' meeting for consideration and approval.
7. To appoint the Audit Committee and set the powers and duties of the Audit Committee.
8. To acknowledge the reports of the Audit Committee or the internal audit department, including the auditors and any advisors of the Company along with establishing the guidelines for improvement in case there is a significant fault.
9. To review the adequacy and appropriateness of the internal control system and the Company's risk management policy to cover the entire organization by assigning to the management complying with the policy and regularly reporting to the Board of Directors as well as there should be a systematic review to ensure the effectiveness of risk management at least once a year. Disclose information in the annual report and every period once found that the risk has changed, which includes giving priority to early warning signals and various unusual transactions.

10. To consider and approve of important businesses regarding the Company or as it deems appropriate to do so to maximize the Company benefits.

11. To consider and scrutinize the report that must be submitted to the shareholders for approval at the shareholders' meeting. The main agenda of the annual general meeting of shareholders is as follows:

- To consider the report of the committee proposed to the meeting showing the operating results of the Company.
- To consider and approve the financial statements.
- To consider allocating the Company's profits
- To propose the list of new directors in place of those to retire by rotation and nominate the auditors and determine their remuneration.
- To consider items that may cause conflicts of interest in matters requiring approval from shareholders.
- Other matters

12. To consider the management structure, appointing the executive committee, management team, and other sub-committees as appropriate, including considering the appointment of the Company Secretary under the Securities and Exchange Act.

13. To consider and evaluate the performance of the Board of Directors and various sub-committees, including to ensure that the Company has an effective process to evaluate the performance of the senior management.

14. To approve commission and consulting fees when the sales can be collected from customers, with the authority to approve more than 5 percent of sales.

15. The Board of Directors must not engage in the same business and compete with the business of the Company or become a partner in an ordinary partnership or being a partner of limited liability limited partnership or being a director of a private company or other companies that operate in the same business and completing with the business of the Company, whether for personal benefit or the benefit of others unless notified to the shareholders' meeting before a resolution to appoint.

16. To be responsible to shareholders consistently and perform business by protecting shareholders' benefits and prepare reports for general information and financial information of the Company to report to shareholders and stakeholders or general investors in time and following the law.

17. The Board may authorize one director or more or any other person(s) to act as the Board under the control of the Board of Directors or may delegate to such person to have authority as the Board deems appropriate within the period under the Board's discretion. The Board may revoke, change or modify the authorization when seeing appropriate.

However, the authorization shall not possess to make such individuals to be able to approve the transaction that the person or other may have a conflict of interest and personal gain or may have a conflict of interest in any other way with the Company or its subsidiaries as defined in the Regulations of the Capital Market and/or SET and/or any announcement of the entities involved unless the approval is under the policies and guidelines and approved by the Board.

18. In the operations of the Board of Directors as assigned above, if there are laws or regulations or the Company's article of association specified the scope of power of the Board of Directors. The Board must proceed under the laws or regulations or the Company's article of association. If any action that the Company's directors have or may have benefits or relating to the stakeholders according to the Notification of the Securities and Exchange Commission and/or related laws. Such Director shall not have the power to approve the said operation.

19. The power to proceed following operations shall be able to do so after receiving the approval from the shareholders meeting. On any matter that the Directors have an interest or having conflicts of interest with other companies or subsidiary, such Directors have no right to vote on that matter.

- Any matter that is required by law to be approved by the shareholders' meeting
- Any transaction in which the Directors have a conflict of interests and are considered that it must be approved by the shareholders' meeting according to the law of the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand specified.

20. The following matters must be approved by the Board of Directors' Meeting with the majority votes of the Director in attendance and from the shareholders' meeting with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote.

- The sale or transfer of any business units/activities of the Company - in its entirety or any significant portion thereof - to other parties
- The purchase by the Company or transfer to the Company of business units/activities of other (private or listed) companies to be owned by the Company.
- The execution, amendment, or termination of any agreements, relating to the rental/leasing of any Company business units/activities - in its entirety or of any significant portion thereof. The authorization of others to take control of or to manage the business units/activities of the Company; or the establishment of any joint business activities together with other parties, with the objective of sharing in the profits/losses of that joint activity.
- Issuance of new shares to pay to creditors of the Company according to the debt to the equity conversion project
- The implementation of any amendments to the Company's Memorandum of Association/Articles of Association.
- The increase or decrease of the Company's registered capital, the issuance of debentures by the Company, the merger or divestment of the Company/Business.
- Any other activities stipulated under the provisions of the Securities and Exchange Act must be approved by the Board of Directors' meeting and the meeting of Shareholders with the votes mentioned above.

However, any matter in which the Directors have a conflict of interest with the Company, such Directors do not have the right to vote on that matter.

Besides, the Board of Directors also has to oversee the Company be in compliance with the Securities and Exchange Act, SET regulations, such as the related transaction and the acquisition or disposition of significant assets under the regulations of the Stock Exchange of Thailand or the Notification of the Securities and Exchange Commission Capital Market Supervisory Board or the laws related to the Company's business.

Audit Committee

As of 31 December 2019, the Audit Committee consists of:

1. Mr. Suvit Singhajan	Chairman of the Audit Committee
2. Mr. Worapoj Yodsatat	Audit Committee
3. Mrs. Wanchalee Kanchanachongkol	Audit Committee, has sufficient knowledge and experience to review the credibility of the financial statements

With Ms. Boonyanee Kusolsophit acting as the secretary of the Audit Committee.

Scope of Duties and Responsibilities of the Audit Committee

1. To review the Company's financial statements to ensure accuracy and adequacy by coordinating with external auditors and executives responsible for preparing financial reports by the time frame prescribed by the Stock Exchange of Thailand and relevant government agencies.
2. To review and ensure that the Company has a suitable and efficient internal control system and internal audit as well as the risk management, and reviewing to ascertain that internal audit function is independent along with hiring, transferring, removal of the head of the audit or any other department responsible for internal auditing.
3. To review to ensure compliance with the laws and regulations imposed by the SET and other relevant regulators.
4. To review and discuss with management regarding the Company's key risks and to ensure that the measures the management has taken to monitor and control the risk.
5. To consider, select, and nominate the independent person(s) to be elected as the Company's external auditor(s) as well as to propose their remuneration, and to attend a meeting with the external auditor(s) without the management at least once a year.
6. To consider related party transactions or transactions which may lead to conflicts of interests to ensure that those transactions comply with the laws and regulations of the Stock Exchange of Thailand, and are justifiable and for the utmost benefit of the Company.
7. To consider the acquisition or disposition of assets of the Company, which has the transaction size that must be approved by the Audit Committee as specified by the Notification of SET and SEC.
8. To prepare the report of the Audit Committee and disclose in the Company's annual report, the Audit Committee's report which must be signed by Chairman of the Audit Committee and consist of at least the following information:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report
 - An opinion on the adequacy of the Company's internal control system
 - An opinion on compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or the laws relevant to the Company's businesses
 - An opinion on the suitability of external auditor(s)
 - An opinion on the transactions that may lead to conflicts of interests
 - Number of the Audit Committee's meetings, and the meeting attendance by each member
 - An opinion or overview comment of the Audit Committee derived from their performance of duties under the scope of the Audit Committee Charter
 - Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, and are in the scope of the duties and responsibilities assigned by the Board of Directors
9. Perform any other duties as assigned by the Board of Directors as the Audit Committee may agree.
10. In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit Committee shall report the findings to the Board to make any improvement or correction in a timely manner as seen appropriate by the committee. Detailed are displayed below:
 - Transactions regarding conflict of interests
 - Transactions regarding frauds, irregularities or significant deficiencies in internal control system

- Any violation against laws on the securities and exchange, SET regulations or business- related laws relevant to the Company

In case the Board or the management fails to take corrective actions on those transactions within the timeframe set by the Audit Committee, any of the Audit Committee members may report such transactions or actions directly to SEC or SET.

11. The Audit Committee can request assistance from external advisors or experts related to the audit operation, at the Company's expense, in accordance with the Company's regulation as necessary.

12. Review the Company's Article of Association and the previous performance at least once a year

Performing the duties of the Audit Committee as stated above, the Audit Committee is directly responsible to the Board of Directors and the Board remains responsible for the operations of the Company to third parties.

Executive Committee

As of 31 December 2019, the Executive Committee consists of:

1. Mr. Somsak Limprasert	Chairman of the Executive Committee
2. Mr. Chaiyot Piyawannarat	Chief Executive Officer
3. Mr. Noppadol Wichienkuer	Executive Committee and Managing Director
4. Mr. Monchai Thunthanase	Executive Committee and Deputy Managing Director (Sales and Engineering)
5. Ms. Haruthai Limprasert	Executive Committee and Deputy Managing Director (Administration)

Scope of Duties and Responsibilities of the Executive Committee

- Operate and manage the Company's business to comply with the objectives, article of association, regulations, policies, requirements, order, as well as the resolutions of the Board and/or the shareholders' meeting by adhering to the rules/regulations regarding the meeting of the Executive Committee of the Company.
- Consider and determine the Company's policy, direction, and business strategy, including the budget plans, human resource management, investment, job enlargement, public relations to be following the framework approved by the Board of Directors as well as supervise the operation of the working group to achieve the target.
- Consider the annual budget allocation proposed by the management before proposing to the Board of Directors for approval. This shall include consideration and approval of the amendment to the annual budget during the absence of the Board of Directors Meeting then propose to the Board at the next meeting.
- Approve the payment to purchase products in the normal business of the Company in an amount of not exceeding 50 million baht (fifty million baht).
- Approve the payment to purchase products in the normal business of equipment and tools or fixed assets related to normal business operations in the amount per transaction not exceeding 20 million baht (twenty million baht) and purchase movable property per transaction not exceeding 10 million baht (ten million baht).
- Approve the sales and services provided in the normal course of business of the Company, such as approving product sales and entering into the contract, etc. in the amount of 300 million baht (three hundred million baht).
- Approve opening/closing all types of bank accounts with a financial institution along with specifying conditions for withdrawal of money or any transaction of the said deposit account.
- Approval of borrowing money, loan procurement, issuing of the bond, overdraft agreement or any other loans from the bank or financial institution or general person under the normal business conditions in the amount per transaction not exceeding 50 million baht (fifty million baht), including required the bank to issue a letter of guarantee for the benefit of the Company's business in the amount per transaction not exceeding 50 million baht (fifty million baht).

9. Approval to take the Company's assets mortgage as collateral against any type of the Company's debt that already exists or will exist in the future in the amount per transaction not exceeding 20 million baht (twenty million baht).
10. Approve key investment spending as specified in the annual budget for expenditure, as assigned by the Board of Directors, or as agreed in principle approved by the Board of Directors.
11. To be the board of consultant to the management team regarding the financial policy, marketing, personnel management, and other operations.
12. Set the structure of the Company, authority as well as appointment, employment, transfer, compensation, remuneration, bonuses for executives who are non-members of the Executive Committee and termination.
13. Have the power to authorize an attorney (s) for an operation under the control of the Executive Committee, or delegate to such persons to be authorized by the Board of Directors deems appropriate within the time period the Executive Committee deems appropriate. The Executive Committee may revoke or amend the attorney or the authorization as see appropriate.
14. Carry out any operations according to the assignment from the Board of Directors from time to time

However, the Executive Committee shall not consider and approve transactions that having any conflicts of interest unless the approval of transactions that are under the policies and criteria approved by the Board of Directors or the shareholders' meeting and in compliance with the laws. The Board of Directors may cancel, withdraw, and amend the authority of the Executive Committee by the resolution of the Board of Directors.

Nomination and Remuneration Committee

As of 31 December 2019, the Nomination and Remuneration Committee consists of:

1. Mr. Suvit Singhajan	Chairman of the Nomination and Remuneration Committee
2. Mr. Somsak Limprasert	Nomination and Remuneration Committee
3. Mrs. Wanchalee Kanchanachongkol	Nomination and Remuneration Committee

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.
3. Searching, selecting and proposing appropriate persons to assume the position of the Company's executives, especially the position of Managing Director or Chief Executive Officer.
4. Executing other tasks related to nominations as assigned by the Board of Directors.

Remuneration

1. Preparing guidelines and policies in determining the Board of Directors and other sub-committees' remuneration, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.
2. Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.

3. Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.
4. Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
5. Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors. The management team and other units have to report or present the information relating to the NRC in order to support the operation of the NRC to achieve their assigned tasks.

Risk Management Committee

As of 31 December 2019, the Risk Management Committee consists of:

1. Mr. Somsak Limprasert	Chairman of the Risk Management Committee
2. Mr. Noppadol Wichienkuer	Risk Management Committee
3. Ms. Haruthai Limprasert	Risk Management Committee
4. Mr. Monchai Thunthanase	Risk Management Committee

Scope of Duties and Responsibilities of the Risk Management Committee

The Board of Directors Meeting No. 1/2017, held on 17 March 2017, passed a resolution to appoint and determine the powers and duties of the Risk Management Committee to support the Board of Directors in formulating risk management policies to cover the entire organization as follows:

1. Establish policies and guidelines for overall risk management that the Company is experiencing or expect to occur and affect the Company (Identification of Risk), including setting policies and giving opinions on risk management both from outside and inside the organization as follows:
 - Financial Risk
 - Operational Risk
 - Strategic Risk
 - Compliance Risk
2. Define strategies and guidelines for risk management of the Company following the risk management policy to be able to assess, monitor, and control each type of risk to an acceptable level by allowing various departments to participate in risk management and control.
3. To monitor and ensure that risk management activities are in line with the Company's policy and framework approved by the Board of Directors.
4. To set risk measurement criteria and acceptable risk level.
5. To set appropriate risk management measures to cope with different situations
6. Assessing risks at the organizational level and specifying risk management methods to be at an acceptable level, including supervising to have risk management under established methods.
7. To review the adequacy and effectiveness of risk management policy and system as well as the compliance with the established policy.
8. Have the authority to call any related persons to clarify or appoint or define the roles in which all levels of employees are responsible for risk management as appropriate and to report to the Risk Management Committee to achieve objectives.
9. To report regularly to the Board of Directors about the management, operation, risk status, changes and areas of improvement to ensure the compliance with the Company's policy and strategy.

10. To provide the risk management manual.
11. Specifying the risks as well as analyzing and assessing possible risks, including the trends may affect the Company.
12. Create a plan to prevent or reduce the risks.
13. Evaluate and prepare risk management reports.
14. Establish an integrated risk management system by linking the information system.
15. Executing other activities that pertain to risks management as assigned by the Board of Directors.

Management Team

As of 31 December 2019, the Company has 6 executives as follows:

1. Mr. Chaiyot Piyawannarat	Chief Executive Officer
2. Mr. Noppadol Wichienkuer	Managing Director
3. Mr. Monchai Thunthanase	Deputy Managing Director (Sales and Engineering)
4. Ms. Haruthai Limprasert	Deputy Managing Director (Administration)
5. Mr. Teerayut Petchwong	General Manager (Production and Design)
6. Mr. Pravitt Rojjanasiriat	General Manager (Product Development)

Scope of duties and responsibilities of the Chief Executive Officer

1. To supervise and approve company's normal business activities, and may hand over power to the Directors or other people to run the work to perform duties on behalf of the Chief Executive Officer in particular under the control of the Chief Executive Officer and within the time that the Chief Executive Officer deems appropriate and the Chief Executive Officer may cancel, withdraw, change or amend such power.
2. To perform and administer to comply with the policies, plans, and budgets approved by the Board of Directors and/or the Executive Committee.
3. To be the Company's authorized to conduct the business under the objectives, article of association, policies, rules, regulations, orders, and resolutions of the shareholders' meeting, and/or the Board of Directors, and/or the Executive Committee of the Company in all respects.
4. To have the power to delegate authority or authorize an attorney (s) for the operations, which such assignment shall be under the authorization scope of the power of attorney, and/or to comply with the rules and regulations prescribed by the Board of Directors, and/or the Company as well as to follow up and evaluate the Company's performance regularly to prevent risks from various factors, whether inside or outside the Company.
5. To approve the payment for normal business operations of the Company by purchasing raw material in the amount per transaction not exceeding 30 million baht (thirty million baht) and purchase equipment and tools or fixed assets movable property related to the operation of not exceeding 10 million baht (ten million baht) per transaction and purchase movable property per transaction not exceeding 5 million baht (five million baht).
6. To approve the sales and services provided in the normal course of business of the Company, such as approving product sales and entering into the contract, etc. in the amount of 300 million baht (three hundred million baht).
7. To approve of borrowing money, loan procurement, issuing of the bond, overdraft agreement or any other loans from the bank or financial institution or general person under the normal business conditions in the amount per transaction not exceeding 20 million baht (twenty million baht), including required the bank to issue a letter of guarantee for the benefit of the Company's business in the amount per transaction not exceeding 20 million baht (twenty million baht).

8. To approve commission and consulting fees when the sales can be collected from customers, with the authority to approve not exceeding 5 percent of sales by signing jointly with the Managing Director.
9. To perform any operations according to the assignment from the Board of Directors or any other sub-committee from time to time.

However, the Chief Executive Committee shall not consider and approve transactions that having any conflicts of interest unless the approval of transactions that are under the policies and criteria approved by the Board of Directors or the shareholders' meeting and in compliance with the laws. The Board of Directors may cancel, withdraw, and amend the authority of the Chief Executive Committee by the resolution of the Board of Directors.

Scope of duties and responsibilities of the Managing Director

1. To oversee the Company's business operations and/or the Company's daily operations.
2. To perform and administrate to comply with the policies, plans, and budgets approved by the Board of Directors and/or the Executive Committee and/or the CEO.
3. To be the Company's authorized to conduct the business under the objectives, article of association, policies, rules, regulations, orders, and resolutions of the shareholders' meeting, and/or the Board of Directors, and/or the Executive Committee, and/or CEO of the Company in all respects.
4. To have the power to delegate authority or authorize an attorney (s) for the operations, which such assignation shall be under the authorization scope of the power of attorney, and/or to comply with the rules and regulations prescribed by the Board of Directors, and/or the Company. However, there is no delegation of authority to persons who may have conflicts of interest.
5. To follow up and evaluate the Company's performance regularly to prevent risks from various factors, whether inside or outside the Company.
6. To consider entering into contracts regarding the Company's business, which benefits to the Company's business, including stipulating the process and method of making the contract for submission to the Executive Committee, and/or the Board of Directors, and/or the Chief Executive Officer.
7. To approve the payment for normal business operations of the Company by purchasing raw material in the amount per transaction not exceeding 20 million baht (twenty million baht) and purchase equipment and tools or fixed assets related to the operation of not exceeding 5 million baht (five million baht) per transaction and purchase movable property per transaction not exceeding 3 million baht (three million baht).
8. To approve the sales and services provided in the normal course of business of the Company, such as approving product sales and entering into the contract, etc. in the amount of 100 million baht (a hundred million baht).
9. To approve commission, consulting fees, and coordination fees when the sales can be collected from customers, with the authority to approve not exceeding 5 percent of sales by signing jointly with the CEO.
10. To consider allocating bonus or rewards which has been approved by the Board of Directors to staff or employees or any person who conducts business for the Company.
11. To have the power to consider hiring staff and appointing as well as rotate across departments or terminate of employment. To determine the rate of wage, compensation, bonus, including welfare for all employees except the Executives.
12. To have the power to issue orders, regulations, and notifications, to ensure that the operations comply with the Company's policy and interest as well as in order to maintain discipline within the organization. Perform any operations according to the assignment from the Board of Directors/ Executive Committee/ CEO from time to time.

Company Secretary

The Board of Directors Meeting No. 1/2019, held on 27 February 2019, resolved to appoint Ms. Pakamas Chimlek as Company Secretary who is qualified and has passed the Company Secretary Program from the Thai Institute of Directors. The said appointment complies with Section 89/15 of the Securities and Exchange Act B.E. 2535 (amended B.E. 2551), which requires the Company Secretary to be responsible for the following actions on behalf of the Company or the Board of Directors with the scope of authority as follows:

1. Keep and maintain the following documents.
 - Directors' register
 - Notice to the Board of Directors' meeting, minutes of the Board of Directors' meeting and annual report of the Company
 - Invitation letter to the shareholders' meeting and minutes of the shareholders
2. Keep the report of stakeholders as provided by directors of executives.
3. Submit a copy of the stakeholders' report under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days after receiving the report. In which, the Company must provide the document retention system to ensure that all preservation is correct and complete and can be inspected in a period of not less than 10 years from the date of issuing the document.
4. To be a center for contacting, inquiring and collecting information that the Board of Directors needs from various departments, and apart from the Management such as auditors and internal auditors, including to arrange the meeting between the Board of Directors and Executives as required.
5. Conduct any other tasks as notified by the Capital Market Advisory Board.

In 2018 and 2019, the Company held the Board of Director's meeting 7 times and the Audit Committee meeting 4 times, the details of attendance of each committee were as follows:

The attendance of the meetings of the Board of Directors and the Audit Committee for 2018 and 2019

Name	The Board Meeting		Audit Committee Meeting		Nomination Committee Meeting	
	2018	2019	2018	2019	2018	2019
1. Assc. Prof. Prapas Praisuwan	7/7	7/7	1/4	-	-	-
2. Mr. Suwit Singhajan	7/7	7/7	4/4	4/4	3/3	2/2
3. Mrs. Wanchalee Kanchanachongkol	7/7	7/7	4/4	4/4	3/3	2/2
4. Mr. Worapoj Yodsatat	2/7	6/7	4/4	3/4	-	-
5. Mr. Somsak Limprasert	7/7	7/7	4/4	4/4	3/3	2/2
6. Mr. Chaiyot Piyawannarat*	-	1/7	-	-	-	-
7. Mr. Noppadol Wichienkuer	7/7	6/7	4/4	4/4	-	-
8. Ms. Haruthai Limprasert	7/7	7/7	4/4	4/4	-	2/2
9. Mr. Monchai Thunthanase	7/7	6/7	1/4	4/4	-	-
10. Mr. Teerayut Petchawong**	-	2/7	-	1/4	-	-
11. Mr. Charung Suphanphong	2/7	-	-	-	-	-
12. Mr. Aphichat Peepathum	4/7	-	3/4	-	-	-

Remark: The Company has changed Directors by appointing Mr. Chaiyot Piyawannarat *which is following the resolution of the Board of Directors' Meeting No. 7/2019, held on September 30, 2019, in place of Mr. Theerayut Petchawong **

Remuneration of Directors

1. Monetary Remuneration

Total remuneration of directors

The 2019 Annual General Meeting of Shareholders held on April 29, 2019, determined the remuneration of the Board of Directors and the Audit Committee in the form of meeting allowances, details were as follows:

Position	Meeting Allowance
The Board Meeting	
Chairman of the Board	20,000 baht per time
Vice Chairman / Director	15,000 baht per time
Audit Committee Meeting	
Chairman of the Audit Committee	20,000 baht per time
Vice Chairman / Audit Committee	15,000 baht per time

In 2019, the Company paid remuneration in the form of meeting allowances to the Board of Directors as follows:

Name	2018	2019
1. Asso. Prof. Prapas Praisuwanna	145,000	140,000
2. Mr. Suwit Singhajan	185,000	185,000
3. Mrs. Wanchalee Kanchanachongkol	165,000	165,000
4. Mr. Worapoj Yodsatat	75,000	135,000
5. Mr. Somsak Limprasert	105,000	105,000
6. Mr. Chaiyot Piyawannarat*	-	15,000
7. Mr. Noppadol Wichienkuer	105,000	90,000
8. Ms. Haruthai Limprasert	115,000	105,000
9. Mr. Monchai Thunthanase	15,000	90,000
10. Mr. Teerayut Petchawong**	-	30,000
11. Mr. Charung Suphanphong	40,000	-
12. Mr. Aphichat Peepathum	60,000	-

Remark: The Company has changed Directors by appointing Mr. Chaiyot Piyawannarat * which is following the resolution of the Board of Directors' Meeting No. 6/2019, held on September 30, 2019, in place of Mr. Theerayut Petchawong **

Executive Committee

Monetary Remuneration

In the year 2018 and of the year 2019, the Company paid monetary compensation to executives as follows:

1. Remuneration of the Executives

List	2018	2019
Number of Executives	8	9
Total remuneration of executives (baht)	46,841,664	37,417,746
Remuneration Form	Salary / Bonus	Salary / Bonus

2. Other Remuneration

The Company has established the provident fund for the Executives and employees, effective from 1 September 2013 onwards. The provident fund contribution details are as follows:

Number of the work years	Contribution rate and benefits
Less than 3 years	0
Over 3 years but less than 5 years	30
Over 5 years but less than 7 years	50
Over 7 years but less than 10 years	70
Over 10 years	100

2.2 Corporate Governance Policy

The Company places importance and adheres to the principles of good corporate governance in business operations. Therefore, the Board of Directors has established the policy to comply with the principles and best practices for the directors to be in line with the Code of Best Practices for Directors of Listed Company under the guidelines of the Stock Exchange of Thailand. Besides, the Company has adopted the principles of good corporate governance as a guideline for the policy development covering the rights and equality of shareholders and stakeholders, structure, roles, responsibilities, and independence of the Board, information disclosure, and transparency, risk management control, as well as business ethics, to allow management and the Company's business operations are efficient and transparent. The principles of good corporate governance cover 5 principles as follows:

Article 1: Right of Shareholders

The Company recognizes and respects the right of shareholders, which shall not do any action violating or depriving of the rights of shareholders, including encouraging shareholders to exercise their rights, for instance, trading or transferring shares, share of profits, sufficient information, attending the meeting to exercise the right to dismiss the directors, appoint auditors and matters affecting the Company such as dividend allocation, the amendment of the article of association and the memorandum, increase and decrease the capital, and approval of special items, etc.

The Company shall proceed in various matters, which is to promote and facilitate the exercise of rights of shareholders as follows:

- The Company requires the Board to prepare the invitation letter by having sufficient information for shareholders to be notified 7 days prior to the meeting date pursuant to the rules and regulations prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand.
- Chairman of the Meeting will inform the Shareholders of rules of the Meeting and voting procedures. Time will be allotted appropriately.
- Allowing shareholders to propose the comments, suggestions, and questions in advance before the Shareholders' Meeting.
- All Shareholders will be allowed in expressing their opinion and raising questions in the Meeting. Directors and relevant Management team members will attend the Shareholders' Meeting to provide responses to any inquiry raised at the Meeting and to take any comments and suggestions into consideration or for further actions. After the Shareholders' Meeting, the Company prepares the complete and accurate minutes of the Meeting, which the shareholders can review.

- In the case that any Shareholder cannot attend a Shareholders' Meeting in person, the Company allows such shareholder to appoint a proxy, either an Independent Director or any person, to attend the Meeting on his/her behalf.

Article 2: Equitable Treatment of Shareholders

The Company applies the principle of equal treatment to all Shareholders, be they Management or Non-Management Shareholders, Majority or Minority Shareholders, or local or foreign Shareholders, as follows:

- The Board of Directors shall not add any meeting agenda without notifying shareholders in advance, especially the important agenda that shareholders need to take time to study before making a decision.
- The Company encourage the use of proxy forms on which shareholders are able to specify their votes. The board should allow shareholders to appoint an independent director as their proxy.
- The appointment of an independent director to protect minority interests, the minority shareholders can suggest, express opinions, or complaints to independent directors. The independent directors will consider each case appropriately, for example complaints, independent directors will investigate and find appropriate remedies, suggestion, and the Independent Director considers that it is seriously affect all stakeholders, or affect the business of the company which they will propose such matters to the shareholders' meeting for consideration in the meeting agenda.
- Promoting the exercise, such as allowing minority shareholders to add agenda before the meeting, which is an opportunity for minority shareholders to nominate persons to be appointed as directors in advance in a timely manner with information to consider the qualifications and consent of the nominees.
- The Company has set up Insider Trading prevention of related persons, including directors, executives, employees and employees of the related group (the spouse and minor children of such person). In the event that the employees or executives disclose information or use it for their own benefits or those involved shall be considered a serious offense and disciplinary punishment.
- For the sake of transparency and future reference, the Company encourage the use of voting cards for important agenda items such as related party transactions or acquisitions or disposal of significant assets.
- Providing the shareholders the opportunity to appoint directors individually.
- In the shareholders' meeting, Directors and Executives will disclose information about their interests in each agenda to allow the Board considering the transactions that may have conflicts of interest and to be able to make decisions for the benefit of the Company. The Directors and Executives who have the said interest shall not have the right to vote in that meeting agenda.
- Establish guidelines to maintain and prevent using internal information in written and inform the guidelines to everyone in the organization to follow. Require that directors and executives have a duty to report securities holdings according to the law.

Article 3: Role of Stakeholders

Recognizing stakeholders' legitimate rights and any agreement with the Company, the Company treats all stakeholders fairly. The following guidelines clearly define work principles for all employees to strictly perform on stakeholder engagement.

Shareholders:

The Company is committed to conducting business with knowledge and management skills and shall perform duties with integrity and make decisions in good faith and in fairness to major and minor shareholders alike, as well as disclosing information regularly and completely as according to the truth.

The Company shall provide fair compensation to employees, take care of and maintain the working environment to ensure safety for life and property of employees. Keep track of and give importance to the development and provision of knowledge and skillsets to employees to ensure their career progress and stability. Strictly comply with laws and regulations relevant to employees, including refrain from any actions that may harm the job security of employees as well as treat them with politeness and respect for human dignity.

Customers:

The Company is committed to producing quality products at a reasonable price. Keep customers' information confidential. Continuously searching for ways to increase customer benefits and comply with the conditions strictly.

Business Partners and Creditors:

The Company shall not proceed with dishonesty in dealing with business partners and creditors and strive to comply with the conditions towards the creditors strictly, whether it is the purpose of using money, repaying, maintaining the quality of the collateral, and any other matters that have been agreed with creditors in order to achieve mutual benefits.

Business Competitors:

The Company shall behave within the framework of good competition, do not seek confidential information of competitors by dishonest methods or inappropriate and not try to damage the reputation of competitors by making false accusations without baseless.

Society:

The Company refrains from any action that shall result in damage to society, natural resources, and the environment. Must also seek opportunities to support social creative activities. Raising awareness of social responsibility among employees at all levels, including the implementation or control of strict compliance with the laws and regulations issued by the regulatory agencies.

Article 4: Disclosure and Transparency

The Company attaches importance to the disclosure of information that is accurate, complete, transparent, and punctual and in accordance with the rules of the Office of the Securities and Exchange Commission. ("The SEC") and the Stock Exchange of Thailand.

The Company shall disclose information on material matters regarding the Company, including financial reports, non-financial information, and other information, which have an impact on the price of securities and affecting the decision-making process of investors and stakeholders of the Company so that all involved with the Company are equally acknowledged. The Company has publicized the information through the SEC and the Stock Exchange of Thailand and the website. www.CPTthailand.com.

The Board of Directors is aware of the responsibility for financial reports that must be accurate, complete, true and reasonable. The consolidated financial statements of the Company are prepared in accordance with generally accepted accounting standards by choosing to use appropriate accounting policies. The accurate and completed accounting records is enough to maintain the property and to identify weaknesses to prevent fraud or unusual operations that are significant by observing regularly, including sufficient important information disclosed in the notes

to the financial statements. In addition, the Board has appointed the Audit Committee to check financial reports, related party transactions, and internal control systems. The Audit Committee will report the results to the Board in every meeting. The report of the Board of Directors, Audit Committee, and the Auditor appears in the annual report. As for investor relations, the Company has no plans to establish the department in the near future but assigned Ms. Phakamas Chimle, the Company Secretary, to be responsible to contact shareholders, analysts, and related parties.

Article 5: Board Responsibilities

(1) Board Composition

The Board of Directors consists of directors with knowledge, ability, and experience to conduct business that is beneficial to the Company. In which the Board of Directors is appointed by the shareholders' meeting, consists of 9 members, 4 of which are independent directors, 1 chairman of the Audit Committee, and 2 members of the Audit Committee. In which at least 1 member of the Audit Committee has sufficient accounting knowledge to be able to perform duties on reviewing the reliability of financial statements. In this regard, the Company requires at least one person from the Board of Directors to be the independent directors acting as a representative of minority shareholders performing the duties of checking and balancing the administration of various businesses of the Company in order to proceed correctly, and for the best interests of the shareholders. The independent directors have a term to perform duties of 3 years.

The Chairman of the Board of Directors and the Chairman of Executive Committee or CEO must not be the same person for check and balance purposes by means of separation of supervision and management roles. The Company has clearly specified the scope of duties and responsibilities of the Directors, Executive Committee, Chief Executive Officer, and Managing Director to prevent the Executive Committee CEO, and the Managing Director has the power to manage and approve the unlimited financial amount.

(2) Subcommittee

The Board of Directors has appointed a subcommittee to assist in the supervision of the business.

- There are a total of 5 executive directors that help streamline the operations with the scope of duties as assigned by the Board of Directors.
- There are at least 3 audit committee members who are responsible for inspecting and overseeing the Company's operations and have the scope of duties as assigned by the Board of Directors. In which all members have qualifications as stipulated in the Securities and Exchange Act or by rules and regulations of the SEC or the Stock Exchange of Thailand.
- The Nomination and Remuneration Committee has at least 3 members, most of whom are independent directors. One independent director is the Chairman of the Nomination and Remuneration Committee to be responsible for setting criteria and policies for the selection and remuneration of the Board of Directors and sub-committees as well as to nominate suitable persons to be the Directors and determine their remuneration.
- There are at least 3 members of the Risk Management Committee, without being a director of the Company, which serves to support the Board of Directors in formulating risk management policies for the entire organization, including supervising to have a system or risk management process to appropriately reduce the impact on the business of the Company.

However, the Company may recruit other sub-committees to perform duties as assigned to ease the management burden of the Board of Directors.

(3) Roles and Responsibilities of the Board

The Board of Directors takes the role of determining vision and mission and approving guidelines for setting of business strategies, policies, plans and budgets, as well as monitoring and supervising the management to take actions according to the policies established in an efficient and effective way under the framework of the law, objectives, article of association of the Company, and the shareholders' meeting resolution, which the Board of Directors has provided.

3.1 Code of Business Ethics

The Company has formulated the Business Ethics and Code of Conduct, which is regularly reviewed and updated for executives and employees to follow in performing their duties with the main issue of keeping the Company's information confidentially, performing duties with honesty, and respect for each other's rights. Maintenance of resources both inside the Company and surroundings. The emphasis on business ethics shall lead to honest operations. Internal control can be done more efficiently, resulting in confidence in the capital market and building credibility for investors.

3.2 Policy on Conflict of Interest

The Company has established a policy regarding conflicts of interest on the basis that all employees must perform duties for the best interests of the Company only. Any actions and decisions must be free from the influence of the personal needs of the family of relatives or of someone else who personally knows them by defining policies covering 2 topics as follows:

- **Connected Transactions:** The Company shall carefully consider the appropriateness before making every connected transaction, including setting the price and conditions of the connected transaction as if entering a transaction with a third party (Arm's Length Basis) and the Audit Committee shall consider the necessity and reasonableness of the transaction. When the Company or subsidiaries have made the connected transaction if it is a transaction as specified in the notification of the Stock Exchange of Thailand regarding disclosure of information and the operation of the listed company in the connected transaction and the announcement of the Capital Market Supervisory Board regarding criteria for making connected transactions. The company shall proceed in accordance with the rules, conditions, and procedures of the said announcement, including disclosing the said item in the annual report and the annual registration statement (Form 56-1) to ensure transparency in connected transactions as well as eliminate conflicts of interest and other situations that cause conflicts of interest.

- Other situations causing the conflict of interest, divided into:

1. General investment, the Company shall not allow the personnel of the Company who are shareholders or receive benefits from competing companies or traders/sellers that the Company is dealing with participating in decisions related to business relations with the said business unless approved by the Board of Directors.

2. Accepting gifts, personnel at all levels should not accept gifts, tickets, sports tickets, leisure proposals, lodging or personal offers, etc. If such conduct would lead to binding condition or cause the Company to lose benefits.

3. Academic work, public service work, being a lecturer or accepting any position, personnel at all levels of the Company can ask for approval from the line director to receive work at an academic institution, public service work, speaker or accepting of any position such as a director, Consultant, which will help expand the vision and experience for that personnel. However, must not adopt the Company or their position involved in activities outside unless approved to do so as well

3.3 Internal control

The Company has established an internal control system in order to assure investors that the Company will have effective operations and increase credibility in the financial statements. Since 2013, the Company has hired BK, IA & IC Co., Ltd. (which ceased service during the years 2014 - 2015 and started the service from 2016 to the present), which have knowledge in accounting and internal control systems to be a consultant for tightening the internal control system along with taking steps to eliminate risks and unusual items, including the establishment of an internal audit department which is responsible for monitoring various control systems.

In addition, the Company has appointed Ms. Boonyanee Kusolsophit to be the secretary of the Audit Committee responsible for presenting the internal audit results to the Audit Committee at least every 3 months.

(4) The Board Meetings

The Board of Directors has scheduled meetings at least 3 months per time and may hold special meetings as necessary by having a work report submitted to the committee every month to enable the board to oversee and supervise the operations of the management continuously. The meeting invitation shall be sent to the directors for consideration at least 7 days before the meeting, except in an urgent case to protect the rights or benefits of the Company. Directors can request additional information from the company secretary.

(5) Report of the Audit Committee

The Audit Committee is responsible for reviewing financial reports with the Accounting and Finance Department and the auditor meeting together and presenting financial reports to the Board of Directors every quarter. The Board of Directors is responsible for the consolidated financial statements of the Company, including financial information (Report of the Board of Directors' Responsibilities for Financial Reports) appearing in the annual report. The said financial statements are prepared in accordance with accounting standards certified and audited by the Company's auditor by choosing to use appropriate and accepted accounting policies and practice regularly, including careful discretion in the preparation and supervision of sufficient disclosure of important information in the notes to the financial statements.

(6) Remuneration

The Company has the policy to determine the remuneration of directors and the audit committee to the level that can motivate the quality directors as the desired compensation is at a level comparable to that of the same industry and linked to the Company's performance. The directors' remuneration must require approval from the shareholders' meeting.

The remuneration of Chief Executive Officer, Managing Director, and Senior Executives determined to be appropriate to the authority and duties in accordance with the rules and policies set by the Board of Directors and for the best interest of the Company. Remuneration in the form of salaries, bonuses, and long-term incentive compensation is in line with the performance of the Company and the performance of each executive.

(7) Development of directors and executives

The Board of Directors promotes and facilitates training and education for those involved in the Company's corporate governance system, such as the Board of Directors, audit committee, executives, etc. in order to have continuous work improvement. Training and education may be conducted internally or using the services of external institutions.

If there is a change of a new director, the company secretary will provide documents that are beneficial to the performance of the duties of new directors as well as providing recommendations on the nature of business and business practices for directors.

Nomination and Appointment of Directors and Senior Executives

1. The Board of Directors

The Company has the committee to select directors in selecting the persons to be appointed as directors shall consider the qualifications knowledge, experience, and time to regularly attend meetings with the Board of Directors. In this regard, the shareholders' meeting shall appoint the directors by using the majority vote according to the following rules and procedures

1. Each shareholder shall have one vote (1) for each share (1).
2. Each shareholder may exercise all the votes he or she elect one or several persons as director or directors. If several persons are to be elected as directors. The shareholder shall not allot his or her votes to any person in any number.
3. Voting for the election of Directors must comply with the majority votes if there is an equality of votes cast for candidates, the chairman of the meeting has an additional vote.

Composition and Appointment of the Board of Directors

1. The shareholders determine the number of positions the directors should have in the meeting but must not be less than 5 people. Whereby no fewer than half of all directors shall have a domicile in the Kingdom and qualifies as required by law.
2. The Board of Directors consists of an independent director, the number of directors which is not less than stipulated by law. Neither having nor used to have any business relationship in the manner that may obstruct the exercise of independent judgment as an independent director. In this regard, the following directors are not considered independent directors.
 - Holding more than 1% of total voting shares including the shareholding of persons related to the independent directors
 - Involved in the management of the Company or major shareholders or receive a salary from the Company or major shareholders.
 - Being a consultant who receives a salary from the Company or major shareholders or has any benefits both directly or indirectly in finance and management of the Company or major shareholders or is a related person or is a close relative to senior management or a major shareholder.
3. The Board shall select an independent director to be the chairman of the board of directors by considering the experience of at least one of the important areas for the Company such as business, marketing, human resource management, finance, law, management. Chairman of the Board must not be the Managing Director or Chief Executive Officer.
4. The election of the Company's directors shall be in accordance with the Articles of Association of the Company and requirements of relevant laws with transparency.
5. The nomination of directors requires to proceed by the criteria of the Nomination and Remuneration Committee with sufficient details to support the decision of the Board of Directors and/or shareholders.

2. Audit Committee

Composition and Appointment of the Audit Committee

The Board of Directors appoints at least 3 members of the Audit Committee and appoints the Chairman of the Audit Committee from the appointed Audit Committee. The audit committee must be a director of the Company and an independent director, which has qualifications as required by the Securities and Exchange Act, including notifications, regulations and/or regulations of the Stock Exchange of Thailand. In addition, at least one audit committee member must be knowledgeable and experience relevant to accounting or finance.

Qualifications of an audit committee member

The Audit Committee of the Company is independent according to the definition of independent directors.

1. Holding no more than 1% of the total voting shares of the Company, parent company, subsidiary company, associated company or juristic person that may have a conflict of interest including the shareholding of persons related to the independent directors.
2. Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties Exception: It has been at least two years after the person has held the position.
3. Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.
4. Not currently having or never had any relations with the company* in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company. Exception: It has been at least two years after the person has held the position.
5. Neither being, nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, nor being a key shareholder, controlling person or partner of the audit office having the auditor providing auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, as a member.
6. Neither being, nor used to be a provider of any professional services including the legal advisory or financial advisory services that received fees in the amount of more than Baht Two million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, nor being shareholder, the controlling person, or partner of such professional services provider, unless such director has resigned from such position for at least two years.
7. Not being a director who has been appointed as a representative of the Company, major shareholders or shareholders relating to major shareholders.
8. Having no other conditions that may obstruct the independent expression of comment on the Company's operation.
9. Not being a director who assigned by the Board of Directors to make decisions in the operation of the Company, parent company, subsidiaries, associated companies, or a juristic person that may have conflicts and not being a director of a listed company that is a parent company, subsidiaries, and associated companies.
10. Having duties in the same manner as specified in Notification of the Stock Exchange of Thailand regarding qualifications and scope of duties of the audit committee.

3. Executive Committee

Composition and Appointment of the Executive Committee

1. The Board of directors appoints a certain number of the committee as it deems appropriate to become an executive committee performing duties as assigned by the Board of Directors. The board of directors shall appoint a member of the executive committee to be the chairman of the executive committee.
2. Being an expert with knowledge, capability and experience that are beneficial to the Company's operation and able to spare full time to perform the duty.
3. Meeting the qualifications and not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E.2535 or other related laws.
4. Does not own/run any business similar to or material competing with the Company or its subsidiaries, or not being a significant partner in any partnership, whether for personal benefit or for the benefit of others unless notified to the shareholders' meeting before a resolution to appoint a member of the Executive Committee according to the terms approved by the Board of Directors.

4. Nomination and Remuneration Committee

Composition of the Nomination and Remuneration Committee

Nomination and Remuneration Committee has been appointed by the Board of Directors, which consists of at least 3 directors and executives, with half of the total number of directors must be an independent director. The Chairman of the Audit Committee is the Chairman of the Nomination and Remuneration Committee.

5. Risk Management Committee

Composition of the Risk Management Committee

The Risk Management Committee consists of at least 3 members, which the members are not required to be directors. The Risk Management Committee shall elect 1 member to be the Chairman of the Risk Management Committee and appointed the secretary of the risk management committee to assist in the operation regarding the meeting appointments, preparing the meeting agenda, submitting the relevant document and recording the minutes.

Qualifications of members of the Risk Management Committee

The qualifications of the Members of the Risk Management Committee must be as follows:

1. Being an expert with knowledge, capability and experience that are beneficial to the Company's operation and able to spare full time to perform the duty.
2. Meeting the qualifications and not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E.2535 or other related laws.
3. Does not own/run any business similar to or material competing with the Company or its subsidiaries, or not being a significant partner in any partnership, whether for personal benefit or for the benefit of others unless notified to the shareholders' meeting before a resolution to appoint a member of the Executive Committee according to the terms approved by the Board of Directors.
4. The Risk Management Committee consists of the expert in finance, accounting or risk management at least 1 person.

6. Senior Management

If the executive position is vacant or unable to perform duties. The Company shall assign the management at a similar level or the next level to be the person in charge until the recruitment and selection of qualified persons according to the rules set by the Company. The executive must be a person with vision, knowledge, and experience suitable for organization culture according to the consideration of the Nomination and Remuneration Committee.

The control of internal information

The Company has policies and procedures to control and manage internal information of the Company which shall not be disclosed to the public to use for personal gain as follows:

1. Educating directors and executives about the duty to report their securities holding and the holding of their spouse and minor children to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act B.E.2535 (include the amendment) and to report the acquisition or disposition of the holding of their spouse and minor children to SEC under Section 246 and the penalty provisions under Section 298 of the Securities and Exchange Act B.E.2535 (include the amendment).
2. Ensuring the directors and executive officers of the Company including their spouse and minor children report the holding of securities and report the changes in the Company's securities holdings to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act B.E.2535 (include the amendment) and send copies of this report to the Company the same day that the reports are submitted to SEC.
3. The Directors, executive officers and employees of the Company and subsidiaries that received inside information which may affect the stock price needs to be careful when trading securities of the Company in the last month before the financial statements or internal information is disclosed to the public. And during 24 hours after the information of the Company has disclosed to the public those related to inside information must not disclose it to anyone unless they have indicated that data to the stock market. The penalties for the violation are regarded as a disciplinary offense under the regulations of the Company and the Company will consider sanctions as appropriate such as verbal warning, written warning, probation and expelling, dismissal or removal depending on the case of violation.

The Auditor's remuneration

1. Audit Fee

The Company's financial statements have been audited by Mr. Yuttapong Chuamuangpan, Certified Public Accountant No. 9445 from ANS Audit Company Limited. The Company paid audit fees for the year 2018 in the amount of 1.65 million baht and the Meeting resolved to approve the audit fees for the year 2019, a total of 1.73 million baht, which is an annual inspection service fee and quarterly review fee.

2. Non Audit Fee

- None -

Dividend Payment Policy

The Company shall make dividend payment at the rate of not less than 40 percent of net profit after tax and legal reserve. However, the aforementioned dividend payment may change, which will depend on the investment plan, liquidity, necessity and other suitability in the future.

Meanwhile, the subsidiaries and/or associates shall also make dividend payment at the rate of 100 percent of net profit after tax and legal reserve. However, the subsidiaries and/or associates may consider dividend payment as per their business conditions, such as investment plan for business expansion.

Connected Transactions

Relationship

The Company has entered into transactions with persons that may have conflicts of interest, such as directors, shareholders, executives, and related companies, which means companies that may have conflicts of interest with the Company, having a relationship with the Director, Executives, and shareholders of the said company. It can be summarized as follows:

Table showing relationships between individuals and juristic persons that may have conflicts

Person / Juristic Person who may have a conflict of interest	Relationship
1. Communication and Systems Solution Public Company Limited (CSS), conducting the businesses of importing and selling cables that are used in the telecommunications network and providing telecommunications system installation services	Having the same independent directors and the chairman of the board, Assoc. Prof. Prapas Praisuwanna
2. Bangkok Sheet Metal Public Company Limited (BM), operating the production of racks, conduits, cabinet, etc.	Having the same independent director and chairman of the board, Assoc. Prof. Prapas Praisuwanna (Assoc. Prof. Prapas Praisuwanna is the Chairman of the Audit Committee of Bangkok Sheet Metal Plc.)
Power Solution Technology Public Company Limited (PSTC), engaging in business design and installing electrical systems renewable energy.	Having the same independent directors and the chairman of the audit committee, Mr. Suvit Singhachan

The trend of Future Connected Transactions

The Company expects that in the future there may be further connected transactions, which are entering into trading transactions and providing services. It is general trade agreements with a person who may have conflicts of interest, have a stake or there may be conflicts in the future. The Company shall strictly comply with the policies and procedures described.

In this regard, any connected transactions that may occur in the future the conditions to be in accordance with general trade conditions with reference to the appropriate price and market conditions. The Company assigned the Audit Committee and/or Independent Directors express opinions on the price and compensation rate, including the necessity and appropriateness of that transaction. If there are any transactions that may occur to persons that may have conflicts of interest in the future. The Company shall comply with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Company may have an independent expert or the Company's auditor give an opinion on the said connected transaction in order to support the decision of the board or shareholders as the case may be. The Company shall disclose the connected transaction in the notes to the financial statements, which have been audited by the auditor of the Company.

Summary of connected transactions of CPT Drives and Power Public Company Limited

For the period Jan - Dec 2019

Person / Juristic Person who may have a conflict of interests	Relationship	Nature of transaction	Transaction Value (Million baht)		Outstanding (Million baht)		Rationale and Necessity	Opinion of the Audit Committee
			The year ended December 31		31 December	31 December		
			2019	2018	2019	2018		
Related Party Transaction								
Communication and Systems Solution Public Company Limited (CSS), conducting the businesses of importing and selling cables that are used in the telecommunications network and roviding telecommunications system installation services	Having the same independent directors and the chairman of the board, Assoc. Prof. Prapas Praisuwanna	Purchasing	0.36	0.22	-	-	CSS is mainly engaged in the distribution of cables, which is one kind of raw material that the Company has to assemble for sale. Therefore, the Company buys the raw material in the category of Cable (115kV) to use in the production of substation and other cables. The said purchase has been made through the price comparison process of the purchasing department and it is a reasonable price as well as considering other conditions such as quality, payment, and punctual delivery of products.	The Audit Committee has considered and deemed that the said purchase transaction is a normal business transaction of the Company and under general trade conditions in accordance with the Company's purchasing policy. In which the Company has made the same transaction with other trading partners, which is reasonable.
		Account payable	-	-	0.33	-		
Bangkok Sheet Metal Public Company Limited (BM), operating the production of racks, conduits, cabinet, etc.	Having the same independent director and chairman of the board, Assoc. Prof. Prapas Praisuwanna (Assoc. Prof. Prapas Praisuwanna is the Chairman of the Audit Committee of Bangkok Sheet Metal Plc.)	Purchasing	6.93	16.34	-	-	BM is principally engaged in the sale of conduits and conduits, which is one kind of raw material that the Company has to assemble for sale. Therefore, the Company purchases raw materials such as electrical conduits for the production of Substation type. The said purchase has been made through the price comparison process of the purchasing department and it is a reasonable price as well as considering other conditions such as quality, payment, and punctual delivery of products. At present, the accounts payable has been paid. There is an outstanding balance in the credit term period only.	The Audit Committee has considered and deemed that the said purchase transaction is a normal business transaction of the Company and under general trade conditions in accordance with the Company's purchasing policy. In which the Company has made the same transaction with other trading partners, which is reasonable.
		Account payable	-	-	2.19	17.36		

Person / Juristic Person who may have a conflict of interests	Relationship	Nature of transaction	Transaction Value (Million baht)		Outstanding (Million baht)		Rationale and Necessity	Opinion of the Audit Committee
			The year ended December 31		31 December	31 December		
			2019	2018	2019	2018		
Related Party Transaction								
Power Solution Technology Public Company Limited (PSTC), engaging in business design and installing electrical systems renewable energy.	Having the same independent directors and the chairman of the audit committee, Mr. Suvit Singhachan	Revenue from contractors and installation	1.49	2.55	-	-	PSTC is mainly engaged in the design and installation of electrical systems for renewable energy, which the Company has provided Subcontracting and installation services primarily. The service price is reasonable and can be compared to other customers with similar work. The revenue from the sale of products is the sale of electrical appliances (Bus Duct), which the price is comparable to other customers. As for the said trade receivables, at present, the Company has received payment. There is an outstanding balance in the credit term period only. Besides, the Company still has unbilled incomes for the same job, which is in accordance with general normal conditions specified in the contract and the same conditions as other clients of the Company.	The Audit Committee is of the opinion that Subcontracting and installation services for projects related to Substation work, which the Company calculates from Standard Gross Margin, which is a normal business transaction of the Company with the details as specified in the contract and with the same conditions as those for other customers with similar work. As for sales of electrical equipment, the price is comparable, similar to general customers of the Company, including incomes that have not yet been paid, which are reasonable.
		Sales revenue	0.04	1.39	-	-		
		Unbilled revenue	-	-	-	1.37		
CPT - TTG Innovation Company Limited (CPT TTG)	Subsidiary	Rental income	0.04	0.03	-	-	CPT TTG is a subsidiary of the Company to support the operation of small to medium-sized biomass power plants and improve the power plant efficiency of biomass power plants for the wood sawmill operators in the southern region. In this regard, CPT TTG has leased part of the office space on the 2nd floor of the Company's building to be an office. The lease is for a period of 1 year (1 August 2018 - 31 July 2019), with a rental fee of 5,000 baht per month under normal commercial conditions as specified in the general lease agreement (during the year 2019, CPT TTG has already registered its dissolution and liquidation).	The audit committee is of the opinion that the rental income is a normal business transaction between the Company and the subsidiary. The transaction is in accordance with general commercial conditions, which it is reasonable.
		Deposit	-	-	-	0.02		

2.3 Internal control and risk management

The Company is aware of the importance of good internal control systems, which will help the business run efficiently and effectively. In which there is the Audit Committee to review the appropriate internal control system and there is the internal audit that is in accordance with the principles of good corporate governance. In this regard, the meeting of the audit committee to approve transactions related to the Company's internal control system will have the auditors, internal auditors, and executives attend the meeting as appropriate to present the information to the audit committee for acknowledgment, follow up, and find solutions to resolve issues.

In addition, the Company arranges for an internal auditor, which is an independent external organization. In the year 2019, the Company appointed BK, IA and IC Co., Ltd. operated by Ms. Boonyanee Kusolsophit, the professional internal auditor and the certified auditor, which has knowledge and ability in accounting and internal control systems. She is a consultant for the internal control system along with taking steps to eliminate risks and unusual items, which is appointed from the meeting of the audit committee to be the secretary of the audit committee and provide the internal audit results to the Audit Committee at least every 3 months.

Besides, the auditor of the Company from ANS Audit Company Limited has engaged in the internal control of the Company regarding the preparation and presentation of the financial statements of the Company to ensure the suitability and reliability of financial reports, without finding any significant observations.

In each of the aforementioned work has been presented in concrete, which shows observations, suggestions, and follow-up with details as follows:

(1) Assessment of the adequacy of the internal control system by the Board of Directors

At the Board of Directors Meeting No. 1/2020 held on February 26, 2020, with the Audit Committee participating, the Board has assessed the internal control system by inquiring information from the management regarding the sufficiency of the internal control system of the Company in all 5 parts, which are the Control Environment, Risk Assessment, Control Activities, Information & Communication Systems, and Monitoring Activities. After the evaluation, the committee is of the opinion that the Company has sufficient internal control systems regarding transactions with major shareholders, directors, executives, or related parties. The internal control system of the Company is appropriate and sufficient to protect assets caused by executives being misused or without power. There is an internal audit system that is independent in tracking and evaluating internal control results. However, the Audit Committee has strictly enforced compliance with the principles of good corporate governance of the Company in order to make the operations as transparent and as effective as possible. In addition, the Company has a system for storing important documents that allow directors, auditors, and legal authority to inspect within a reasonable time

(2) Assessment of internal control systems by internal auditors

The Company's internal auditors appointed to assess, inspect, and monitor the improvement of the Company's internal control system by conducting the risk assessment and annual internal audit plan, including inspecting as well as monitoring the results of system improvements then report directly to the audit committee at least every quarter. The main objective is to assess the efficiency and suitability of the current internal control system, compliance with relevant policies and procedures, including the suitability and reliability of the Company's financial reports. In the past, the internal auditors had initially inspected the operations of the Company by providing observations and recommendations for improving operational efficiency, which the management has emphasized and have made improvements in accordance with the recommendations of the internal auditors. In this regard, the Audit Committee has approved the report of the internal control system audit of the Company by considering the report of the internal

audit report and monitor compliance with the recommendations of the internal control system prepared by internal auditors. The Company has improved the internal control system, especially the issues that have significant risks to the business already.

2.4 Corporate Social Responsibilities (CSR)

Policy Overview

Corporate social responsibility means operating a business with care for the stakeholders, economy, society, and the environment with morality, ethics, and ethics, as well as good governance in carrying out various activities to be honest, transparent, and fair. The Company operates the business with responsibility to society, environment, and stakeholder groups according to the 8 principles of corporate social responsibility guidelines of the Stock Exchange of Thailand has set for the Company to use as part of business process management (CSR - in - Process) as follows:

(1) Conduct business with fairness

Conducting business with fairness creates confidence among related parties, the Company is committed to conducting business with good ethics for competitors in order to create fair competition with the following guidelines.

1. Behave following the framework of good competition, promote free trade competition, avoiding nepotism or join the conspiracy.
2. Do not seek confidential information about competitors by dishonest or inappropriate methods, such as paying remuneration to employees of competitors.
3. Do not try to damage the reputation of competitors by unfair accusations.
4. Do not support any action violating intellectual property, must use products and services that have the right copyrights.

(2) Anti - Corruption

The Company has the policy to conduct business with transparency and adhere to accuracy not support the creation of success by fraud. The Board of Directors has the policy to comply with anti-corruption laws by setting guidelines for the implementation of details as in (e).

(3) Respect to Human Rights

Respecting human rights means treating stakeholders, communities, and society with respect for human values and does not violate their basic rights. The Company and subsidiaries intend to respect and not violate human rights with the following guidelines.

1. Support and respect for the protection of human rights by actively monitoring and preventing businesses from engaging in human rights abuses, such as not supporting forced labor, against child labor, etc.
2. Promoting compliance with human rights requirements within their businesses and encourage the implementation of human rights principles in accordance with international standards.

(4) Fair Treatment to Labor

The Company has the policy to treat all employees equally and fairly, taking care of the well-being of safety and hygiene in the workplace. As well as promoting organizational level learning and human resource development in order to enhance the work of employees professionally. Develop work systems and create innovation in the organization with the following guidelines.

1. Provide fair employment conditions and allow employees to receive appropriate compensation based on their potential.
2. Provide appropriate care and welfare for staff such as annual leave, reasonable overtime, medical treatment as necessary and appropriate, etc.
3. Appointment, rotation, rewarding, and punishment of employees will be done in good faith equally and based on knowledge capabilities and suitability of staff.
4. Provide care for the work environment to be safe for life and employee property.
5. Develop employees to practice skills and increase potential by providing opportunities for employees to have thorough and consistent learning.
6. Law-abiding and regulations relating to employees strictly
7. Avoid any actions that are not fair, which may have an effect on the job security of employees as well as treat employees with politeness.

(5) Responsibilities to Consumers

The Company is committed to producing products and services of quality and standards at a reasonable offering price, keep customers' secrets consistently. Continuously searching for ways to increase customer benefits and comply with various conditions to the customers strictly with the following guidelines.

1. Deliver quality products and standards that meet the needs of customers under fair conditions.
2. Continuously developing products and services to add value to the business and to increase benefits for customers.
3. Providing accurate and sufficient information about products and services that are not exaggerated to provide customers with sufficient information to make decisions.
4. Keep customers' confidential information and not use it for the benefit of themselves or those involved wrongfully.

(6) Environment Care

The Company is aware of the importance of protecting the environment in order not to cause various pollution problems, including global warming, which affects the quality of human life and the ecosystem. The Company has a policy not to take any action that will result in damage to natural resources and the environment with the following guidelines.

1. Using resources efficiently and having energy-saving measures as well as considering the reuse of resources.
2. Develop products and services that do not affect the environment, which is safe to use.
3. Use technology and standardized production procedures by considering the reduction and pollution treatment before releasing it to nature.
4. Regularly support activities that contribute to society and the environment.

(7) Communities and Society Development

The Company has the policy to promote the use of business processes for the benefit of improving the quality of life, which helps to build the economy and strengthen the community and society with the following guidelines.

1. Employment support in the community
2. Seek opportunities to support social and community creative activities.
3. Raising awareness of social and environmental responsibility among employees at all levels
4. Control to be strictly implemented in accordance with the spirit of laws and regulations issued by the regulatory agencies.

(8) Innovation and dissemination of innovation from the operations of social, environmental, and stakeholder

The Company recognizes that stakeholders have an important role in determining business direction. Therefore, gives importance to the care and consideration of all groups of stakeholders both inside and outside the organization. The Company, therefore, has the policy to promote the co-creation of stakeholders in the development of innovations that create a balance between value and value to the community, society, and environment, along with the sustainable growth of the business with the following guidelines.

1. Analyze the work process thoroughly to create opportunities for development towards the discovery of business innovation
2. Create opportunities to create new products with stakeholders for growth while creating sustainable business profits
3. Collaboration with government agencies in product development to help the underprivileged and society

To ensure everyone in the organization is informed of the anti-corruption policy, the Company shall disseminate the said policy through the Company's communication channels such as letter, email, annual disclosure report form (56 - 1) and annual report (56 - 2), which shall review such policy regularly every year.

1. Operation and Report Preparation

Social responsibility in accordance with the above policies and guidelines is always a part of the business operation of the Company. In which the Company operates in accordance with the specified policies and guidelines from the process of procuring quality raw materials at a reasonable price and to create fair competition avoiding nepotism. The Company shall compare products from many raw material suppliers to be able to compare prices and increase bargaining power.

For the production process, the Company inspects and controls the product quality from the beginning until the final step before delivering the product to the customer as well as providing suggestions on how to use the Company's products in the customer's production process to help reduce cycle time in production.

Besides, the marketing department will follow up after sales to listen to problems and suggestions from customers then bring to improve and develop new products to be able to meet the needs of customers.

Due to the Company's business relies on knowledgeable personnel, expertise, and experience, the Company management is aware of the importance of human resources and has the policy to promote new generation of knowledgeable and capable personnel to keep up with the changing technology by arranging staff training and providing opportunities for employees to learn and gain experience in transferring production technology from abroad, which is the manufacturer of that machine directly.

2. Business practices that affect social responsibility

- None -

3. Prevention of involvement in corruption

Corruption means the use of power acquired or the abuse of existing property for the benefit of oneself, family, friends, acquaintances, or any other undue benefits, which causes damage to the interests of others. Corruption can occur in many ways, such as bribery of officials by giving or accepting bribes, both money and belongings, conflict of interest, money laundering, misappropriation, obstruction of the justice process, etc.

The Company has established guidelines for compliance with the anti-corruption policy as follows:

1. Directors, executives, and employees of the Company are prohibited operating or accepting or providing support corruption in all forms, both directly and indirectly. The Company establishes a regular review of compliance with the anti-corruption policy as well as reviewing guidelines to be in line with the policy rules, regulations, announcements, laws, and business changes.
2. The anti-corruption measure is a part of business operations and the responsibility of the Board of Directors, executives, supervisors, all employees at all levels to provide comments about practices to ensure that anti-corruption operations meet the specified policies.
3. The Company does not engage in or support bribery of any kind. All activities must be under supervision including charitable donations, donations to political parties, giving gifts, and support activities, which is transparent and does not intend to convince public or private officials to take inappropriate actions.
4. The Company provides suitable internal control regularly in order to prevent employees from improper behavior, especially sales, marketing, and purchasing.
5. Create a corporate culture that is honest and adheres to fairness. Promoting honesty and being responsible for performing duties including the media to see the Company's commitment.
6. Responsible for the preparation of financial reports that are accurate, complete, in accordance with generally accepted accounting standards.
7. Avoid conflicts of interest which may lead to corruption such as not holding shares in competing companies, avoid using internal information for their own benefit in buying or selling company stock or providing internal information to others.
8. To have an effective system of internal control that is concise, and assessing the adequacy of the internal control system annually. In this regard, the Company hired an outsource company to act as an internal auditor to assess risks and unusual items. The internal audit results will be presented to the audit committee at least every 3 months.
9. If spot any actions that are considered fraud affecting the Company, both directly and indirectly, should notify the managing director immediately. The Company shall keep the confidentiality of the person who reports or complaints about corruption.
10. To ensure everyone in the organization is informed of the anti-corruption policy, the Company will disseminate the said policy through the Company's communication channels such as letter, email, annual disclosure report form (56 - 1) and annual report (56 - 2), which shall review regularly every year.

Part 3 Financial information

3.1 Responsibilities of the Board of Directors for Financial Report

The Board of Directors of CPT Dire & Power Public Company Limited is responsible for the preparation, disclosure, and presentation of the Company's financial statements, including information that appears in the annual report. The aforementioned financial statements were prepared correctly according to the financial reporting standards by using appropriate accounting policies and estimates relating to financial reports. Important information is disclosed sufficiently in the notes to the financial statements. The auditor has already reviewed the financial statements and issued an opinion in detail.

The Board of Directors has appointed the audit committee consisting of independent directors overseeing financial statements, assess the internal control system to be efficient and effective, including the preparation of financial statements in accordance with Thai financial reporting standards, which is in line with international financial reporting standards to ensure that accounting records are accurate, complete, sufficient, timely, and to prevent fraud or unusual operations. The opinion of the audit committee has been disclosed in this annual report.

The Board of Directors deemed that the internal control and internal audit systems of the Company can assure that the financial statements of CPT Drives and Power Public Company Limited presenting the financial status, performance, and cash flow are substantially correct.



(Assoc. Prof. Prapas Praisuwan)

Chairman of the Board

3.2 Report of Audit Committee

The Audit Committee of CPT Drives & Power Public Company Limited consists of 3 independent directors. i.e, Mr. Suvit Singhajan being the chairman of the Audit Committee, Mrs. Wanchalee Kanchanachongkol, and Mr. Worapoj Yodsat as member of the Audit Committee. There is an important scope of duties and responsibilities according to the charter of the Audit Committee to supervise the Company's financial reports to be in accordance with generally accepted accounting standards and principles and to review the Company's operations in accordance with the principles of good corporate governance. Besides, there is an effective internal control system in compliance with relevant laws and regulations as well as overseeing cases of possible conflicts of interest between the Company and the connected persons. In the year 2019, the Audit Committee held 4 meetings according to the details of the attendance of each audit committee as follows:

Name	Position	Meeting held / Meeting attended
1. Mr. Suvit Singhajan	Chairman of the Audit Committee	4/4
2. Mrs. Wanchalee Kanchanachongkol	Audit Committee	4/4
3. Mr. Worapoj Yodsat	Audit Committee	3/4

In this regard, the meeting was held with the relevant senior management, internal auditor, and the auditors. The review results of the audit committee can be summarized as follows:

Financial statements The Audit Committee reviewed the quarterly financial statements and the financial statements for 2019 of the Company with the auditors and management to ensure that the financial statements have been correctly prepared in all material respects in accordance with generally accepted accounting standards. To ensure that the disclosure of the information is sufficient, complete and reliable to comply with relevant laws and notification, including considering new accounting standards in all respect. Besides, there is a special meeting with the auditor without the management attending to ensure that the auditor is independent to perform their duties.

Connected transaction The Audit Committee has considered the disclosure of Company information. In the event that a connected transaction occurs or transactions that may cause conflicts of interest between the stakeholders and the Company, it must be disclosed completely in order to be confident that it has complied with the rules of the Stock Exchange of Thailand (SET). Whereby the Company has complied with good corporate governance policies.

Internal control system The Audit Committee assessed the internal control system in accordance with the guidelines set by the Securities and Exchange Commission, which covers the internal control environment of the organization, risk management, operational control, information and communication systems, including tracking systems. The Audit Committee is of the opinion that the Company has adequate and effective internal control.

Internal Audit Supervision BK, IA & IC Company Limited, a company providing internal auditing services, is assigned to be the Company's internal auditor. Whereby the Audit Committee shall consider the annual internal audit plan, the Internal Audit Report and regularly follow up on internal audit results with the management as well as giving advice to internal auditors to ensure that the implementation of the annual internal audit plan to be efficient.

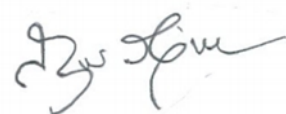
Risk management The Audit Committee has reviewed together with the management regarding the risk management and monitors operations, including proposing for effective risk management procedures to ensure that the Company with ongoing risk management and consider prevention and management of significant business risks, both currently and in the future as well as imposing additional measures for improvement.

Compliance with the Securities and Exchange Act, SET regulations, and the laws related to the Company's business The Audit Committee has supervised the Company to comply with the Notification of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and the laws relating to business operations regularly to ensure the maximum efficiency and effectiveness, including the treatment of the stakeholders of the Company's business with fairness, transparency, and can be verified according to the principles of good corporate governance to build credibility for investors and stakeholders.

To consider and appoint an independent person to act as the Company's auditor The Audit Committee has considered the appointment of the Company's auditors based on their independence, qualifications, skills, knowledge, and experience, as well as the appropriate remuneration to their duties and responsibilities. Therefore, propose to the Board of Directors to consider the appointment of the Company's auditors for the year 2020 by appointing Mr. Atipong Atipongsakul, CPA Registration No. 3500 or Mr. Sathien Vongsnan, CPA Registration No. 3495 or Mr. Vichai Ruchitanont, CPA No. 4054, or Ms. Kultida Pasurakul, CPA Registration No.5946 or Mr. Yuttapong Chuamuangpan, CPA Registration No.9445 or Ms. Kanitta Siriphatanasomchai, CPA Registration No.10837 from ANS Audit Company Limited to be the Company's auditor by fixing remuneration in the amount of 1,790,000 baht.

26 February 2020

On behalf of the Audit Committee



Mr. Suvit Singhajan

Chairman of the Audit Committee

3.3 Independent Auditor's Report

To the Shareholders and the Board of Directors of CPT Drives and Power Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of CPT Drives and Power Public Company Limited and its subsidiaries, and of CPT Drives and Power Public Company Limited respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2019, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the CPT Drives and Power Public Company Limited and its subsidiaries, and of CPT Drives and Power Public Company Limited, respectively, as at December 31, 2019, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue from construction services

Risk

The Group has revenues from construction services for the year ended December 31, 2019 in the amount of Baht 244.66 million. The Group recognized revenues based on the stage of completion of contracts which is measured by the proportion of contract costs incurred for the work performed as at the statement of financial position date, relative to the estimated total costs of the contract at completion. The recognition of revenues, therefore, relies on estimates on the stage of completion of each contract. Profit or loss on contracts is a key risk for the audit because of the judgment involved in preparing suitable estimates of the forecast costs on such contracts which could affect the amount of revenues recognized in the year ended December 31, 2019.

Auditor's Response

My audit procedures included sampling selecting those contracts that could have a significant impact on the Company's financial results in order to:

- Assess the appropriateness of Management's estimated total construction cost by verification with reliable sources of external and internal audit evidence;
- Verify the costs incurred with purchase documents;
- Test the calculations of the state of completion; and
- Compare the state of completion with the information from the Company's engineers.

In addition, I also conducted site visits for certain significant projects from the selected sampled items.

Allowance for devaluation of inventories

Risk

As described in Note to Financial Statement No. 10, the Group has allowance for inventory devaluations as of December 31, 2019 in the amount of Baht 14.39 million. The allowance is estimated from the percentage of each aging inventory based on the historical experience of the Management and on the information from suppliers about the useful lives of the products. The appropriateness of the allowance for inventory devaluations requires significant Management's judgment.

Auditor's Response

I gained an understanding of the internal control related to the estimation of the allowance for inventory devaluations. I also verified the accuracy of the aging report used for estimating the allowance for inventory devaluations. I then determined the appropriateness of the allowance for inventory devaluations by comparing the allowance with the historical movements of inventory and by obtaining information from significant suppliers regarding the useful lives of the products.

Other Information

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Yuttapong Chuamuangpan)

Certified Public Accountant Registration Number 9445

ANS Audit Company Limited

Bangkok, February 26, 2020

CPT DRIVES AND POWER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

3.4 Operational Results and Financial Status

STATEMENT OF FINANCIAL POSITION						
AS AT DECEMBER 31,			(Unit :Million Baht)			
	Consolidated financial statements					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	222.23	14.59	58.32	4.41	38.30	3.21
Current investment - net	450.13	29.55	387.04	29.28	375.69	31.49
Trade and other current receivables - net	407.94	26.78	350.51	26.52	218.18	18.29
Unbilled receivables	43.68	2.87	69.64	5.27	30.79	2.58
Inventories - net	126.35	8.30	94.87	7.18	93.67	7.85
Total current assets	1,250.33	82.09	960.38	72.66	756.63	63.42
Non-current assets						
Restricted deposits at financial institution	2.40	0.16	-	-	-	-
Deposit for purchases fixed assets	-	-	9.20	0.70	0.30	0.03
Withholding tax deducted at source	-	-	-	-	5.10	0.43
Investments in subsidiaries - net	257.84	16.93	333.96	25.27	405.75	34.01
Property, plant and equipment - net	0.75	0.05	0.97	0.07	7.16	0.60
Intangible assets - net	11.65	0.76	15.29	1.16	17.42	1.46
Deferred tax assets - net	0.17	0.01	1.89	0.14	0.59	0.05
Total non-current assets	272.81	17.91	361.31	27.34	436.32	36.58
Total assets	1,523.14	100.00	1,321.69	100.00	1,192.95	100.00
Liabilities and Shareholders' Equity						
Current liabilities						
Short - term loans from financial institutions	34.44	2.26	24.67	1.87	24.27	2.04
Trade and other current payables	272.61	17.90	228.16	17.26	94.40	7.91
Advance received from customers and deferred revenue	38.07	2.50	16.22	1.23	44.42	3.72
Current portion of liabilities under financial lease agreements	1.55	0.10	1.89	0.14	2.61	0.22
Income tax payables	26.10	1.72	5.58	0.42	-	-
Provision for product warranty	16.27	1.07	15.96	1.21	12.70	1.07
Other current provisions	10.85	0.71	10.85	0.82	4.68	0.39
Total current liabilities	399.89	26.26	303.33	22.95	183.08	15.35
Non-current liabilities						
Liabilities under financial lease agreements - net	1.74	0.11	1.77	0.13	9.11	0.76
Non - current provisions for employee benefits	32.56	2.14	23.83	1.80	27.86	2.34
Other non - current liabilities	1.74	0.11	0.57	0.04	2.02	0.17
Total non - current liabilities	36.04	2.36	26.17	1.98	38.99	3.27
Total liabilities	435.93	28.62	329.50	24.93	222.07	18.62

STATEMENT OF FINANCIAL POSITION						
AS AT DECEMBER 31,				(Unit :Million Baht)		
	Consolidated financial statements					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Shareholders' equity						
Share capital						
Registered						
1,255,000,000 ordinary shares at Baht 0.50 each	-	-	-	-	627.50	52.60
900,000,000 ordinary shares at Baht 0.50 each	450.00	29.55	450.00	34.05	-	-
Issued and fully paid-up						
900,000,000 ordinary shares at Baht 0.50 each	450.00	29.55	450.00	34.05	450.00	37.72
Premium on common shares	469.63	30.83	469.63	35.53	469.63	39.37
Retained earnings						
Appropriated Legal reserve	33.38	2.19	34.11	2.58	34.11	2.86
Unappropriated	134.20	8.81	37.62	2.85	17.02	1.43
Total shareholders' equity attributable to owners of parent	1,087.21	71.38	991.36	75.01	970.76	81.37
Non-controlling interests	-	-	0.83	0.06	0.12	0.01
Total shareholders' equity	1,087.21	71.38	992.19	75.07	970.88	81.38
Total liabilities and shareholders' equity	1,523.14	100.00	1,321.69	100.00	1,192.95	100.00

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
FOR THE YEAR ENDED DECEMBER 31,				(Unit :Million Baht)		
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenues from sales of goods	952.11	76.83	649.31	67.42	284.19	48.63
Revenues from construction services	254.12	20.50	274.16	28.46	244.66	41.87
Revenues from services	29.88	2.41	28.20	2.93	42.66	7.30
Other income	3.18	0.26	11.42	1.19	12.89	2.20
Total Revenues	1,239.29	100.00	963.09	100.00	584.40	100.00
Expenses						
Cost of sales	695.00	56.08	510.56	53.01	237.61	40.66
Cost of construction services	206.15	16.63	236.35	24.54	185.21	31.69
Cost of services	13.59	1.10	17.00	1.76	35.05	6.00
Selling expenses	62.83	5.07	57.76	6.00	49.63	8.49
Administrative expenses	82.40	6.65	121.36	12.60	86.58	14.82
(Gain) loss on exchange rates	4.46	0.36	(1.10)	(0.11)	1.43	0.24
Total Expenses	1,064.43	85.89	941.93	97.80	595.51	101.90
Profit (loss) before finance costs and income tax	174.86	14.11	21.16	2.20	(11.11)	(1.90)
Finance costs	(1.99)	(0.16)	(1.59)	(0.16)	(0.87)	(0.15)
Profit (loss) before income tax	172.87	13.95	19.57	2.04	(11.98)	(2.05)
Tax income (expenses)	(32.16)	(2.60)	(5.26)	(0.55)	2.13	0.36
Profit (loss) for the year	140.71	11.35	14.31	1.49	(9.85)	(1.69)
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss Actuarial gain - net from tax	-	-	15.67	1.62	-	-
Total comprehensive income (loss) for the year	140.71	11.35	29.98	3.11	(9.85)	(1.69)
Profit (loss) attributable to						
Equity holders of the parent	140.71	11.35	14.47	1.50	(9.81)	(1.68)
Non-controlling interests	-	-	(0.16)	(0.01)	(0.04)	(0.01)
	140.71	11.35	14.31	1.49	(9.85)	(1.69)
Total comprehensive income (loss) attributable to						
Equity holders of the parent	140.71	11.35	14.47	1.50	(9.81)	(1.68)
Non-controlling interests	-	-	(0.16)	(0.01)	(0.04)	(0.01)
	140.71	11.35	14.31	1.49	(9.85)	(1.69)
Basic earnings (loss) per share	0.22		0.02		(0.01)	
Weighted average number of issued and fully paid-up ordinary shares (million shares)	640		900		900	

STATEMENT OF CASH FLOWS			
FOR THE YEAR ENDED DECEMBER 31,		(Unit :Million Baht)	
CASH FLOWS	2017	2018	2019
Cash flows from operating activities :			
Profit (loss) for the years	140.71	14.31	(9.85)
Adjustments to reconcile profit (loss) before income tax for the years to cash provided by (used in) operating activities			
Depreciation and amortization	16.49	14.42	14.66
Allowance for doubtful account	-	24.52	2.44
Allowance for inventories devaluation	0.95	2.40	2.42
(Gain) Loss from disposal of assets	(0.25)	1.06	0.16
Gain on disposal of current investments	(0.42)	(3.71)	(0.28)
Unrealized gain on current investments	(0.03)	-	(0.56)
Unrealized loss on forward exchange contracts	2.42	0.73	0.52
Unrealized (gain) loss on exchange rates	(0.63)	(0.36)	-
Interest income	(0.25)	(2.15)	(5.08)
Interest expenses	1.99	1.59	0.87
(Reversal) Provision for product warranty	5.49	4.77	(0.66)
Reversal other current provisions	-	-	(6.17)
Non-current provisions for employee benefits	5.24	12.05	4.03
Tax (income) expenses	32.16	5.25	(2.13)
Profit from operating activities before changes in operating assets and liabilities	203.87	74.88	0.37
Operating assets (increased) decreased :			
Trade and other current receivables	(20.95)	34.39	130.44
Unbilled receivables	(28.14)	(25.95)	38.85
Inventories	49.42	29.08	(2.72)
Other non - current assets	0.22	(1.73)	1.30
Operating liabilities increased (decreased) :			
Trade and other current payables	19.66	(45.82)	(134.79)
Advance received from customers and deferred revenue	2.56	(21.85)	28.20
Provision for product warranty	(3.86)	(5.08)	(2.60)
Other non-current liabilities	-	(1.17)	1.46
Cash provided by operating activities	222.78	36.75	60.51
Employee benefit obligations paid	-	(1.18)	-
Interest paid	(1.99)	(1.59)	(0.88)
Income tax paid	(34.40)	(33.33)	(10.68)
Net cash from operating activities	186.39	0.65	48.95

STATEMENT OF CASH FLOWS			
FOR THE YEAR ENDED DECEMBER 31,		(Unit :Million Baht)	
CASH FLOWS	2017	2018	2019
Cash flows from investing activities :			
Interest income	0.25	0.53	5.49
Cash received from disposal of current investment	153.52	596.80	288.45
Cash payment for current investment	(576.00)	(530.00)	(276.25)
Decrease in restricted deposits at financial institution	6.77	2.40	-
Cash payment for deposit for purchases fixed assets	-	(9.20)	(0.30)
Cash received from disposal of fixed assets	0.29	1.63	0.89
Cash payment for purchases of fixed assets	(20.01)	(89.91)	(64.21)
Cash payment for purchases of intangible assets	(0.66)	(0.55)	(7.78)
Decrease in cash and cash equivalents of liquidated subsidiary	-	-	(1.20)
Net cash used in investing activities	0.25	(28.30)	(54.91)
Cash flows from financing activities :			
Decrease in short-term loans from financial institutions	(12.94)	(9.47)	(0.21)
Repayment of liabilities under financial leases agreements	(1.71)	(1.80)	(2.38)
Cash payments for long - term loans from financial institutions	(66.00)	-	-
Cash received from increase ordinary shares	621.00	-	-
Directly attributable expenses of the initial public offering	(16.37)	-	-
Dividend paid	(151.98)	(125.99)	(10.80)
Non-controlling interest increase (decrease)	-	1.00	(0.67)
Net cash used in financing activities	372.00	(136.26)	(14.06)
Net cash and cash equivalents decrease	122.55	(163.91)	(20.02)
Cash and cash equivalents at the beginning of the year	99.68	222.23	58.32
Cash and cash equivalents at the end of the year	222.23	58.32	38.30
Supplemental Disclosures of Cash Flows Information			
Non - cash flows items consist of:			
Increase in assets from financial lease agreements	-	2.17	10.45
Increase in accounts payables for purchase of fixed assets	0.55	0.81	0.55
Increase in assets from transferred deposit for purchases fixed assets	-	-	9.20
Increased in land from long-term debt	66.00	-	-
Dividend payables	-	0.01	-
Assets increased from transfer in inventories	-	-	1.50
Depreciation capitalised to related assets	-	-	2.26

IMPORTANT FINANCIAL RATIOS FOR THE YEAR ENDED DECEMBER 31,			
FINANCIAL RATIOS	2017	2018	2019
Current ratio (Times)	3.11	3.17	4.13
Quick ratio (Times)	2.69	2.62	3.45
Account Receivable Turnover (Times)	3.48	2.70	2.23
Average Collection Period (Day)	105	135	164
Inventory Turnover (Times)	5.69	6.91	4.86
Day Supply in Inventory (Day)	64	53	75
Account Payable Turnover (Times)	4.24	3.70	3.42
Average Collection Period (Day)	86	99	107
Cash Conversion Cycle (Day)	83	90	132
Gross Profit Margin (%)	26	19.73	19.88
Operating Profit Margin (%)	14.11	2.20	(1.90)
Net Profit Margin (%)	11.35	1.49	(1.69)
Return on Equity (%)	22.79	1.32	(1.00)
Return on Assets (%)	11.55	0.94	(0.78)
Fixed Asset Turnover Ratio	63.20	5.55	(2.66)
Total Assets Turnover (Times)	1.01	0.62	0.45
Debt Ratio (Times)	0.40	0.33	0.23

3.5 NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION

CPT Drives and Power Public Company Limited (The "Company") was registered as a juristic person under the Civil and Commercial Code of Thailand on July 25, 2003. On September 16, 2013, the Company converted to a public company limited under the law governing public limited companies and became a listed company in the Stock Exchange of Thailand on December 20, 2017. The Company's registered address is No.230/7, Thetsabarnrungruknuer Road, Ladyao, Jattujak, Bangkok. The Company operates in Thailand. The Company engages in the distribution of electrical equipment and control systems used in industrial plants, including installation and construction of substations.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development, dated October 11, 2016, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The accompanying financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated financial statements

a) The consolidated financial statements include the financial statements of CPT Drives and Power Public Company Limited, and its subsidiaries (together referred to as the “Group”).

The Company's subsidiaries is as follows:

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Subsidiaries	Business type	% Equity interest Owned by the Company	
		2019	2018
CPT - TTG Innovation Co., Ltd.*	Design and sourcing electrical power and energy systems and the construction of small to medium-sized biomass power plants, all as a one stop service	-	59.99
CPT Leasing Co., Ltd.	Business for leasing, hire purchase and lease agreement	99.99	-
CPT - EEE Joint Venture Co., Ltd.	Providing electrical system design contractor and installation services	94.99	-

* On April 24, 2019, CPT-TTG Innovation Company Limited, which is the Company's subsidiaries, held the Extraordinary General Meeting No.1/2019 and approved a resolution to dissolve of CPT-TTG Innovation Company Limited. On April 26, 2019, the subsidiary registered for liquidation with the Department of Business Development, and the liquidation was completed in December 2019.

On August 14, 2019, the Company acquired 999,997 ordinary shares in CPT Leasing Co., Ltd. at Baht 1.25 per share (a par value of Baht 5) for a total investment of Baht 1.25 million. The acquisition resulted the Company hold a 99.99 percent of the registered capital.

On September 4, 2019, the Company acquired 1,899,998 ordinary shares in CPT-EEE Joint Venture Co., Ltd. at Baht 1.25 per share (a par value of Baht 5) for a total investment of Baht 2.37 million. The acquisition resulted the Company hold a 94.99 percent of the registered capital

- b) The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- c) The financial statements of subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The balances between the Company and its subsidiaries, and significant intercompany transactions have been eliminated in the consolidated financial statements.
- e) The separate financial statements prepared for the benefit of the public by presenting the investments in subsidiaries at cost method.

New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year 2019, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 Supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model

(b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company's management will adopt such TFRS in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of the TFRS on the financial statements of the Company in the period of initial application. The Company's management expected to apply the TFRS using the cumulative effect recognized at the date of initial application as at January 1, 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Revenue from repair and services are recognized when the services have been rendered.

Revenue from installations and construction of substations are recognized in proportion to the stage of completion, by calculating the actual construction costs incurred up to the end of the period as compared to the total anticipated construction costs to be incurred to completion. This also considers the results of the evaluation by the Company's engineers. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. The construction costs incurred during the periods are recognized as an expense in the event there is a probability that total project costs exceed contract revenues. The Company immediately recognized estimated loss as an expense in the statement of profit or loss.

Penalties arising from delay

Contingent liabilities from penalties are recognized as an expense in the accounting period in which they are incurred.

The amount of contract revenues that maybe decreased as a result of penalties arising from delay caused by the contractor in the completion of the contract where there is no any impact on the financial statements in the past.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and that are not subject to withdrawal restrictions.

Current investments

Current investments are investments in an Open-End Fund, which are classified in the statements of financial position as trading securities, are carried at their fair values. The fair value is calculated by net asset value of the fund as at the reporting date. Gain or loss on valuation is realized in the statements of profit or loss. The Company calculated the cost of disposed securities during the year by the weighted average method.

Trade receivables and allowance for doubtful accounts

Trade receivables are stated at net realizable value. Allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of existing accounts receivables and the domestic economic environment.

Unbilled receivables and advance received from customers

The recognized revenues which are not yet due as per contracts are presented as “Unbilled receivables” in the statement of financial position. The instalment amounts due and received according to the contracts, but not yet recognized as revenue, are presented as “Advance received from customers” in the statement of financial position.

Inventories

Inventories are stated at the lower of cost (First-in, First-out) or net realizable value. Cost of material comprises the purchase price and cost directly attributable to the acquisition of the material. The cost of finished goods, work in progress and work under installation comprises those of raw materials, direct labor, other direct costs and related production overhead allocated on the basis of normal operating activities.

The Company sets up allowance for the decline in value of inventories on the basis of damage, and long outstanding or obsolete inventories.

Property, plant and equipment - net

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciations of plant and equipment are calculated by reference to their costs on a straight-line basis over their estimated useful lives as follows:

Types of assets	Useful lives (Years)
Buildings	5, 20, 50
Buildings improvements	5
Machinery	12
Office equipment	5
Furniture and fixtures	5
Tools and equipment	5
Vehicles	5, 7

Land is stated at cost. No depreciation is provided.

Depreciation method, useful life and the residual value will be reviewed at the end of the accounting period and adjusted if appropriate.

Borrowing costs directly attributable to the acquisition, construction or production of an asset in preparation for its intended use are capitalized as part of the cost of the respective assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Intangible asset - net

Deferred license fees are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line method based on the term of agreements 5 years.

Finance lease

Finance leases which transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Operating leases

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the profit or loss over the period of the lease.

Employee benefits

Short - term benefits

The Company's salaries, wages, bonuses and social security contributions are accounted as expenses on an accrual basis

Post - employment benefits - defined contribution plan

The Company operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits - defined benefit plan

Employee benefit obligations for severance payment, set-up according to labor law, are recognized as a charge to results of operations over the employee's service period. They calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Company recognized actuarial gains or losses in other comprehensive income for the period in which they arise.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects reimbursement for a provision, the reimbursement is recognized as a separate asset, but only when there is virtually certainty of the reimbursement.

Income tax

Income tax expenses comprise current tax and deferred tax.

Current tax

The Company's current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

The Company's deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognized deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company recorded deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Segment reporting

Segment performance reported to the Company's executive committee (decision makers with highest authority over the operation) represents transactions directly from the operating segment, including the appropriate allocation items.

Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate prevailing at the end of reporting period.

Gains and losses on exchange are included in determining income.

Derivatives

Forward exchange contracts

Forward currency contracts are presented in the financial statements at fair value. Any gains or losses arising from changes in the fair value of those forward currency contracts are recorded in profit or loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there no active market for an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- | | |
|---------|---|
| Level 1 | Use of quoted market prices in an observable active market for such assets or liabilities |
| Level 2 | Use of other observable inputs for such assets or liabilities, whether directly or indirectly |
| Level 3 | Use of unobservable inputs such as estimates of future cash flows |

At the end of each reporting period, the Company determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

Basic earnings (loss) per share and diluted earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the year attributable to equity holders of the parent the weighted average number of ordinary shares during the years.

Diluted earnings (loss) per share are calculated by dividing profit (loss) for the year attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the Group's project managers and certificates of works from its customers.

Estimated construction project costs

The Company estimated costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labor costs and other miscellaneous costs to be incurred to completion of service, and taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Allowance for loss on construction projects

The Company reviews its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the statement of profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

Allowance for doubtful accounts

The Company recorded allowance for doubtful accounts equal to the estimated collection losses that may incur in the collection of receivables. The estimated losses are based on historical collection experience coupled with a review of outstanding receivables at the reporting date.

Allowance for diminution in inventory value

In determining an allowance for diminution in inventory value, the management needs to make judgment with respect to estimating loss from slow moving and deteriorated inventories, including the effect from declines in net realisable values of inventories.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgment regarding the forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant judgment by management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement

Post - employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

5. TRANSACTIONS WITH RELATED PARTIES

Related parties are defined as persons or companies that control other persons or companies or have significant influence over other persons or companies in making financial and/or operational decisions. This includes the companies that have common shareholders or executive management.

Transactions with related parties are conducted at agreed prices on market value or, where no market value exists, at contractually agreed prices.

The followings present relationships with enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or have common directors or shareholders with the Company.

Name of related parties	Nature of relationships
Communication and System Solution Public Co., Ltd.	Common independent directors and audit committee
Bangkok Sheet Metal Public Co., Ltd.	Common independent directors and audit committee
Power Solution Technologies Public Co., Ltd.	Common independent directors and audit committee
CPT - TTG Innovation Co., Ltd.	Subsidiary
CPT Leasing Co., Ltd.	Subsidiary
CPT - EEE Joint Venture Co., Ltd.	Subsidiary

The Company had significant business transactions with related parties for the years ended December 31, as follows:

	Unit : Baht			
	Consolidated		Separate financial	
	financial statements		statements	
	2019	2018	2019	2018
Revenues from sales of goods				
Power Solution Technologies Public Co., Ltd.	40,000.00	1,394,000.00	40,000.00	1,394,000.00
Revenues from construction services				
Power Solution Technologies Public Co., Ltd.	1,490,461.98	2,552,510.33	1,490,461.98	2,552,510.33
Other income				
CPT - TTG Innovation Co., Ltd.	-	-	35,000.00	25,000.00
Purchase of inventories				
Communication and System Solution Public Co., Ltd.	362,677.50	218,900.00	362,677.50	218,900.00
Bangkok Sheet Metal Public Co., Ltd.	6,931,347.94	16,340,400.41	6,931,347.94	16,340,400.41

The Company has transactions with related parties by using cost plus profit as mutually agreed.

Significant balances with related parties as at December 31, can be summarized as follows:

Unit : Baht				
	Consolidated		Separate financial	
	financial statements		statements	
	2019	2018	2019	2018
Unbilled receivables				
Power Solution Technologies Public Co., Ltd.	-	1,369,538.02	-	1,369,538.02
Trade and other current payables				
Communication and System Solution Public Co., Ltd.	328,144.93	-	328,144.93	-
Bangkok Sheet Metal Public Co., Ltd.	2,193,485.94	17,355,338.09	2,193,485.94	17,355,338.09
Total Trade and other current payables	2,521,630.87	17,355,338.09	2,521,630.87	17,355,338.09
Other non - current liabilities				
CPT - TTG Innovation Co., Ltd.	-	-	-	15,000.00

Management compensation - for key management personnel

Management compensation - for key management personnel for the year ended December 31, is as follows:

Unit : Baht		
	Consolidated and	
	Separate financial statements	
	2019	2018
Short - term benefits	35,553,826.76	41,216,097.00
Post - employment benefits	1,863,919.00	5,625,567.00
Total management compensation	37,417,745.76	46,841,664.00

Management comprises those persons who have authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

Unit : Baht				
	Consolidated		Separate financial	
	financial statements		statements	
	2019	2018	2019	2018
Cash on hand	425,271.76	547,090.13	425,271.76	544,076.13
Cash at banks - saving accounts	35,879,502.83	57,161,865.83	32,126,823.73	54,985,647.44
Cash at banks - current accounts	58,500.00	83,750.00	58,500.00	58,500.00
Cheque due	1,934,400.00	526,049.72	1,934,400.00	526,049.72
Total cash and cash equivalents	38,297,674.59	58,318,755.68	34,544,995.49	56,114,273.29

7. CURRENT INVESTMENTS - NET

Current investments as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2019	2018
Investment in Open-end Fund - Fair value	97,698,395.07	39,286.90
Fixed deposits	277,987,044.99	387,000,000.00
Total current investments - net	375,685,440.06	387,039,286.90

Current investment in Open-end Fund-Debt securities as at December 31, consisted of:

	Unit : Baht			
	Consolidated and Separate financial statements			
	2019		2018	
	Fair value		Fair value	
	At cost	Level 2	At cost	Level 2
Open - end Fund - Debt securities - at cost	97,133,372.92	97,133,372.92	38,846.05	38,846.05
<u>Add</u> unrealized gain on investments revaluation	-	565,022.15	-	440.85
Total current investments - net	97,133,372.92	97,698,395.07	38,846.05	39,286.90

During for the years ended December 31, 2019 and 2018, the Company sold the investment with a gain before tax of Baht 0.28 million and Baht 3.71 million, respectively, which is shown as "other income" in the statement of profit or loss for the years ended December 31, 2019 and 2018.

8. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at December 31, consisted of:

Unit : Baht				
	Consolidated		Separate financial	
	financial statements		statements	
	2019	2018	2019	2018
Trade receivables				
Post - dated cheque	6,871,134.00	4,413,750.00	6,871,134.00	4,413,750.00
Trade receivables - other companies	208,825,097.86	343,643,193.06	208,825,097.86	343,643,193.06
Total trade receivables	215,696,231.86	348,056,943.06	215,696,231.86	348,056,943.06
Less allowance for doubtful account	(26,960,170.10)	(24,518,900.00)	(26,960,170.10)	(24,518,900.00)
Trade receivables - net	188,736,061.76	323,538,043.06	188,736,061.76	323,538,043.06
Other current receivables				
Accrued income under contracts	16,855,778.46	7,491,021.65	16,855,778.46	7,491,021.65
Retention receivables	4,184,500.00	60,000.00	4,184,500.00	60,000.00
Advance payments	606,684.00	541,805.72	606,684.00	541,805.72
Advance payment for goods	3,828,978.40	12,404,435.26	3,828,978.40	12,404,435.26
Accrued interest income	1,210,534.57	1,614,267.12	1,210,534.57	1,614,267.12
Prepaid expenses	988,068.28	1,440,896.69	988,068.28	1,440,896.69
Undue input tax	355,280.68	1,311,695.37	355,280.68	1,311,695.37
Revenue department receivable	-	1,224,365.94	-	1,209,079.94
Other receivables	1,416,989.65	888,885.47	1,416,962.59	888,867.90
Total other current receivables	29,446,814.04	26,977,373.22	29,446,786.98	26,962,069.65
Total trade and other current	218,182,875.80	350,515,416.28	218,182,848.74	350,500,112.71

Accrued income under contracts is revenue from sales of unbilled items under the terms of the particular agreement. The Company will bill to the customers when the Company's products conjoin with other components of the customer.

The Company has trade receivables classified by age analysis as follows:

Unit : Baht		
	Consolidated and	
	Separate financial statements	
	2019	2018
Trade receivables		
Current	82,267,369.48	128,422,397.51
Not over 3 months	76,511,753.92	132,810,096.55
Over 3 - 6 months	11,057,305.06	17,770,171.31
Over 6 - 12 months	498,855.40	43,564,537.84
Over 12 months	45,360,948.00	25,489,739.85
Total trade receivables	215,696,231.86	348,056,943.06

Among the receivables overdue for 12 months, which not has been allowance, there are under the term of payments. Management expects to collect the full amount of such outstanding balances.

9. UNBILLED RECEIVABLES/ADVANCES RECEIVED FROM CUSTOMERS AND DEFERRED REVENUE

Unbilled receivables/advances received from customers and deferred revenue as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2019	2018
Revenues recognition from percentage of completion method	244,664,301.29	274,162,184.10
Unbilled receivables		
Project value as per contract	238,452,897.79	321,280,651.79
Accumulated amount recognized as revenues under the percentage of completion basis	149,056,325.30	227,377,387.94
<u>Less</u> value of total billed	(118,271,515.15)	(157,739,870.90)
Unbilled receivables	30,784,810.15	69,637,517.04

	Unit : Baht	
	Consolidated and Separate financial statements	
	2019	2018
Advances received from customer and deferred revenue		
Project value as per contract	69,043,926.00	42,350,000.00
Value of total billed	19,833,785.20	10,115,000.00
<u>Less</u> accumulated amount recognized as revenues under the percentage of completion basis	(7,272,426.53)	(9,098,296.20)
Deferred revenue	12,561,358.67	1,016,703.80
<u>Add</u> advances received from customers	-	11,036,000.00
<u>Add</u> deposit receipts of goods	31,854,881.21	4,163,890.00
Total	44,416,239.88	16,216,593.80

10. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2019	2018
Raw material	93,737,765.99	98,310,866.46
Work in process	10,564,286.11	2,826,434.24
Finished goods	3,358,002.14	2,986,472.32
Goods in transit	402,505.48	2,717,284.57
Total inventories	108,062,559.72	106,841,057.59
<u>Less</u> allowance for inventories devaluation	(14,387,848.59)	(11,972,489.65)
Inventories - net	93,674,711.13	94,868,567.94

11. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries as at December 31, were as follows:

Unit : Thousand Baht					
Subsidiaries	Percentage of		Issued share capital		Separate financial statements
	Investment (%)				Cost method
	2019	2018	2019	2018	2019 2018
CPT - TTG Innovation Co., Ltd.	-	59.99	-	2,500.00	- 1,499.95
CPT Leasing Co., Ltd.	99.99	-	1,250.00	-	1,250.00 -
CPT - EEE Joint Venture Co., Ltd.	94.99	-	2,500.00	-	2,375.00 -
Total investments in subsidiaries					3,625.00 1,499.95
Less allowance for impairment of investments in subsidiaries					- (300.00)
Investments in subsidiaries - net					3,625.00 1,199.95

The following is summarized financial information of subsidiaries before inter-company elimination

Unit : Thousand Baht					
	CPT-TTG		CPT Leasing		CPT-EEE
	Innovation Co., Ltd.		Co., Ltd.		Joint Venture Co., Ltd.
	2019	2018	2019	2018	2019 2018
As at December 31,					
Current assets	-	2,219.79	1,250.98	-	2,501.73 -
Non - current assets	-	15.00	-	-	- -
Current liabilities	-	(150.25)	(25.00)	-	(25.00) -
Non - controlling interests	-	(833.86)	-	-	(123.84) -
For the year ended December 31,					
Loss for the year attributable to non - controlling interests	-	(166.19)	-	-	(1.16) -
Net cash provided by (used in)					
Operating activities	-	(295.52)	(0.97)	-	(1.71) -
Financing activities	-	2,500.00	1,250.00	-	2,500.00 -
Cash and cash equivalents increase - net	-	2,204.48	1,249.03	-	2,498.29 -

12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at December 31, 2019 consisted of:

Unit : Baht

	Consolidated and Separate financial statements									
	Land	Building	Building improvement	Machinery	Office equipment	Furniture and fixtures	Tools and equipment	Vehicles	Building under construction	Total
Cost :										
Balance as at January 1, 2019	129,903,690.85	127,260,286.00	31,760,740.63	-	9,653,932.32	3,403,926.44	23,968,836.92	27,650,722.53	84,469,992.40	438,072,128.09
Add purchase during the year	-	552,505.78	1,769,759.38	61,403,632.63	1,448,537.01	103,203.00	8,921,926.23	13,952,400.00	18,952.00	88,170,916.03
Transfer in/Transfer out	-	84,044,985.40	2,375,842.03	-	-	-	(2,017,903.03)	-	(84,402,924.40)	-
Less disposal during the year	-	-	-	-	(1,821,479.33)	(107,623.84)	(3,196,190.45)	(3,794,617.07)	-	(8,919,910.69)
Balance as at December 31, 2019	<u>129,903,690.85</u>	<u>211,857,777.18</u>	<u>35,906,342.04</u>	<u>61,403,632.63</u>	<u>9,280,990.00</u>	<u>3,399,505.60</u>	<u>27,676,669.67</u>	<u>37,808,505.46</u>	<u>86,020.00</u>	<u>517,323,133.43</u>
Accumulated depreciation :										
Balance as at January 1, 2019	-	43,623,420.16	26,106,080.32	-	7,383,167.86	2,879,947.69	12,667,019.95	11,453,803.81	-	104,113,439.79
Add depreciation during the year	-	5,050,937.25	3,012,691.76	406,553.70	985,889.13	214,174.27	2,621,320.54	3,040,558.54	-	15,332,125.19
Less disposal during the year	-	-	-	-	(1,739,440.41)	(98,060.67)	(3,070,156.98)	(2,963,672.90)	-	(7,871,330.96)
Balance as at December 31,2019	<u>-</u>	<u>48,674,357.41</u>	<u>29,118,772.08</u>	<u>406,553.70</u>	<u>6,629,616.58</u>	<u>2,996,061.29</u>	<u>12,218,183.51</u>	<u>11,530,689.45</u>	<u>-</u>	<u>111,574,234.02</u>
Net book value :										
Net book value - net Beginning of year	<u>129,903,690.85</u>	<u>83,636,865.84</u>	<u>5,654,660.31</u>	<u>-</u>	<u>2,270,764.46</u>	<u>523,978.75</u>	<u>11,301,816.97</u>	<u>16,196,918.72</u>	<u>84,469,992.40</u>	<u>333,958,688.30</u>
Net book value - net Ending of year	<u>129,903,690.85</u>	<u>163,183,419.77</u>	<u>6,787,569.96</u>	<u>60,997,078.93</u>	<u>2,651,373.42</u>	<u>403,444.31</u>	<u>15,458,486.16</u>	<u>26,277,816.01</u>	<u>86,020.00</u>	<u>405,748,899.41</u>

Depreciation for the years ended December 31, 2019 and 2018 amounted to Baht 13.08 million and Baht 14.09 million, respectively, were included in the statements of profit or loss.

Depreciation for the years ended December 31, 2019 in the consolidated and separate financial statements of Baht 2.25 million capitalized as part of assets during the year.

As at December 31, 2019 and 2018, some of the Company's land and buildings have been mortgaged as collateral for loans from financial institution, letters of credit, bank overdraft and letters of guarantee for business of the Company (Note 15).

As at December 31, 2019 and 2018, the Company's utility sytem building and inprovement and equipment, which have been fully depreciated but are still in use, amounted to Baht 75.41 million and Baht 69.58 million, respectively.

13. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2019 consisted of:

	Unit : Baht			
	Consolidated and Separate financial statements			
	As at January 1, 2019	Movement during the year		As at December 31, 2019
		Increase	Decrease	
Cost				
License	-	7,211,481.73	-	7,211,481.73
Computer software	3,463,547.13	568,060.00	-	4,031,607.13
Total	3,463,547.13	7,779,541.73	-	11,243,088.86
Accumulated amortization				
License	-	1,272,382.27	-	1,272,382.27
Computer software	2,492,733.39	313,280.33	-	2,806,013.72
Total	2,492,733.39	1,585,662.60	-	4,078,395.99
Intangible assets - net	970,813.74			7,164,692.87

On February 13, 2019, The Company entered into two license agreements with a company in Germany and its regional entity in Thailand. The Company has been allowed from owner of the rights to produce and sell certain products in Thailand and has been provided the technical assistance and training through the life of the contract period of 5 years

Amortization for the years ended December 31, 2019 and 2018 amounted to Baht 1.59 million and Baht 0.33 million, respectively, were included in the statements of profit or loss.

14. DEFERRED TAX ASSETS - NET

Movements in deferred tax assets during the year were as follows:

	Unit : Baht		
	Consolidated and Separate financial statements		
	Movement increase (decrease)		
	As at January 1, 2019	Profit or loss	As at December 31, 2019
Deferred tax assets			
Trade and other current receivable	4,903,780.00	488,254.02	5,392,034.02
Inventories	2,394,497.90	483,071.81	2,877,569.71
Investments in subsidiary - net	60,000.00	(60,000.00)	-
Non - current provision for employee benefits	4,766,257.40	806,070.40	5,572,327.80
Provision for product warranty	3,192,019.85	(652,538.55)	2,539,481.30
Tax loss carry forward not over 5 years	-	1,069,678.91	1,069,678.91
Assets under financial leases	(27,725.13)	(150.09)	(27,875.22)
Total deferred tax assets - net	15,288,830.02	2,134,386.50	17,423,216.52

Tax (income) expenses for the years ended December 31, were as follows:

	Unit : Baht			
	Consolidated		Separate financial	
	financial statements		statements	
	2019	2018	2019	2018
Profit (loss) before income tax	(11,983,088.36)	19,563,095.88	(11,845,344.55)	19,678,559.92
Income tax rate	20%	20%	20%	20%
Current income tax expenses as tax rate	(2,396,617.67)	3,912,619.18	(2,369,068.91)	3,935,711.99
Non - deductible expenses by the Revenue Code	1,643,698.97	1,582,286.89	1,645,468.03	1,582,286.89
Double expenses by the Revenue Code	(177,046.65)	(323,232.81)	(177,046.65)	(263,232.81)
Non - deductible income by the Revenue Code	(1,233,738.97)	-	(1,233,738.97)	-
Unutilized tax loss carry forward	29,317.82	83,092.81	-	-
Tax (income) expenses	(2,134,386.50)	5,254,766.07	(2,134,386.50)	5,254,766.07
The effective tax rate	17.81%	26.86%	18.02%	26.70%

The Group applied the 20% corporate income tax rate for the years ended December 31, 2019 and 2018.

15. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate	
	financial statements	
	2019	2018
Trust receipts	24,265,771.81	24,669,781.89

As at December 31, 2019, and 2018 the Company obtained credit facilities (bank overdrafts, short-term loans, and letters of guarantee) totaling Baht 716 million and Baht 600 million, respectively and forward exchange contracts amount to U.S. Dollars 6.52 million.

As at December 31, 2019, and 2018, short-term loans from local financial institutions are secured by mortgage of the Company's land and building (Note 12).

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - related companies	2,521,630.87	17,355,338.09	2,521,630.87	17,355,338.09
Trade payables - other	64,878,142.14	183,205,610.55	64,878,142.14	183,205,610.55
Total trade payables	67,399,773.01	200,560,948.64	67,399,773.01	200,560,948.64
Other current payables				
Accrued commission expenses	5,162,354.80	6,079,752.57	5,162,354.80	6,079,752.57
Revenue Department payable	1,250,513.42	-	1,250,513.42	-
Accrued expenses	7,960,093.72	8,998,586.53	7,960,093.72	8,848,586.53
Accounts payables for purchase of fixed assets	1,916,922.45	1,363,188.10	1,916,922.45	1,363,188.10
Liabilities from forward exchange contracts	522,990.98	730,344.31	522,990.98	730,344.31
Withholding tax payables	1,980,737.92	2,228,807.00	1,980,737.92	2,228,557.00
Undue out put VAT	669,553.50	1,022,284.71	669,553.50	1,022,284.71
Retention payables	7,203,993.95	6,296,716.44	7,203,993.95	6,296,716.44
Other	329,318.00	887,341.26	279,318.00	887,341.26
Total other current payables	26,996,478.74	27,607,020.92	26,946,478.74	27,456,770.92
Total trade and other current payables	94,396,251.75	228,167,969.56	94,346,251.75	228,017,719.56

17. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2019	2018
Due within 1 year		
Minimum payments	3,322,936.64	2,013,202.70
Deferred interest	(706,887.71)	(123,757.14)
Present value of minimum payment	2,616,048.93	1,889,445.56
Due over 1 year not exceeding 5 years		
Minimum payments	10,661,677.25	1,843,751.56
Deferred interest	(1,550,064.41)	(73,756.31)
Present value of minimum payment	9,111,612.84	1,769,995.25
Net book value of asset under financial lease	19,952,055.14	7,792,119.33

As at December 31, 2019 and 2018, the Company has vehicles from certain companies under financial lease agreements for periods of 3-4 years. and bear effective interest rates of 1.24% to 8.36% per annum.

18. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provision for employee benefits for the years ended December 31, is as follows:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2019	2018
Non - current provisions for employee benefits		
beginning of the years	23,831,287.00	32,560,008.00
Included in profit or loss::		
Current service costs	3,394,202.00	11,406,781.00
Cost of interest	636,150.00	639,019.00
Benefit paid during the years	-	(1,181,002.00)
Actuarial (gains) losses arising from		
Financial assumptions changes	-	(12,510,510.00)
Demographic assumptions changes	-	277,223.00
Experience adjustments	-	(7,360,232.00)
Non - current provisions for employee benefits		
ending of the years	27,861,639.00	23,831,287.00

Employee benefit expenses for the years ended December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2019	2018
Current service costs	3,394,202.00	11,406,781.00
Cost of interest	636,150.00	639,019.00
Total employee benefits expenses	4,030,352.00	12,045,800.00

Employee benefit expenses for the years ended December 31, as shown in the statements of profit or loss are as follows:

Unit : Baht	
Consolidated and Separate financial statements	
	2019
	2018
Costs of sales	959,735.99
Selling expenses	862,084.03
Administrative expenses	2,208,531.98
Total employee benefits expenses	4,030,352.00
	12,045,800.00

Principal actuarial assumptions at the valuation date are as follows:

	(Percentage (%) / annum)
Discount rate	2.73
Future monthly salary increase rate	6.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017

The result of sensitivity analysis for significant assumptions that affect the present value of the employee benefit obligations as at December 31, are summarized below:

Unit : Baht	
Consolidated and Separate financial statements	
	2019
	2018
	Increase 1%
	Decrease 1%
	Increase 1%
	Decrease 1%
Decrease	24,280,343
Salary increase rate	30,448,991
Turnover rate	24,046,216
	30,490,672
	24,255,705
	28,449,443
	21,281,802
	26,528,573
	21,075,200
	26,815,799
	21,461,361
	24,983,194

As at December 31, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

Unit : Baht	
	2019
	2018
Within 1 year	717,333
Over 1 and up to 5 years	4,449,998
Over 5 and up to 10 years	15,693,065
	717,333
	3,058,240
	17,084,820

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and has additional liabilities for long-term employee benefits. has recorded the effect of the change by recognising past service costs as expenses immediately in the income statement of the year 2018.

19. SHARE CAPITAL

On April 29, 2019, the Annual General Meeting of year 2019 of the company are approved the increase of registered capital of the Company in the amount of Baht 177,500,000, from the existing registered capital of Baht 450,000,000 to new registered capital of Baht 627,500,000, by issuing 355,000,000 ordinary shares at a par value of Baht 0.50 per share and approved the allocation of the increased ordinary shares of the Company as detailed below.

Allocation of the increased ordinary shares	Number of share (shares)	Par value (Baht per Share)	Total (Baht)
Specifying the purpose of utilizing proceeds			
- To support the exercise of warrant to purchase ordinary shares of the Company which will issue and offer to a private placement	85,000,000	0.50	42,500,000
General Mandate			
- To offer to the existing shareholders of the Company in the proportion to their shareholdings (Right Offering)	180,000,000	0.50	90,000,000
- To offer to the Private Placement	90,000,000	0.50	45,000,000

20. WARRANT

On July 1, 2019, the Company allotted the exercise of Warrant to private placement (Mr. Jirawud Kuvanan). The details are as follows:

- No. of securities offered: 85,000,000 units
- No. of shares reserved for exercise: 85,000,000 shares
- Term: 3 years from the issuance date of warrants
- Offering date: July 1, 2019
- Expiry date: June 30, 2022
- Offering price: Baht 0
- Exercise price: Baht 1.20 per share
- Exercise ratio: 1 ordinary share per 1 warrant. The exercise ratio may be changed following the conditions for adjustment of right.
- Exercise date: Every 6 months from the date of issuance, the first exercise date is December 30, 2019 and the final exercise date June 30, 2022

As at December 31, 2019, such warrant have not been exercised.

The exercise price of the warrants (CPT-W1) are higher than the average market price of the Company's ordinary shares for during the period in July 1, 2019 to December 31, 2019. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements for the year ended December 31, 2019.

21. LEGAL RESERVE

Pursuant to the Public Limited Company Act B.E. 2535, the Company must set aside a reserve fund constituting no less than 5 % of the annual net profit deducted by the total deficit brought forward (if any) until the reserve equals no less than 10 % of the registered capital. This legal reserve is not available for dividend distribution.

22. DIVIDEND

On April 29, 2019, the Annual General Meeting of Shareholders for the year 2019 has resolved to pay a dividend from its operating result for the year ended 2018 for 900 million shares at the rate of Baht 0.012 per share, amounting Baht 10.80 million. Dividends were paid to shareholders on May 2019.

On April 23, 2018, the Annual General Meeting of Shareholders for the year 2018 has resolved to pay a dividend from its operating result for the year ended December 31, 2017 for 900 million shares at the rate of Baht 0.14 per share, amounting Baht 126 million. Dividends were paid to shareholders on May 2018.

23. SIGNIFICANT EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, consisted of:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	2019	2018
Changes in finished goods		
And work in process decrease (increase)	(8.11)	12.47
Purchases electrical equipment	278.71	548.65
Raw materials and consumable materials used	1.81	2.25
Employee benefit expenses	92.78	105.20
Directors benefit expenses	37.42	46.84
Depreciation and amortization	14.66	14.42
Allowance for inventories devaluation	2.42	2.40
(Gain) loss on exchange rate	1.43	(1.10)
(Reversal) Provision for product warranty	(0.66)	4.77

24. OPERATING SEGMENTS

The Company operates in three business segments: production and distribution, construction contracts and services. Revenues and expenses relate to business segments and geographical segments for the years ended December 31, as follows:

Unit : Thousand Baht

	Consolidated financial statements							
	Revenues from production and distribution		Revenues from construction services		Revenues from services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	284,192	649,307	244,664	274,162	42,656	28,198	571,512	951,667
Segment gross profit	46,580	138,751	59,453	37,808	7,605	11,195	113,638	187,754
Other income							12,884	11,420
Selling expenses							(49,626)	(57,759)
Administrative expenses							(86,577)	(121,358)
Gain (loss) on exchange rates							(1,427)	1,097
Finance costs							(875)	(1,591)
Tax income (expenses)							2,134	(5,255)
Profit (loss) for the year	(4,037)	10,574	(5,153)	2,881	(659)	853	(9,849)	14,308
Assets:								
Property, plant and equipment - net							405,749	333,959
Other							787,199	987,733
Total assets							1,192,948	1,321,692

Geographic information

During the years ended December 31, 2019 and 2018, the company has revenue from export sales and services amounted to Baht 9.05 million and Baht 67.88 million, respectively.

Major customers

For the years ended December 31, 2019 and 2018, the Company has revenue from one major group and one individual customer in amount of Baht 131.44 million and Baht 224.36 million, respectively.

25. FINANCIAL INSTRUMENTS**Credit risk**

The Company provides credit terms to each customer after confirming their credit worthiness. The collection of accounts receivables is closely monitored and focuses on the overdue receivables. The Company will make a provisions for accounts receivable that are overdue. Presently, the Company's management believes that there is no significant loss arising from the uncollected receivables.

The trade accounts receivable classified by age analysis is disclosed in Note 8.

Interest rate risk

Interest rate risk occurs when the value of financial instruments change in accordance with the fluctuation of market interest rates, which may affect interest income and interest expense of the present and future years.

The management believes that the interest rate risk is minimal. As such, the Company has no hedging agreement to protect against such risk.

Fair value

The fair value of the financial instruments is the amount at which the instruments may be exchanged in a current transaction between willing parties. The following methods and assumptions are used to estimate the fair value for each class of the Company's financial instruments:

- Financial assets are stated at estimated fair value.
- Financial liabilities are stated at book values which are almost the same as the fair value, because such liabilities will mature in the short term and long-term liabilities have floating interest rates.

Foreign currency risk

The Company's exposure to foreign currency risk relates primarily to purchase of major raw materials and sales of goods which are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at December 31, as summarized below.

	Unit : Million	
	Consolidated and	
	Separate financial statements	
	2019	2018
Asset in foreign currencies		
Deposits with financial institutions		
US Dollars	0.41	0.25
Pound Sterling	-	0.09
Trade receivables		
US Dollars	0.03	0.33
Other receivables - accrued income under contracts		
US Dollars	0.09	0.05
Liabilities in foreign currencies		
Short-term loans from financial institutions - trust receipts		
US Dollars	0.54	0.76
Trade payables		
US Dollars	0.40	0.55
EUR	0.03	0.05

Forward exchange purchase contracts outstanding as at December 31, as summarized below.

	Unit : Million	
	Consolidated and	
	Separate financial statements	
	2019	2018
US Dollars	1.06	1.27
EUR	0.03	0.06

The outstanding forward exchange purchase contracts as at December 31, 2019 will mature within 12 months.

26. PROMOTIONAL PRIVILEGES

The Company were granted promotional privileges from the Board of Investment. Subject to certain imposed condition, the privileges include an exemption from corporate income tax

Based on the announcement of the Board of the Investment No. 14/1998 dated December 30, 1998 regarding revenues reporting of a promoted industry, the Company is required to report the revenues from domestic sales and export sales separately, also report separately between the promoted and non-promoted business. The required information are as follows:

Promoted revenues and non-promoted revenues for the year ended December 31, 2019 are summarized below.

Unit: Thousand Baht						
For the year ended December 31, 2019						
Consolidated financial statements			Separate financial statements			
Non -			Non -			
Promoted	promoted	Total	Promoted	promoted	Total	
Revenues						
Revenues from sale of goods	1,437	282,755	284,192	1,437	282,755	284,192
Revenues from construction services	-	244,664	244,664	-	244,664	244,664
Revenues from services	-	42,656	42,656	-	42,656	42,656
Other income	-	12,885	12,885	-	12,910	12,910
Total revenues	1,437	582,960	584,397	1,437	582,985	584,422

27. COMMITMENTS AND CONTINGENT LIABILITIES

27.1 As at December 31, 2019 and 2018, the Company has obligations under leased service charges. The remaining rental and service charges of existing contracts to be paid in the future are as follows:

Unit : Million Baht		
Consolidated and Separate financial statements		
	2019	2018
Within 1 year	0.83	0.63
Over 1 and up to 5 years	1.51	1.25
Total	2.34	1.88

27.2 As at December 31, 2019 and 2018, the Company is contingently liable for bank guarantees issued by the banks amount to Baht 135.63 million and Baht 119.54 million, respectively.

27.3 As at December 31, 2019 and 2018, the Company had unutilized letters of credit amounting to U.S. Dollars 0.01 million (equivalent to Baht 0.39 million) and U.S. Dollars 0.12 million (equivalent to Baht 1.31 million), respectively.

27.4 As at December 31, 2019 and 2018, the Company had obligations to pay according to the contract, advisory and advisory services, and the project amount to Baht 0.05 million and Baht 0.18 million per month, respectively.

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors to be issued on February 26, 2020.

3.6 The management discussion and analysis

The operating result analysis

Revenues

Revenue's structures	2019		2018		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sales of						
1.1 Electric Panel	131.48	22.50	450.10	46.74	(318.62)	(70.79)
1.2 Unit Products	152.71	26.13	199.21	20.68	(46.50)	(23.34)
Total revenue from sales	284.19	48.63	649.31	67.42	(365.12)	(56.23)
2. Revenue from Cable Installation and Substation	244.66	41.87	274.16	28.46	(29.50)	(10.76)
3. Revenue from Services	42.66	7.30	28.20	2.93	14.46	51.27
Total revenue from services	287.32	49.17	302.36	31.39	(15.04)	(4.97)
Total operating revenues	571.51	97.80	951.67	98.81	(380.16)	(39.95)
4. Other income *	12.89	2.20	11.42	1.19	1.48	12.92
Total revenues	584.40	100.00	963.09	100.00	(378.69)	(39.32)

*Other revenues consisted of sales of scrap, interest income and gain from short-term investments etc.

1. Revenue from sales: For the year ended 31 December 2019 and 2018, sales revenues were Baht 284.19 million and Baht 649.31 million, respectively. Which decreased compared to the year 2018 due to the slow investment in the industrial sector, especially the food and beverage industry, Sugar industry, including the delay of government investment projects which directly affect the revenue recognition of the company

2. Revenue from Cable Installation and Substation: For the year ended 31 December 2019 and 2018, Revenues from Cable Installation and Substation were Baht 244.66 million and Baht 274.16 million, respectively. It was decreased when compared to the year 2018, which the project work of some customers delayed. Causing the ability to recognize revenue is reduced, especially the public utility project.

3. Revenue from services: For the year ended 31 December 2019 and 2018, Services revenues were Baht 42.66 million and Baht 28.20 million, respectively. It was increased when compared to the year 2018 because the company focuses on generating more revenue in the service business, including the demand from customers in many industries to install, modify, preventive maintenance and repair products after the expiration of warranty.

4. Other revenue: For the year ended 31 December 2019 and 2018, Services revenues were Baht 12.89 million and Baht 11.42 million, respectively. The amounts were quite similar, which the majors are interest income and gain from short-term investments.

Cost of sales and services

1. Cost of sales: A Main component of cost of goods sold was cost of material, accounted for approximately 70-80% of total cost. Main raw materials contained assembly parts of machine control panel such as Motors, Invertors and electric equipment etc. which were purchased both domestically and internationally. Besides, other costs were direct labor, miscellaneous expenses, and depreciation etc., accounted for approximately 10-15% of total costs.

For the year ended 31 December 2019 and 2018, cost of goods sold were Baht 237.61 million and Bath 510.56 million, respectively, equivalent to 40.66% and 53.01% of total revenues, respectively or accounted as gross profit margin of 16.39% and 21.37%, respectively. Gross profit margin decreased due to the more intense competition and the sales revenue of the year 2019 decreased from the year 2018 leading to the higher fixed cost to sales

2. Cost of cable installation and substation: Actual cost of construction which is completed until the end of year. For the year ended 31 December 2019 and 2018, actual construction cost were Baht 185.21 million and Baht 236.35 million, respectively. Accounted for 31.69% and 24.54% of total revenues, respectively or equal to gross profit margin of 24.30% and 13.79%, respectively. A large project that was completed in 2019 and higher gross profit margin than other projects. Because project management is more efficient especially the purchase of large quantities of raw materials makes it possible to negotiate sellers, therefore resulting in reduced product costs.

3. Cost of Services: Consist of cost of services and cost of repairs (in case that product warranty was expired). For the year ended 31 December 2019 and 2018, cost of services were Baht 35.05 million and Baht 17.00 million, respectively, accounted for 6.00% and 1.77% of total revenues respectively or equal to gross profit margin of 17.83% and 39.70%, respectively, Due to increased competition.

Selling expenses and administrative expenses

1. Selling expenses: For the year ended 31 December 2019 and 2018, selling expenses were Baht 49.63 million and Baht 57.76 million, respectively, accounted for 8.49% and 6.00% of total revenues. Proportion to total revenue in the year 2019 increased when compared to 2018 due to the reduction of sales revenue and fixed cost of employee's expenses. Major selling expense is employee expense which is fixed cost. Employee's expenses in the year 2019 and 2018 were Baht 25.90 million and Baht 27.01 million, respectively or accounted for 52.18% and 46.77% of total selling expenses, respectively. Expenses that vary with declining revenues.

2. Administrative expenses: For the year ended 31 December 2019 and 2018, administrative expenses were Baht 86.58 million and Baht 121.36 million, respectively or accounted for 14.81% and 12.60% of total revenues. Proportion to total revenue in the year 2019 increased when compared to the year of 2018 due to the decrease of sales revenue. Administrative expenses in 2019 decreased for Baht 34.78 million or equivalent to 28.66% which mainly from the management and employee's expenses, from cost management that is more efficient and decreased expenses for visiting overseas. Including in year 2018, allowance for doubtful debt was recorded for 24.52 million baht for the long overdue customer due to management team considered that it may not be able to receive payouts.

Gain (Loss) on exchange rate

For the year ended 31 December 2019 and 2018, loss on exchange rate were Baht 1.43 million and gain on exchange rate were Baht 1.10 million, respectively. Gain (Loss) on exchange rate shown in income statement was both realized and unrealized. The Company minimized the risk from exchange rate's fluctuation by using forward contracts. The difference between bill of lading's exchange rate and forward contract's exchange rate were considered as realized gain/loss from exchange rate. At the end of period, the Company might be affected from the unrealized exchange rate from the adjustment of receivables or payables as the requirement of accounting standard if there was accounts receivable or payable balance in foreign currency.

Finance Cost

For the year ended 31 December 2019 and 2018, finance costs were Baht 0.88 million and Baht 1.59 million, respectively. Finance cost for the year ends 2019 and 2018 was interest expenses for short term loan from financial institution which was trust receipt for the purpose of importing raw materials from overseas and interest expenses for vehicle's leasing.

Profit (loss) for the year

For the year ended 31 December 2019, net loss were Baht 9.85 million and for the year ended 31 December 2018, net profit were Baht 14.31 million, The Company's and subsidiaries operating result for the year ended 2019 was loss due to the reduced sales as described above.

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