

CPT Drives and Power Public Company Limited

Professional for Drives and Power

No. CPT/EN013-2021

November 11, 2021

Subject : Management Discussion and Analysis for the 3 month period ended 30 September 2021

To : Presidents
The Stock Exchange of Thailand

Board of Directors meeting no.4/2021 of CPT Drives and Power Public Company Limited (“the Company”) which held on November 11, 2021 resolved to approve the financial statement for the 3 month period ended 30 September 2021. The Company would like to inform the management discussion and analysis for the 3 month period ended 30 September 2021 as following.

The operating result analysis for the 3 month period ended 30 September 2021

Revenues

Revenue's structures	2021		2020		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sales of						
1.1 Electric Panel	40.45	24.31	95.79	30.95	(55.34)	(57.77)
1.2 Unit Products	22.38	13.45	142.15	45.93	(119.77)	(84.26)
Total revenue from sales	62.83	37.76	237.94	76.88	(175.11)	(73.60)
2. Revenue from Cable Installation and Substation	97.66	58.69	61.99	20.03	35.67	57.54
3. Revenue from Services	4.77	2.87	8.38	2.71	(3.60)	(43.00)
Total revenue from services	102.43	61.56	70.37	22.74	32.07	45.57
Total operating revenues	165.26	99.32	308.31	99.62	(143.05)	(46.40)
4. Other income *	0.60	0.36	0.84	0.27	(0.24)	(28.46)
5. Gain on exchange rate	0.54	0.32	0.33	0.11	0.21	62.24
Total revenues	166.40	100.00	309.48	100.00	(143.08)	(46.23)

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

- 1. Revenue from sales:** For the 3 month periods ended 30 September 2021 and 2020, sales revenues were Baht 62.83 million and Baht 237.94 million, respectively. Due to delays in the delivery of raw materials from suppliers. As a result, some sales work is still in the process of production and waiting for delivery. Including the impact of the pandemic Covid-19. The delivery was not at full strength.
- 2. Revenue from Cable Installation and Substation:** For the 3 month periods ended 30 September 2021 and 2020, Revenues from Cable Installation and Substation were Baht 97.66 million and Baht 61.99 million, respectively. This increased compared to 2020 due to the number of high-value projects. And deliver work according to the progress of many project work.

3. **Revenue from services:** For the 3 month periods ended 30 September 2021 and 2020, Services revenues were Baht 4.77 million and Baht 8.38 million, respectively. This decreased compared to 2020, due to the impact of the pandemic Covid-19. Making it impossible to access the service at the customer site at full capacity.

Cost of sales and services

1. **Cost of sales:** A Main component of cost of sales was cost of material, accounted for approximately 70-80% of total cost of sales. Main raw materials contained assembly parts of machine control panel such as Motors, Inverters and electrical equipment etc. which were purchased both domestically and internationally supplier. Besides, other costs were direct labor, miscellaneous expenses, and depreciation etc., accounted for approximately 20-30% of cost of sales.

For the 3 month periods ended 30 September 2021 and 2020, cost of goods sold were Baht 58.25 million and Bath 204.41 million. Cost of sales varies with sales decline.

2. **Cost of cable installation and substation:** Actual cost of construction which is completed until the end of year. For the 3 month periods ended 30 September 2021 and 2020, actual construction cost were Baht 124.84 million and Bath 59.29 million. Higher cost Due to the increase in raw material prices, including steel, copper, wires, etc. In addition, according to Covid-19 prevention measures causing the increasing of labor costs higher than before, and the past project cost exceeds the projected.
3. **Cost of Services:** Consist of cost of services and cost of repairs (in case that product warranty was expired). For the 3 month periods ended 30 September 2021 and 2020, cost of services were Baht 4.53 million and Baht 6.10 million. Which is close to the same quarter as last year.

Selling expenses and administrative expenses

1. **Selling expenses:** For the 3 month periods ended 30 September 2021 and 2020, selling expenses were Bath 6.55 million and Baht 9.54 million, decreased when compared to the year 2020 Due to more efficient cost management.
2. **Administrative expenses:** For the 3 month periods ended 30 September 2021 and 2020, administrative expenses were Baht 15.81 million and Baht 17.28, decreased when compared to the year 2020 Due to more efficient internal management.

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Statement of Profit or Loss	For the Three-Month Period		Change	
	30 September 2021	30 September 2020	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenues from sales of goods and services	165.26	308.31	(143.05)	(46.40)
Cost of sales and services	187.63	269.79	(82.16)	(30.45)
Gross profit (loss)	(22.37)	38.52	(60.89)	(158.07)
Other income	0.60	0.84	(0.24)	(28.46)
Gain on exchange rate	0.54	0.33	0.21	62.24
Profit (loss) before expenses	(21.23)	39.69	(60.91)	(153.47)
Selling expenses	6.55	9.54	(2.99)	(31.33)
Administrative expenses	15.81	17.28	(1.46)	(8.46)
Profit (loss) before finance costs and income tax	(43.59)	12.87	(56.46)	(438.67)
Finance costs	0.15	0.25	(0.09)	(38.48)
Tax expenses (income)	(8.70)	0.60	(9.32)	(1,543.85)
Profit (loss) for the periods	(35.04)	12.02	(47.06)	(391.52)
Net Profit (loss) per share (Baht)	(0.0389)	0.0134	(0.0523)	

Profit (loss) for the periods

For the 3 month periods ended 30 September 2021, net loss were Baht 35.04 million and for the 3 month periods ended 30 September 2020, net profit were Baht 12.02 million, The Company's and subsidiaries operating result for the year 2021 decrease, due to delays in the delivery of raw materials from suppliers. As a result, some sales work is still in the process of production and waiting for delivery. Therefore, the revenue recognition in this quarter is quite low. Another reason is due to the market price of raw material increase including steel, copper, wires, etc. In addition, according to Covid-19 prevention measures causing the increasing of labor costs higher than before. And exceeding cost of the past projects.

Statement of financial position analysis as of 30 September 2021

Statement of Financial Position	30 September 2021	31 December 2020	Change	
	Million Baht	Million Baht	Million Baht	%
Current assets	752.49	838.15	(85.66)	(10.22)
Non-current assets	511.58	431.10	80.48	18.67
Total assets	1,264.07	1,269.25	(5.18)	(0.41)
Current liabilities	299.97	232.74	67.23	28.89
Non-current liabilities	38.74	34.35	4.39	12.80
Total liabilities	338.71	267.09	71.62	26.82
Total Shareholders' equity	925.36	1,002.16	(76.80)	(7.66)
Total liabilities and shareholders's equity	1,264.07	1,269.25	(5.18)	(0.41)

Assets

Total assets as of 30 September 2021 and 31 December 2020 were Baht 1,264.07 million and Baht 1,269.25 million, respectively. Current assets decreased Baht 85.66 million or equivalent to -10.22% because Trade and other current receivables decreased Baht 129.60 million. Cash and cash equivalents and other current financial assets decreased Baht 22.48 million, other non-current assets increased Baht 80.48 million or equivalent to 18.67%. Other non-current assets increased Baht 70.47 million. Deferred tax assets increased Baht 15.19 million, and Property, plant and equipment decreased Baht 9.79 million

Liabilities

Total liabilities as of 30 September 2021 and 31 December 2020 were Baht 338.71 million and Baht 267.09 million, respectively. Current liabilities increased Baht 67.23 million or equivalent to 28.89% because the increase in contract liabilities for Baht 62.23 million. Advance received from customers increased Baht 13.37 million and Short-term loans from financial institutions decreased Baht 7.96 million. However, non-current liabilities increased Baht 4.40 million or equivalent 12.80%, this was due to the increase in the recognition of non-current provisions for employee benefits.

Shareholders' equity

Shareholders' equity as of 30 September 2021 and 31 December 2020 were Baht 925.36 million and Baht 1,002.16 million, respectively. Shareholders' equity decreased because of the operating in the 9 month periods 2021 and dividend payment in May 2021 for Baht 18.00 million.

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CPT Drives and Power Public Company Limited

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www.CPTthailand.com

To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

Authorized Persons to Disclose Information

Translation



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www.CPTthailand.com

Professional for Drives and Power

No. CPT/EN014-2021

November 11, 2021

Subject : CPT - Clarification of the operating result for the 3 month period ended 30 September 2021

To : President

The Stock Exchange of Thailand

CPT Drives and Power Public Company Limited ("the Company") informed the operating result regarding to the financial statement for the 3 month period ended 30 September 2021, total revenue was Baht 166.40 million and net loss was Baht 35.04 million. For the 3 month period ended 30 September 2020, total revenue was Baht 309.48 million and net profit was Bath 12.02 million.

The Company and its subsidiaries has total revenue for the 3 month period ended 30 September 2021 decrease, due to delays in the delivery of raw materials from suppliers. As a result, some sales work is still in the process of production and waiting for delivery. Therefore, the revenue recognition in this quarter is quite low. Including the impact of the pandemic Covid-19. Another reason is due to the market price of raw material increase including steel, copper, wires, etc. In addition, according to Covid-19 prevention measures causing the increasing of labor costs higher than before. And exceeding cost of the past projects.

To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

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