

CPT Drives and Power Public Company Limited

Professional for Drives and Power

No. CPT/EN002-2022

February 17, 2022

Subject : Management Discussion and Analysis for the year ended 31 December 2021

To : Presidents
The Stock Exchange of Thailand

Board of Directors meeting no.1/2022 of CPT Drives and Power Public Company Limited (“the Company”) which held on February 17, 2022 resolved to approve the financial statement for the year ended 31 December 2021. The Company would like to inform the management discussion and analysis for the year ended 31 December 2021 as following.

The operating result analysis for the year ended 31 December 2021

Revenues

| Revenue's structures | 2021 | | 2020 | | Change | |
|--|---------------|---------------|---------------|---------------|-----------------|----------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| 1. Revenue from sales of | | | | | | |
| 1.1 Electric Panel | 196.78 | 24.97 | 288.99 | 30.40 | (92.21) | (31.91) |
| 1.2 Unit Products | 85.67 | 10.87 | 344.52 | 36.23 | (258.85) | (75.13) |
| Total revenue from sales | 282.45 | 35.84 | 633.51 | 66.63 | (351.06) | (55.43) |
| 2. Revenue from Cable Installation and Substation | 471.29 | 59.79 | 277.87 | 29.22 | 193.42 | 69.61 |
| 3. Revenue from Services | 25.00 | 3.17 | 31.69 | 3.33 | (6.69) | (21.10) |
| Total revenue from services | 496.29 | 62.96 | 309.57 | 32.55 | 186.73 | 60.32 |
| Total operating revenues | 778.74 | 98.80 | 943.07 | 99.18 | (164.33) | (17.43) |
| 4. Other income * | 8.55 | 1.08 | 6.43 | 0.68 | 2.13 | 33.08 |
| 5. Gain on exchange rate | 0.95 | 0.12 | 1.35 | 0.14 | (0.40) | (29.89) |
| Total revenues | 788.24 | 100.00 | 950.85 | 100.00 | (162.61) | (17.10) |

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

- 1. Revenue from sales:** For the year ended 31 December 2021 and 2020, sales revenues were Baht 282.45 million and Baht 633.51 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.
- 2. Revenue from Cable Installation and Substation:** For the year ended 31 December 2021 and 2020, Revenues from Cable Installation and Substation were Baht 471.29 million and Baht 277.87 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 year ended 31 December 2021 and 2020, Services revenues were Baht 25.00 million and Baht 31.69 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 year ended 31 December 2021 and 2020, cost of goods sold were Baht 266.48 million and Bath 555.46 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 year ended 31 December 2021 and 2020, actual construction cost were Baht 525.10 million and Bath 255.52 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 year ended 31 December 2021 and 2020, cost of services were Baht 17.38 million and Baht 22.07 million. Which is close to the same quarter as last year.

Selling expenses and administrative expenses

1. **Selling expenses:** For the year ended 31 December 2021 and 2020, selling expenses were Bath 27.18 million and Baht 37.26 million, Due to proactive restructuring of the organization, adding more personnel in the sales team to be effective consistent with the company's Backlog orders.
2. **Administrative expenses:** For the year ended 31 December 2021 and 2020, administrative expenses were Baht 59.61 million and Baht 71.76, decreased when compared to the year 2020 Due to more efficient internal management.

CPT Drives and Power Public Company Limited

Professional for Drives and Power

| Statement of Profit or Loss | For the Year End | | Change | |
|---|------------------|------------------|---------------------|------------|
| | 31 December 2021 | 31 December 2020 | Increase (Decrease) | |
| | Million Baht | Million Baht | Million Baht | % |
| Revenues from sales of goods and services | 778.74 | 943.07 | (164.33) | (17.43) |
| Cost of sales and services | 808.96 | 833.05 | (24.09) | (2.89) |
| Gross profit (loss) | (30.22) | 110.02 | (140.24) | (127.47) |
| Other income | 8.55 | 6.43 | 2.12 | 33.08 |
| Gain on exchange rate | 0.95 | 1.35 | (0.40) | (29.89) |
| Profit (loss) before expenses | (20.72) | 117.80 | (138.52) | (117.59) |
| Selling expenses | 27.18 | 37.26 | (10.08) | (27.06) |
| Administrative expenses | 59.61 | 71.76 | (12.14) | (16.92) |
| Profit (loss) before finance costs and income tax | (107.51) | 8.78 | (116.30) | (1,323.66) |
| Finance costs | 0.67 | 1.32 | (0.66) | (50.23) |
| Tax expenses (income) | (22.07) | 1.93 | (24.01) | (1,240.37) |
| Profit (loss) for the year | (86.11) | 5.53 | (91.64) | (1,658.46) |
| Net Profit (loss) per share (Baht) | (0.0957) | 0.0061 | (0.1018) | |

Profit (loss) for the year

For the year ended 31 December 2021, net loss were Baht 86.11 million and for the year ended 31 December 2020, net profit were Baht 5.53 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 year 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 31 December 2021

| Statement of Financial Position | 31 December 2021 | 31 December 2020 | Change | |
|--|------------------|------------------|--------------|---------|
| | Million Baht | Million Baht | Million Baht | % |
| Current assets | 805.25 | 838.15 | (32.90) | (3.92) |
| Non-current assets | 529.10 | 431.10 | 98.00 | 22.73 |
| Total assets | 1,334.35 | 1,269.25 | 65.10 | 5.13 |
| Current liabilities | 400.70 | 232.74 | 167.96 | 72.17 |
| Non-current liabilities | 30.08 | 34.35 | (4.28) | (12.44) |
| Total liabilities | 430.78 | 267.09 | 163.68 | 61.29 |
| Total Shareholders' equity | 903.57 | 1,002.16 | (98.59) | (9.84) |
| Total liabilities and shareholders's equity | 1,334.35 | 1,269.25 | 65.10 | 5.13 |

Assets

Total assets as of 31 December 2021 and 2020 were Baht 1,334.35 million and Baht 1,269.25 million, respectively. Current assets decreased Baht 32.90 million or equivalent to -3.92% because Trade and other current receivables decreased Baht 144.83 million. Cash and cash equivalents and other current financial assets increased Baht 71.28 million, other non-current assets increased Baht 98.00 million or equivalent to 22.73%. Other non-current assets increased Baht 70.32 million. Deferred tax assets increased Baht 20.69 million, and Property, plant and equipment decreased Baht 11.43 million

Liabilities

Total liabilities as of 31 December 2021 and 2020 were Baht 430.78 million and Baht 267.09 million, respectively. Current liabilities increased Baht 167.96 million or equivalent to 72.17% because the increase in Trade and other current payables for Baht 113.67 million. Advance received from customers increased Baht 48.83 million other current provisions increased Baht 13.02 million and Short-term loans from financial institutions decreased Baht 7.96 million. However, non-current liabilities decreased Baht 4.28 million or equivalent -12.44%, this was due to the decrease in the recognition of non-current provisions for employee benefits.

Shareholders' equity

Shareholders' equity as of 31 December 2021 and 2020 were Baht 903.57 million and Baht 1,002.16 million, respectively. Shareholders' equity decreased because of the operating in the year ended 2021 and dividend payment in May 2021 for Baht 18.00 million.

-Translation-



CPT Drives and Power Public Company Limited

Professional for Drives and Power

www.CPTthailand.com

To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

Authorized Persons to Disclose Information

Translation



CPT Drives and Power Public Company Limited

www.CPTthailand.com

Professional for Drives and Power

No. CPT/EN003-2022

February 17, 2022

Subject : CPT - Clarification of the operating result for the year ended 31 December 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 year ended 31 December 2021, total revenue was Baht 788.24 million and net loss was Baht 86.11 million. For the year ended 31 December 2020, total revenue was Baht 950.85 million and net profit was Bath 5.53 million.

The Company and its subsidiaries has total revenue for the year ended 31 December 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

Authorized Persons to Disclose Information