

CPT Drives and Power Public Company Limited

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Professional for Drives and Power

No. CPT/EN012-2022

August 11, 2022

Subject: Management Discussion and Analysis for the 3 month period ended 30 June 2022

To: Presidents

The Stock Exchange of Thailand

Board of Directors meeting no.4/2022 of CPT Drives and Power Public Company Limited (“the Company”) which held on August 11, 2022 resolved to approve the financial statement for the 3 month period ended 30 June 2022. The Company would like to inform the management discussion and analysis for the 3 month period ended 30 June 2022 as following.

The operating result analysis for the 3 month period ended 30 June 2022

Revenues

Revenue's structures	2022		2021		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sales of						
1.1 Electric Panel	89.27	27.01	60.18	31.83	29.09	48.34
1.2 Unit Products	19.94	6.03	14.30	7.56	5.64	39.46
Total revenue from sales	109.21	33.04	74.48	39.39	34.73	46.63
2. Revenue from Cable Installation and Substation	211.53	63.99	104.58	55.31	106.95	102.26
3. Revenue from Services	6.69	2.02	5.47	2.89	1.23	22.51
Total revenue from services	218.22	66.01	110.05	58.20	108.18	98.30
Total operating revenues	327.43	99.05	184.53	97.59	142.91	77.45
4. Other income *	2.70	0.82	4.19	2.22	(1.50)	(35.70)
5. Gain on exchange rate	0.42	0.13	0.36	0.19	0.06	16.95
Total revenues	330.55	100.00	189.08	100.00	141.47	74.82

*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 June 2022 and 2021, sales revenues were Baht 109.21 million and Baht 74.48 million, respectively. Which increased compared to the year 2021 due to more new customers and delivered to customers in time for the 3 months of 2022.



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2. **Revenue from Cable Installation and Substation:** For the 3 month periods ended 30 June 2022 and 2021, revenues from Cable Installation and Substation were Baht 211.53 million and Baht 104.58 million, respectively. This increased compared to 2021 due to deliver work according to the progress of many big project work.
3. **Revenue from services:** For the 3 month periods ended 30 June 2022 and 2021, services revenues were Baht 6.69 million and Baht 5.47 million, respectively. This increased compared to 2021.

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 June 2022 and 2021, cost of goods sold were Baht 91.34 million and Bath 68.63 million, or accounted as gross profit margin of 16.36% and 7.85%, respectively. The gross margin increased and has fixed costs that are nearby to the previous year. Resulting in increased profits.

2. **Cost of cable installation and substation:** Actual cost of construction which is completed until the end. For the 3 month periods ended 30 June 2022 and 2021, actual construction cost were Baht 206.68 million and Bath 109.06 million, or accounted as gross profit margin of 2.29% and -4.29%, respectively. The gross margin and cost increased vary with increasing sales.
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 June 2022 and 2021, cost of services were Baht 3.66 million and Baht 3.94 million, or accounted as gross profit margin of 45.31% and 27.95%, respectively. Found that there was good change in gross margin.

Selling expenses and administrative expenses

1. **Selling expenses:** For the 3 month periods ended 30 June 2022 and 2021, selling expenses were Bath 8.30 million and Baht 6.45 million, due to proactive restructuring of the organization, adding more personnel in the sales team to be effective consistent .

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2. **Administrative expenses:** For the 3 month periods ended 30 June 2022 and 2021, administrative expenses were Baht 21.85 million and Baht 14.05, increased when compared to the year 2021. Vary with increasing sales. Main reasons were allowance for doubtful debt was recorded for Baht 3.82 million for the long overdue customer and recognize unrealized losses from changes in the fair value of investments and recognize unrealized loss on valuation of financial assets.

Statement of Profit or Loss	For the Three-Month Period		Change	
	30 June 2022	30 June 2021	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenues from sales of goods and services	327.43	184.53	142.91	77.45
Cost of sales and services	301.68	181.63	120.05	66.09
Gross profit	25.75	2.90	22.86	789.51
Other income	2.70	4.19	(1.50)	(35.70)
Gain on exchange rate	0.42	0.36	0.06	16.95
Profit (loss) before expenses	28.87	7.45	21.42	287.57
Selling expenses	8.30	6.45	1.85	28.60
Administrative expenses	21.85	14.05	7.81	55.58
Loss before finance costs and income tax	(1.28)	(13.05)	11.77	(90.22)
Finance costs	0.13	0.16	(0.02)	(14.42)
Tax income	(0.43)	(6.09)	5.66	(92.99)
Loss for the period	(0.98)	(7.12)	6.13	(86.16)
Loss per share (Baht)	(0.0011)	(0.0079)	0.0068	

Loss for the periods

For the 3 month periods ended 30 June 2022 and 2021, net loss were Baht 0.98 million and Baht 7.12 million, In 2022, the company's operating results have improved. Due to more deliver to customers. And deliver work according to the progress of many large projects. And the company has a more efficient project management.

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Statement of financial position analysis as of 30 June 2022

Statement of Financial Position	30 June 2022	31 December 2021	Change	
	Million Baht	Million Baht	Million Baht	%
Current assets	816.58	805.25	11.33	1.41
Non-current assets	564.39	529.10	35.29	6.67
Total assets	1,380.98	1,334.35	46.63	3.49
Current liabilities	440.06	400.70	39.36	9.82
Non-current liabilities	32.42	30.07	2.35	7.80
Total liabilities	472.48	430.78	41.71	9.68
Total Shareholders' equity	908.49	903.57	4.92	0.54
Total liabilities and shareholders's equity	1,380.98	1,334.35	46.63	3.49

Assets

Total assets as of 30 June 2022 and 31 December 2021 were Baht 1,380.98 million and Baht 1,334.35 million, respectively. Current assets increased Baht 11.33 million or equivalent to 1.41% because Trade and other current receivables and Contract assets increased Baht 78.68 million, inventory increased Baht 48.09 million, cash and cash equivalents assets decreased Baht 90.75 million, other current financial assets decreased Baht 24.69 million. Other non-current assets increased Baht 35.29 million or equivalent to 6.67%. Other non-current financial assets increased Baht 19.71 million and Non-current contract assets increased Baht 21.05 million.

Liabilities

Total liabilities as of 30 June 2022 and 31 December 2021 were Baht 472.48 million and Baht 430.78 million, respectively. Current liabilities increased Baht 39.36 million or equivalent to 9.82% because the increase in Trade and other current payables for Baht 78.18 million. Contract liabilities decreased Baht 34.36 million. However, non-current liabilities increased Baht 2.35 million or equivalent 7.80%.

Shareholders' equity

Shareholders' equity as of 30 June 2022 and 31 December 2021 were Baht 908.49 million and Baht 903.57 million, respectively. Shareholders' equity increased because of the operating profit for the 6 months of 2022.



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To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

Authorized Persons to Disclose Information



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No. CPT/EN013-2022

August 11, 2022

Subject: CPT - Clarification of the operating result for the 3 month period ended 30 June 2022

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 June 2022, total revenue was Baht 330.55 million and net loss was Baht 0.98 million. For the 3 month period ended 30 June 2021, total revenue was Baht 189.08 million and net loss was Bath 7.12 million.

For the 3 month period ended 30 June 2022, The Company and its subsidiaries has total revenue and have better operating results increase, due to backlog forward from the previous year and delivered to customers in time for 3 months of 2022. And have the number of high-value projects and deliver work according to the progress of many project work. And the company has a more efficient project management.

To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

Authorized Persons to Disclose Information