

**ASIA PRECISION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2020
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION**

Independent auditor's report on review of interim financial information

To the Board of Directors of Asia Precision Public Company Limited and Subsidiaries

I have reviewed the accompanying consolidated and separate statements of financial position as at September 30, 2020, the related consolidated and separate statements of comprehensive income for three – month and nine – month periods ended September 30, 2020, the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate statements of cash flows for nine – month period ended September 30, 2020 and the condensed notes to interim financial statements of Asia Precision Public Company Limited and its subsidiaries and Asia Precision Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my reviews in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the reviewed interim financial information.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of Matter

I draw attention to Note 2.2 to the interim financial statements. Due to the impact of the COVID – 19 outbreak, in preparing the interim financial information for the three – month and nine – month periods ended Sep 30, 2020, the Company and its subsidiaries has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID – 19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

(Ms. Kannika Wipanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok

November 16, 2020

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
		"Unaudited"		"Unaudited"	
Notes		"Reviewed"	"Audited"	"Reviewed"	"Audited"
Assets					
Current assets					
	Cash and cash equivalents	433,566,986.05	606,286,449.77	112,685,451.28	201,317,982.47
	Trade and other current receivables	1,846,000,651.22	1,441,903,055.86	469,658.25	221,380,314.68
	Short – term loans	-	-	297,300,000.00	150,000,000.00
	Inventories	84,236,426.14	79,560,077.83	-	4,658,626.61
	Disposal assets groups classified as held for sale	-	-	-	344,858,581.99
	Other current assets	-	-	-	-
	Total current assets	2,363,804,063.41	2,127,749,583.46	410,455,109.53	922,215,505.75
Non – current assets					
	Investments in subsidiaries	-	-	1,149,999,940.00	799,999,940.00
	Investment properties	2,478,196.16	-	-	-
	Property, plant and equipment	738,069,466.46	791,288,629.48	5,557,488.94	5,598,042.91
	Right – of – use assets	36,345,895.96	-	-	-
	Right under the raw water distribution contract	138,327,491.86	142,576,459.17	-	-
	Other intangible assets	4,402,061.86	1,219,321.85	1.00	1.00
	Other non – current assets	120,846,870.22	71,899,528.34	15,395,829.49	16,839,768.02
	Total non – current assets	1,040,469,982.52	1,006,983,938.84	1,170,953,259.43	822,437,751.93
	Total assets	3,404,274,045.93	3,134,733,522.30	1,581,408,368.96	1,744,653,257.68

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Notes		"Reviewed"	"Audited"	"Reviewed"	"Audited"
Liabilities and shareholders' equity					
Current liabilities					
	Bank overdrafts and Short – term loan from financial institution	14	203,960,765.31	278,015,191.41	-
	Trade and other current payables	3, 15	1,057,123,049.69	775,694,820.86	2,336,663.76
	Current portion of long – term borrowings liabilities	16	63,201,768.31	8,100,000.00	-
	Current portion of lease liabilities	17	38,719,729.69	1,153,315.37	-
	Short – term borrowings	3	75,436,074.41	73,985,115.88	-
	Current income tax payable		7,527,239.60	-	647,529.40
	Current provisions for employee benefit		-	-	-
	Total current liabilities		1,445,968,627.01	1,136,948,443.52	2,984,193.16
Non – current liabilities					
	Long – term borrowings	16	-	61,401,768.38	-
	Lease liabilities	17	152,366,393.24	951,798.89	-
	Deferred tax liabilities		34,982,572.07	35,867,922.60	-
	Non – current provisions for employee benefit		25,151,525.30	24,062,247.92	5,269,920.68
	Other non – current liabilities		5,000.00	5,000.00	-
	Total non – current liabilities		212,505,490.61	122,288,737.79	5,269,920.68
	Total liabilities		1,658,474,117.62	1,259,237,181.31	8,254,113.84
Shareholders' equity					
Share capital					
Authorized share capital					
	Ordinary shares Baht 1 par value 659,999,962 shares		659,999,962.00	659,999,962.00	659,999,962.00
Issued and paid share capital					
	Ordinary shares Baht 1 par value 659,999,862 shares		659,999,862.00	659,999,862.00	659,999,862.00
Share premium					
	Share premium on ordinary shares		369,183,857.00	369,183,857.00	369,183,857.00
Retained earnings					
Appropriated					
	Legal reserve		66,000,000.00	66,000,000.00	66,000,000.00
	Unappropriated		541,207,542.14	613,752,270.84	477,970,536.12
	Other components of shareholders' equity		102,945,897.96	-	-
	Total shareholders' equity of the parent company		1,739,337,159.10	1,708,935,989.84	1,573,154,255.12
	Non – controlling interests		6,462,769.21	166,560,351.15	-
	Total shareholders' equity		1,745,799,928.31	1,875,496,340.99	1,573,154,255.12
	Total liabilities and shareholders' equity		3,404,274,045.93	3,134,733,522.30	1,581,408,368.96

The accompanying notes form an integral part of these interim financial statements.

1. NATURE OF OPERATIONS

Asia Precision Public Company Limited ("the Company") is incorporated and domiciled in Thailand. The Company is listed on Stock Exchange of Thailand. The address of the Company's registered office is 700/331, Moo 6, Donhualor, Muang Chonburi, Chonburi.

As at September 30, 2020, the Company has the largest shareholder is Advance Web Studio Co., Ltd. held 22.12% (As at 31 December 2019 held 22.12%)

The Company, subsidiaries and joint venture ("the Group") is principally engaged in engineering and construction businesses both domestically and internationally. Including parts manufacturing and water distribution business

As present, the Company has main revenues from business engineering procurement and construction (EPC). The Securities Exchange of Thailand then move from industrials industry group automotive sector to property & construction industry group construction sector.

Note that moving Industry Group and business sector to be effective since July 1, 2020 from now on.

2. BASIS FOR INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis for interim financial statements preparation

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 34: "Interim financial reporting", whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the financial statements to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended 31 December 2019.

2.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID – 19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company and its subsidiaries operate. The Company and its subsidiaries' management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

"UNAUDITED"
"REVIEWED"

2.3 Principles of consolidation

2.3.1 The consolidated financial statements include the financial statements of Asia Precision Public Company Limited and its subsidiaries which are under its control with more than 50 percent voting rights as follows:

<u>Subsidiary Company Direct and Indirect</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of holding (%)</u>	
			<u>September 30, 2020</u>	<u>December 31, 2019</u>
<u>Subsidiary Company Direct</u>				
A2 Technologies Co., Ltd.	Provide engineering service and automation solution and provides construction and maintenance services of renewable energy power plants.	Thailand	100.00	100.00
Asia Precision A.T. Co., Ltd.	Manufacture and sale of metal parts.	Thailand	100.00	100.00
<u>Subsidiary Company Indirect (Held by Asia Precision A.T. Co., Ltd.)</u>				
Asia Precision Tech Co., Ltd.	Manufacture and sale of metal parts.	Thailand	100.00	100.00
<u>Subsidiary Company Indirect (Held by A2 Technologies Co., Ltd.)</u>				
Cholkij Sakol Co., Ltd.	Production and distribution of raw water.	Thailand	98.12	53.33
APCS Technologies Co., Ltd.	The distribution of materials and spare parts for the construction of various structures. Of the power plant business All types of energy businesses, water businesses, include steam plants, purified water and chemical mixtures. For sale in the petrochemical industry. Or for distribution to the community. And environmental related businesses and engineering design consulting services. Project Construction Services and maintenance services.	Thailand	100.00	100.00
A2teeravat joint venture Co., Ltd. *	Construction project to increase water pumping capability.	Thailand	49.00	49.00
A2 Technologies Vietnam Co., Ltd.	Construction consultation and project construction.	Vietnam	100.00	-

* A2teeravat joint venture Co., Ltd. is an entity fully controlled by the Company, given that the Company controls both directly or indirectly, including financial and operating policies of this entity so as to obtain utmost benefits for A2teeravat joint venture Co., Ltd. (The calculation of proportion investment according to Note 6.3).

Significant transactions with subsidiary have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

2.3.2 A2 Technologies Co., Ltd. has joint arrangements which assessed as joint operations between A2 Technologies Co., Ltd. and other joint operators. A2 Technologies Co., Ltd. recognises its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, to A2 Technologies Co., Ltd. financial statements, the details as follows:

Name of entity	Nature of Business	Country of incorporation	Interest in joint operations (%)	
			September 30, 2020	December 31, 2019
Consortium of A2 Technologies Vietnam Co., Ltd. and A2 Technologies Co., Ltd. (Thailand)	Construction	Vietnam	100.00 *	-

* The Company recognizes a 100 percent of interest in the joint operation.

2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019, except for the change in the accounting policies due to the adoption of TFRS related to financial instruments and TFRS 16, Leases, as follow:

a) Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets which is equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Company and its subsidiaries recognizes an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit – impaired event to have occurred prior to the recognition. The Company and its subsidiaries accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Company and its subsidiaries applies a simplified approach to determine the lifetime expected credit losses.

b) Leases**Right – of – use assets**

The Company and its subsidiaries recognizes right – of – use assets at the commencement date of the lease. Right – of – use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right – of – use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company and its subsidiaries is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right – of – use assets are depreciated on a straight – line basis from the commencement date of the lease to the earlier of the end of the useful life of the right – of – use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Company and its subsidiaries recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company and its subsidiaries' incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short – term leases and Leases of low – value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low – value assets, are recognized as expenses on a straight – line basis over the lease term.

2.5 New financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2020. 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:

Financial reporting standards related to financial instruments

A 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

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 amortized 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.

The effects of the adoption of these accounting standards are described below:

- Classification and measurement of investments in equity instruments of non – listed companies – The Company and its subsidiaries is to measure investments in equity instruments of non – listed companies at fair value and elect to classify the investments as financial assets at fair value through profit or loss. The Group's management assessed and considered that the cost of such investments has represented the fair value of the investments. Therefore, the fair value measurement of the investments in equity instruments of non – listed companies do not have any impact on the adjustment of retained earnings as at January 1, 2020.

- Recognition of credit losses – The Company and its subsidiaries is to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit – impaired event to have occurred. The Company and its subsidiaries apply simplified approach to consider impairment of trade receivables. The Company and its subsidiaries’ management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

The cumulative effect of the change is described in Note 2.6 to the interim financial statements.

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 asset s 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 cumulative effect of the change is described in Note 2.6 to the interim financial statements.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID – 19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID – 19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward – looking information when determining expected credit losses, in cases where the Company and its subsidiaries uses a simplified approach to determine expected credit losses.
- Not to consider the COVID – 19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

2.6 Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 2.5 to the interim financial statements, during the current period, the Company and its subsidiaries have adopted TFRS related to financial instruments and TFRS 16 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS related to financial instruments and TFRS 16 is recognised. Therefore, the comparative information was not restated.

There is no effect of the changes in accounting policies due to the early adoption of TFRS related to financial instruments and TFRS 16 Leases on the beginning balance of retained earnings for 2020.

The amounts of adjustments affecting the statements of financial position as at January 1, 2020, due to the adoption of these financial reporting standards comprise:

	(Unit: Baht)		
	Consolidated		
	December 31, 2019	The effect of TFRS 16	January 1, 2020
Statement of financial position			
Assets			
Non – current assets			
Right – of – use assets	-	10,471,299.68	10,471,299.68
Liabilities and shareholders' equity			
Current liabilities			
Lease liabilities – current portion	1,153,315.37	5,319,833.24	6,473,148.61
Non – current liabilities			
Lease liabilities – net of non – current	951,798.89	5,151,466.44	6,103,265.33

a) Financial instruments

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

		(Unit: Baht)			
		Consolidated			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	606,286,449.77	-	-	606,286,449.77	606,286,449.77
Trade and other current receivables	1,441,903,055.86	-	-	1,441,903,055.86	1,441,903,055.86
Other financial assets					
– Deposits at financial institution with commitment	18,387,990.13	-	-	18,387,990.13	18,387,990.13
Total financial assets	2,066,577,495.76	-	-	2,066,577,495.76	2,066,577,495.76
		(Unit: Baht)			
		Separate			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	201,317,982.47	-	-	201,317,982.47	201,317,982.47
Trade and other current receivables	221,380,314.68	-	-	221,380,314.68	221,380,314.68
Short – term loans	150,000,000.00	-	-	150,000,000.00	150,000,000.00
Total financial assets	572,698,297.15	-	-	572,698,297.15	572,698,297.15

As at January 1, 2020, the Company and its subsidiaries do not stipulations any financial liabilities to be measured at fair value through profit or loss.

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b) Leases

Upon initial application of TFRS 16 the Company and its subsidiaries recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company and its subsidiaries' incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognised the carrying amount of the right – of – use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Baht)

	Consolidated
Operating lease commitments disclosed as at December 31, 2019	13,584,978.92
Less : Short – term lease contracts which are recognized as expenses on the straight – line method	(2,199,358.92)
Less : Commitments relating to short – term leases and leases of low – value assets	(210,600.00)
	<u>11,175,020.00</u>
Less : Deferred interest expenses	(703,720.32)
Increase in lease liabilities due to TFRS 16 adoption	10,471,299.68
Liabilities under finance lease agreements as at December 31, 2019	2,105,114.26
Lease liabilities recognised as at January 1, 2020	<u>12,576,413.94</u>
The above lease liabilities comprise of:	
Current lease liabilities	6,473,148.61
Non – current lease liabilities	6,103,265.33
	<u>12,576,413.94</u>

The adjustment of right – of – use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

	(Unit: Baht)
	Consolidated
Vehicle	10,471,299.68

2.7 Estimation

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended December 31, 2019.

3. TRANSACTIONS WITH RELATED PARTIES

The Company has significant transactions with its related parties stated below. Those transactions are executed based on agreed upon bases which might be different from the bases used for transactions with unrelated parties.

Name	Type of Business	Type of Relationship
Asia Precision A.T. Co., Ltd.	Manufacture and sale of metal parts.	Subsidiary by direct shareholding and common management team.
Asia Precision Tech Co., Ltd.	Manufacture and sale of metal parts.	Indirect shareholder via subsidiary.
A2 Technologies Co., Ltd.	Provide engineering service and automation solution and provides construction and maintenance services of renewable energy power plants.	Subsidiary by direct shareholding and common management team.
APCS Technologies Co., Ltd.	The distribution of materials and spare parts for the construction of various structures. Of the power plant business All types of energy businesses, water businesses, including steam plants, purified water and chemical mixtures. For sale in the petrochemical industry. Or for distribution to the community. And environmental related businesses and engineering design consulting services. Project Construction Services and maintenance services.	Indirect shareholder via subsidiary.
A2teeravat joint venture Co., Ltd.	Construction project to increase water pumping capability.	Indirect shareholder via subsidiary.
A2 Technologies Vietnam Co., Ltd.	Construction consultation and project construction.	Indirect shareholder via subsidiary.
Cholkij Sakol Co., Ltd.	Production and distribution of raw water.	Indirect shareholder via subsidiary.
Advance Web Studio Co., Ltd.	Other Specialized Designs Not classified elsewhere.	Major Shareholders/ Joint common management team.
At Peak Co., Ltd.	Advertising Companies.	Shareholder of Cholkit Sakol Co., Ltd is a director.

The significant balances with related company as at September 30, 2020 and December 31, 2019 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Trade and other current receivables				
<u>Asia Precision A.T. Co., Ltd.</u>				
Trade receivables	-	-	-	69,644,286.09
Other current receivables	-	-	-	14,320.00
	-	-	-	69,658,606.09
Short – term loans				
<u>A2 Technologies Co., Ltd.</u>				
Principle				
Beginning balance period/ year	-	-	150,000,000.00	-
Increase during the period/ year	-	-	147,300,000.00	250,000,000.00
Decrease during the period/ year	-	-	-	(100,000,000.00)
Ending balance period/ year	-	-	297,300,000.00	150,000,000.00
Accrued interest				
Beginning balance period/ year	-	-	-	-
Increase during the period/ year	-	-	8,829,759.22	8,408,424.66
Decrease during the period/ year	-	-	(8,829,759.22)	(8,408,424.66)
Ending balance period/ year	-	-	-	-
Total	-	-	297,300,000.00	150,000,000.00

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	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<u>Asia Precision A.T. Co., Ltd.</u>				
Principle				
Beginning balance period/ year	-	-	-	-
Increase during the period/ year	-	-	169,000,000.00	-
Decrease during the period/ year	-	-	(169,000,000.00)	-
Ending balance period/ year	-	-	-	-
Accrued interest				
Beginning balance period/ year	-	-	-	-
Increase during the period/ year	-	-	508,019.13	-
Decrease during the period/ year	-	-	(508,019.13)	-
Ending balance period/ year	-	-	-	-
Total	-	-	-	-
Grand total	-	-	297,300,000.00	150,000,000.00

As September 30, 2020 and as December 31, 2019 the short – term loans by promissory note due at call with interest rate refer to interest rate of commercial bank request from top – class customer (MLR).

	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Trade and other current payables				
<u>Asia Precision A.T. Co., Ltd.</u>				
Trade payables	-	-	-	24,102,233.76
Other current payables*	-	-	-	100,000,000.00
	-	-	-	124,102,233.76

* On December 9, 2019, the Company entered into a Purchase and sale agreement of land and buildings in the total amount of Baht 187,344,000 by agreeing to receive the deposit in amount of Baht 100,000,000. On January 3, 2020 the Company has registered the transfer of ownership of assets at Land office and receives the remaining full payment.

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(Unit: Baht)

	Consolidated		Separate	
	September	December	September	December
	30, 2020	31, 2019	30, 2020	31, 2019
Short – term borrowings				
<u>Asia Precision A.T. Co., Ltd.</u> ⁽¹⁾				
Principle				
Beginning balance period/ year	-	-	100,000,000.00	-
Increase during the period/ year	-	-	-	200,000,000.00
Decrease during the period/ year	-	-	(100,000,000.00)	(100,000,000.00)
Ending balance period/ year	-	-	-	100,000,000.00
Accrued interest				
Beginning balance period/ year	-	-	7,328.77	-
Increase during the period/ year	-	-	1,366.12	7,328.77
Decrease during the period/ year	-	-	(8,694.89)	-
Ending balance period/ year	-	-	-	7,328.77
				100,007,328.77
<u>Loan from shareholder in subsidiary.</u> ⁽²⁾				
Principle				
Beginning balance period/ year	44,933,076.75	44,933,076.75	-	-
Increase during the period/ year	-	-	-	-
Decrease during the period/ year	-	-	-	-
Ending balance period/ year	44,933,076.75	44,933,076.75	-	-
Accrued interest				
Beginning balance period/ year	24,402,394.24	21,631,256.99	-	-
Increase during the period/ year	1,521,854.08	2,771,137.25	-	-
Decrease during the period/ year	-	-	-	-
Ending balance period/ year	25,924,248.32	24,402,394.24	-	-
	70,857,325.07	69,335,470.99	-	-

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	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
<u>Loan from a subsidiary's director.</u> ⁽³⁾				
Principle				
Beginning balance period/ year	-	500,000.00	-	-
Increase during the period/ year	-	-	-	-
Decrease during the period/ year	-	(500,000.00)	-	-
Ending balance period/ year	-	-	-	-
<u>Loan from At Peak Co., Ltd.</u> ⁽²⁾				
Principle				
Beginning balance period/ year	3,100,000.00	3,100,000.00	-	-
Increase during the period/ year	-	-	-	-
Decrease during the period/ year	-	-	-	-
Ending balance period/ year	3,100,000.00	3,100,000.00	-	-
Accrued interest				
Beginning balance period/ year	1,363,518.53	1,154,268.52	-	-
Increase during the period/ year	115,230.81	209,250.01	-	-
Decrease during the period/ year	-	-	-	-
Ending balance period/ year	1,478,749.34	1,363,518.53	-	-
	4,578,749.34	4,463,518.53	-	-
<u>Loan from at Advance Web Studio Co., Ltd.</u> ⁽⁴⁾				
Principle				
Beginning balance period/ year	185,400.00	-	-	-
Increase during the period/ year	-	185,400.00	-	-
Decrease during the period/ year	(185,400.00)	-	-	-
Ending balance period/ year	-	185,400.00	-	-
Accrued interest				
Beginning balance period/ year	726.36	-	-	-
Increase during the period/ year	1,420.89	726.36	-	-
Decrease during the period/ year	(2,147.25)	-	-	-
Ending balance period/ year	-	726.36	-	-
	-	186,126.36	-	-
Total	75,436,074.41	73,985,115.88	-	100,007,328.77

⁽¹⁾ As at September 30, 2020 and December 31, 2019, short – term borrowings is promissory notes, due on call and interest rate based on interest rates received by bank deposits from commercial banks.

⁽²⁾ As at September 30, 2020 and December 31, 2019, Cholkij Sakol Co., Ltd. had shot – term borrowings is promissory notes, due on call and interest rate based on interest rate from 5.5 – 7.75% per annum.

⁽³⁾ As at December 31, 2019, A2 Technologies Co., Ltd. short – term borrowings is promissory notes, due on call and no interest charged.

⁽⁴⁾ As at September 30, 2020 and December 31, 2019, A2 Technologies Co., Ltd. shot – term borrowings is promissory notes, due on February 21, 2020 and interest rate based on interest rate from 5.50% per annum.

The significant transactions with related persons and related parties for the three – month and nine – month periods ended September 30, 2020 and 2019 are as follows:

Revenues and expenses with related parties

		(Unit: Thousand Baht)			
		For the three – month period ended September 30			
		Consolidated		Separate	
	Pricing Policy	2020	2019	2020	2019
Revenue from sales					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	8	-
Rental income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	-	6
APCS Technologies Co., Ltd.	Agreement contract	-	-	-	6
Asia Precision Tech Co., Ltd.	Agreement contract	-	-	-	6
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	-	6
		-	-	-	24
Interest income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	3,776	2,562
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	235	-
Dividend income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	99,999	-
Cost of service					
Asia Precision A.T. Co., Ltd.	Same price and trade conditions with outsider, nearby market price	-	-	-	18,217
Purchase – finish goods					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	-	-

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		(Unit: Thousand Baht)			
		For the three – month period ended September 30			
		Consolidated		Separate	
Pricing Policy		2020	2019	2020	2019
Rental expense					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	6	-
Interest expense					
Shareholder in subsidiary.	Agreement contract	-	698	-	-
At Peak Co., Ltd.	Agreement contract	-	53	-	-
		-	751	-	-
Income from sale property assets					
Asia Precision A.T. Co., Ltd.	Agreement contract			209,790	-
Revenue from sales					
Asia Precision A.T. Co., Ltd.	Agreement contract			66	-
Rental income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	-	18
APCS Technologies Co., Ltd.	Agreement contract	-	-	-	18
Asia Precision Tech Co., Ltd.	Agreement contract	-	-	-	18
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	-	14
		-	-	-	68
Dividend income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	99,999	-
Interest income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	8,830	5,847
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	508	-

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		(Unit: Thousand Baht)			
		For the nine – month period ended September 30			
		Consolidated		Separate	
Pricing Policy		2020	2019	2020	2019
Cost of service					
Asia Precision A.T. Co., Ltd.	Same price and trade conditions with outsider, nearby market price	-	-	-	57,401
Purchase – finish goods					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	2,735	-
Rental expense					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	18	-
Interest expense					
Shareholder in subsidiary.	Agreement contract	1,522	2,073	-	-
At Peak Co., Ltd.	Agreement contract	115	156	-	-
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	1	-
Advance Web Studio Co., Ltd.	Agreement contract	2	-	-	-
		1,639	2,229	1	-

Management remuneration.

		(Unit: Baht)			
		For the three – month period ended September 30			
		Consolidated		Separate	
		2020	2019	2020	2019
Short – term benefits		2,907,359.00	6,256,728.00	1,971,219.00	2,868,228.00
Post – employment benefits		197,231.92	191,812.49	74,176.11	96,289.74
Long – term benefits		494.16	476.46	270.81	476.46
Total		3,105,085.08	6,449,016.95	2,045,665.92	2,964,994.20

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	(Unit: Baht)			
	For the nine – month period ended September 30			
	Consolidated		Separate	
	2020	2019	2020	2019
Short – term benefits	18,306,646.00	20,660,133.00	7,198,818.00	10,494,633.00
Post – employment benefits	740,640.77	1,386,482.45	222,528.32	1,099,914.20
Long – term benefits	1,482.47	1,429.38	812.42	1,429.38
Total	<u>19,048,769.24</u>	<u>22,048,044.83</u>	<u>7,422,158.74</u>	<u>11,595,976.58</u>

Guarantee and others**A2 Technologies Co., Ltd.**

On September 30, 2020, A2 Technologies Co., Ltd., guaranteed on a letter of guarantee of advance payment under construction contract for A2teeravat joint venture Co., Ltd., no fee was charged.

The Company and Advance Web Studio Co., Ltd., (a shareholder of the Company, with 22.12% shareholding) jointly guaranteed on a letter of guarantee with an amount of Baht 225.48 million from A2 Technology Co., Ltd., to issue this letter of guarantee for the construction project. No fee will be charged to A2 Technology Co., Ltd., Advance Web Studio Co., Ltd., used 36.05 million ordinary shares of Asia Precision Public Company Limited to jointly guarantee this transaction.

The Company and Advance Web Studio Co., Ltd., (a shareholder of the Company, with 22.12% shareholding), and A2 Technology Co., Ltd., jointly guaranteed on a letter of guarantee with an amount of Baht 27.91 million for A2teeravat joint venture Co., Ltd., to issue this letter of guarantee for the construction project. No fee will be charged to A2teeravat joint venture Co., Ltd. Advance Web Studio Co., Ltd., used 18.05 million ordinary shares of Asia Precision Public Company Limited to jointly guarantee this transaction.

On December 18, 2018, A2 Technologies Co., Ltd., received a credit limit from a financial institution, which consisted of a guarantee limit of Baht 70 million and a revolving credit limit of Baht 180 million. The purpose of this credit limit is for supporting projects and working capital requirement. The interest rate is equal to money market rate. The credit limit is guaranteed by Asia Precision PLC, Advance Web Studio Co., Ltd. and APCS Technologies Co., Ltd.

On November 7, 2019, an increase in credit limit of A2 Technologies Co., Ltd., from Baht 250 million to Baht 470 million was approved. Detail as follows:

1. Revolving credit limit (Combine Line) of Baht 450 million.
2. Pre – settlement limit of Baht 20 million for protecting against risk.

Note that APCS Technologies Co., Ltd. is allowed to use the joint credit limit, but not exceeding Baht 250 million.

Key conditions regarding drawdown as follows:

1. A2 Technologies Co., Ltd., and APCS Technologies Co., Ltd. must transfer the claim to the bank in the agreed format, with value equivalent to the project contract value or the net installment minus advance payment, for projects that have project value exceeding Baht 30 Million or projects with duration over 9 months.
2. In the case of drawdown guarantee limit, type receive payment in advance, prior to arranging collateral contract with the bank, A2 Technologies Co., Ltd. must arrange a claim transfer and/ or registered collateral as agreed with the bank.

Cholkij Sakol Co., Ltd.

Guaranteed by land and machinery of a subsidiary.

The loan under debt restructuring of Cholkij Sakol Co., Ltd., is guaranteed loans in proportion to shareholding by A2 Technologies Co., Ltd. not charged the fee between related.

BUSINESS TRANSFER OF HIGH PRECISION PARTS MANUFACTURING DIVISION TO ASIA PRECISION

A.T. COMPANY LIMITED

On April 20, 2019, during the Annual General Meeting No.1/2019 of Asia Precision Public Company Limited (APCS), the shareholders approved the group business restructuring which will transfer high precision parts manufacturing division to Asia Precision A.T. Company Limited (APAT). Details are as follows:

- 1) On December 29, 2019, APCS and APAT entered into a purchase agreement to transfer business from APCS to APAT, with a total value of Baht 274.90 million. This includes, land, buildings, vehicles, licenses, employee, intellectual property, but not limited to, trademarks, inventories, office furniture, electrical equipment, office supplies, equipment used in manufacturing and sale of high precision parts, assets, rights, and all other assets from APCS related to operation of manufacturing business including benefits from the aforementioned assets without any obligations. APAT paid deposit to APCS in the amount of Baht 100 million, with the remaining balance to be paid on May 31, 2020.

The details of transaction are as follows:

Part 1 – Initial part of transaction was completed on December 31, 2019, which consisted of:

1. Inventory – total value of Baht 65.09 million.
2. Employee – 633 employees. APCS also transferred employee benefits to APAT, amounting to Baht 12.06 million.

These transactions were completed on December 31, 2019.

Remain part – The remaining transactions will be completed within March 31, 2020, which will consist of:

1. Land and building – total value of Baht 187.34 million.
2. Vehicles – total value of Baht 2.78 million.
3. Other assets – total value of Baht 19.67 million.

These transactions were completed on January 3, 2020.

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Nevertheless, APCS has the obligation to complete maintenance of electrical system, water drainage system, ventilation system, and building structure within March 31, 2020. APCS will be responsible for all costs related to the aforementioned maintenance project, but not exceed Baht 12 million.

With the virus infection, the maintenance of electrical system, drainage system ventilation system, and building structure improvement. On March 31, 2019 the structure could not be repaired in time. If the 2019 Corona virus outbreak is improved. That, APCS has completed the repairs of the above project on June 30, 2020.

- 2) On January 2, 2020, APCS sold total of 506 machines and equipment to a factoring company. Later on, APAT entered into a leasing agreement with the same factoring with total amount of Baht 255 million, with a lease term of 2 years and a pledge of Baht 55 million.

4. TRADE AND OTHER CURRENT RECEIVABLES

(Unit: Baht)

	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Trade receivables	845,473,761.40	809,739,011.97	-	147,152,562.64
Trade receivables – related parties (Note 3)	-	-	-	69,644,286.09
<u>Less</u> expected credit loss	-	-	-	-
Total trade receivables	845,473,761.40	809,739,011.97	-	216,796,848.73
Unbilled construction revenues (Note 25)				
- Others parties	589,982,296.14	494,128,504.93	-	-
Other current receivables				
- Other receivables – related parties (Note 3)	-	-	-	14,320.00
- Other receivables	914,774.52	15,391.36	-	-
- Accrued income	27,997,958.25	5,893,498.20	-	-
- Prepaid expenses	22,623,477.40	5,592,150.58	205,460.65	801,903.66
- Prepaid for contractor	297,908,617.74	55,191,586.75	-	-
- Advances	20,495,427.84	1,595,532.66	-	50,000.00
- Withholding tax	15,466,571.20	22,989,944.40	-	3,400,761.51
- Revenue Department Receivables	12,439,468.95	32,767,077.45	263,224.41	-
- Input Tax Suspense	12,013,249.29	13,793,620.37	973.19	276,061.88
- Deposit	393,932.39	-	-	-
- Others	291,116.10	196,737.19	-	40,418.90
	1,000,526,889.82	632,164,043.89	469,658.25	4,583,465.95
Total trade and other current receivables	1,846,000,651.22	1,441,903,055.86	469,658.25	221,380,314.68

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

"UNAUDITED"
"REVIEWED"

Outstanding balances of receivable classified by ages are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Trade receivables				
Not yet due receivables	138,983,537.45	215,869,247.74	-	170,850,004.91
Overdue:				
Over 1 day to 30 days	35,589,860.19	104,946,486.08	-	29,007,582.63
Over 31 days to 90 days	185,131,145.39	75,627,672.27	-	12,046,642.27
Over 91 days to 180 days	110,306,111.57	163,622,373.98	-	4,451,244.98
Over 181 days to 365 days	112,610,356.14	27,130,257.84	-	441,373.94
Over 365 days	-	-	-	-
Total	582,621,010.74	587,196,037.91	-	216,796,848.73
Retention receivables to agreement*	262,852,750.66	222,542,974.06	-	-
Total	845,473,761.40	809,739,011.97	-	216,796,848.73
<u>Less</u> expected credit loss	-	-	-	-
Net	845,473,761.40	809,739,011.97	-	216,796,848.73

*Warranty period contractual is not over 1 year.

The Group grants credit terms to its general customers for 30 – 90 days.

5. INVENTORIES

	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Raw materials and supplies	24,907,704.44	42,941,098.61	-	-
Goods in transit	3,569,097.81	816,995.57	-	-
Work in process	31,786,136.84	-	-	-
Finished goods	27,118,349.34	36,863,561.07	-	4,818,053.93
Total	87,381,288.43	80,621,655.25	-	4,818,053.93
<u>Less</u> Allowance for decline values	(3,144,862.29)	(1,061,577.42)	-	(159,427.32)
	84,236,426.14	79,560,077.83	-	4,658,626.61

For nine – month period ended September 30, 2020 and 2019, the movements of allowances for obsolete of inventories are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Beginning balance as at January 1	1,061,577.42	4,318,394.44	159,427.32	3,361,716.79
Increase	4,133,045.46	3,135,653.07	27,023.92	2,935,931.73
Reversal/ Disposal during the period	(2,049,760.59)	(1,852,919.38)	(186,451.24)	(1,704,978.86)
Ending balance as at September 30	3,144,862.29	5,601,128.13	-	4,592,669.66

Allowances for obsolete of inventories was shown in cost of sale in statements of income.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

"UNAUDITED"

"REVIEWED"

6. INVESTMENTS IN SUBSIDIARIES

Investment in subsidiaries in the separate financial statements as at September 30, 2020 and December 31, 2019 which are stated at cost are as follow:

(Unit: Thousand Baht)

	Currency	Share capital		Paid share capital		Percentage of shareholding		Cost		Dividend income	
		Sep. 30,	Dec. 31,	Sep. 30,	Dec. 31,	Sep. 30,	Dec. 31,	Sep. 30,	Dec. 31,	Sep. 30,	Dec. 31,
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Subsidiaries directly held by the Company											
A2 Technologies Co., Ltd.	Baht	600,000	500,000	600,000	500,000	100	100	599,999	499,999	99,999	-
Asia Precision A.T. Co., Ltd.	Baht	550,000	300,000	550,000	300,000	100	100	549,999	299,999	-	-
Subsidiaries held through A2 Technologies Company Limited											
Cholkij Sakol Co., Ltd.	Baht	120,000	120,000	120,000	120,000	98.12	53.33	-	-	-	-
APCS Technologies Co., Ltd.	Baht	10,000	10,000	10,000	10,000	100	100	-	-	-	-
A2teeravat joint venture Co., Ltd.	Baht	75,000	75,000	18,750	18,750	49	49	-	-	-	-
A2 Technologies Vietnam Co., Ltd.	Vietnam Dong	750,000	-	750,000	-	100	-	-	-	-	-
Subsidiaries held through Asia Precision A.T. Company Limited											
Asia Precision Tech Co., Ltd.	Baht	1,000	1,000	1,000	1,000	100	100	-	-	-	-
Investments in subsidiaries – net								1,149,998	799,998	99,999	-

6.1 Investments in Asia Precision A.T. Co., Ltd.2019

According to the resolution of the Extraordinary General Meeting of Shareholders, P2 Precision Co., Ltd., No. 1/2019 on February 23, 2019, the shareholders approved to change the company name to Asia Precision A.T. Company Limited. This new company name has been registered with the Ministry of Commerce on February 25, 2019.

The board of directors meeting of the Company No. 4/2019 held on November 12, 2019, has resolved to approve the Company increase its stake in Asia Precision A.T. Co., Ltd., (a subsidiary of the Company hold 100%) To comply with the business restructuring plan approved by the ordinary shareholders' meeting No. 1/2019 on April 20, 2019, detail as follows:

Asia Precision A.T. Co., Ltd.	Amount (Thousand Shares)	Par value (Baht: Share)	Share capital (Thousand Baht)	Paid share (Baht: Share)	Paid share capital (Thousand Baht)
Share capital	15,000	10.00	150,000	10.00	150,000
Add share capital	15,000	10.00	150,000	10.00	150,000
Total share capital	30,000		300,000		300,000

The Company has paid the increasing in share capital of Asia Precision A.T. Co., Ltd., at the full amount.

Asia Precision A.T. Co., Ltd., has registered the change in its registered capital with the Ministry of Commerce on December 19, 2019.

2020

On August 14, 2020, the board of directors meeting of Asia Precision PLC no. 3/2563 on August 14, 2020. Has resolutions approval of capital increase of Asia Precision A.T. Co., Ltd., which is a subsidiary of the Company (the Company holds 100% of shares).

Asia Precision A.T. Co., Ltd.	Amount (Thousand Shares)	Par value (Baht: Share)	Share capital (Thousand Baht)	Paid share (Baht: Share)	Paid share capital (Thousand Baht)
Share capital	30,000	10.00	300,000	10.00	300,000
Add share capital	25,000	10.00	250,000	10.00	250,000
Total share capital	55,000		550,000		550,000

The Company has paid the increasing in share capital of Asia Precision A.T. Co., Ltd., at the full amount.

Asia Precision A.T. Co., Ltd., has registered the change in its registered capital with the Ministry of Commerce on September 9, 2020.

6.2 Investment in A2 Technologies Co., Ltd.

6.2.1 On August 14, 2020, the board of directors meeting of Asia Precision PLC no. 3/2563. Has resolutions approval of capital increase of A2 Technology Co., Ltd., which is a subsidiary of the Company (the Company holds 100% of shares).

A2 Technology Co., Ltd.	Amount (Thousand Shares)	Par value (Baht: Share)	Share capital (Thousand Baht)	Paid share (Baht: Share)	Paid share capital (Thousand Baht)
Share capital	50,000	10.00	500,000	10.00	500,000
Add share capital	10,000	10.00	100,000	10.00	100,000
Total share capital	60,000		600,000		600,000

The Company has paid the increasing in share capital of A2 Technology Co., Ltd., at the full amount.

A2 Technology Co., Ltd., has registered the change in its registered capital with the Ministry of Commerce on September 2, 2020.

6.2.2 Important investment of A2 Technologies Co., Ltd.

6.2.2.1 The board of directors meeting of the Asia Precision Public Company Limited no.2/2018, held on May 14, 2018, approved in approval for A2 Technologies Company Limited to proceed in the following activities:

1. Approval of Consortium

Name of Consortium	:	Consortium of Solar EPCF Co., Ltd. and A2 Technologies Co., Ltd.
Contract parties and operation proportion	:	A2 Technologies Co., Ltd. (49%) Solar EPCF Co., Ltd. (51%)
		Each party to assign 1 person to sign contract and documents related to the operation of the project.
Objective	:	Performance improvement for Chachoengsao pumping station and Bangpagong pumping station of Eastern Water Resources Development and Management Public Company Limited. The total project value is Baht 106.50 million.

The consortium will end upon completion of the project.

2. Approved a credit limit for corporate guarantee on limits with financial institutions for Consortium of Solar EPCF and A2 Technologies with amount not exceeding 75% of total project value. Executive committee of Asia Precision Public Company Limited is delegated authority to approve each corporate guarantee on case by case basis, and has to report to the Board of Directors of Asia Precision Public Company Limited every 3 months.

Subsequently, on May 21, 2018, Consortium of Solar EPCF Co., Ltd., and A2 Technologies Co., Ltd., entered into a construction contract with Eastern Water Resources Development and Management PCL, which is currently undergoing construction and in line with the contract.

6.2.2.2 According to the meeting of the Board of Directors of A2 Technologies Co., Ltd. No.7/2018 on November 14, 2018, the committee approved the signage of consortium between Solar EPCF Company Limited and A2 Technologies Co., Ltd. This consortium is for entering 5 solar power plant construction project biddings with a total value of Baht 694.26 million.

As present, the Company get the project of construction for power station amount three projects with total of Baht 352.75 million.

6.2.2.3 According to the Board of Directors of Asia Precision Public Company Limited meeting 4/2019 on November 12, 2019, the Board of Directors approved of setting up a new subsidiary to support business expansion with the following details:

New subsidiary company name : A2 Technologies Vietnam Company Limited.
Country of establishment : Vietnam.
Business Type : Construction consultation and project construction.
Head Quarter Address : Room No.1114, Level 11, Deutsches Haus,
No.33 Le Duan street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Registered Capital : Vietnam Dong 750 million approximately Baht 1 million.

On March 23, 2020, the Company successfully established A2 Technology Vietnam Co., Ltd., with a registered capital of Vietnam Dong 750 million, on April 17, 2020 A2 Technologies Co., Ltd., paid the installment at the rate of 100% of the full registered capital amount of Baht 1.07 million.

A2 Technologies Vietnam Co., Ltd. received important projects as follows:

No.	Counterparty/ Client	Project Name	¹⁾ Project Value (VND) (Excluded 10% VAT)	Period
1.	Loc Ninh Energy Joint Stock Company	Loc Ninh 1 Construction consultation for solar power plant	15,000,000,000.00	May 25, 2020 – Mar 25, 2021
2.	Loc Ninh 2 Energy Joint Stock Company	Loc Ninh 2 Construction consultation for solar power plant	15,000,000,000.00	May 25, 2020 – Mar 25, 2021
3.	Loc Ninh 3 Energy Joint Stock Company	Loc Ninh 3 Construction consultation for solar power plant	12,000,000,000.00	May 25, 2020 – Mar 25, 2021
4.	Loc Ninh Energy Joint Stock Company	Construction consultation for 220 kV power station	4,000,000,000.00	May 25, 2020 – Mar 25, 2021

¹⁾ Total project value equivalent to THB 62.84 million (Exchange rate: 1 VND = 0.001366 THB)

6.3 Investment in A2Teeravat joint venture Company Limited.

Shareholding structure of A2teeravat joint venture Company Limited after the transaction are as follow:

Stock type/ Shareholders	Amount (Shares)	%	Voting rights
<u>Preferred stock</u>			
A2 Technologies Co., Ltd.	3,674,997	49.00	99.99
Minor shareholders	3	-	-
<u>Common stock</u>			
Teeravat Surin Construction Co., Ltd.	3,825,000	51.00	0.01
	<u>7,500,000</u>	<u>100.00</u>	<u>100.00</u>

Preferred share shareholders will receive dividends and receive payments upon the dissolution or liquidation of A2teeravat joint venture Company Limited at a rate of 203% of paid up capital of preferred shares, Common share shareholders have voting rights of 1 vote per share, and preferred share shareholders have voting rights of 10,000 votes per share.

A2teeravat joint venture Co., Ltd., is an entity fully controlled by the Company, given that the Company controls both directly or indirectly, including financial and operating policies of this entity so as to obtain utmost benefits for A2teeravat joint venture Co., Ltd.

7. CHANGES IN SUBSIDIARIES' SHAREHOLDING

A2 Technology Co., Ltd. purchased 537,500 ordinary shares of Cholkij Sakol Co., Ltd., par value of 100 baht per share, totaling 53.75 million baht. After entering the transaction. Cholkij Sakol Co., Ltd. increased from 53.33 percent to 98.12 percent of the registered capital. Investing in the said shares, the company uses its own sources of funds, the type of working capital of the company, in order to gain control over and has full power to make decisions to implement business policies to grow in the specified direction

	Proportion of ownership (%)
Shareholding proportion as at January 1, 2020	53.33
Proportion to buy additional shares	44.79
Total proportion shareholding as at September 30, 2020	<u>98.12</u>
Purchasing date July 20, 2020	Unit: Baht
Increased of book value of net assets from A2 Technology Co., Ltd.	154,896,478.10
Additional share capital	(53,750,000.00)
Increase from share capital of the subsidiary	<u>101,146,478.10</u>

8. INVESTMENT PROPERTIES

The condensed movements in these items for the nine – month period ended September 30, 2020 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
Net book value as at January 1, 2020	-	-
Acquisitions during the period	-	-
Transferred in (out) (Note 9)	2,478,196.16	-
Depreciation for the period	-	-
Net book value as at September 30, 2020	<u>2,478,196.16</u>	<u>-</u>

Cholkij Sakol Co., Ltd., classifies such land as shown under the investment properties

9. PROPERTY, PLANT AND EQUIPMENT

The condensed movements in these items for the nine – month period ended September 30, 2020 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
Net book value as at January 1, 2020	791,288,629.48	5,598,042.91
Acquisitions during the period	10,763,926.02	-
Transferred out (Note 8)	(2,478,196.16)	-
Depreciation for the period	(61,506,187.93)	(40,553.97)
Exchange differences on translating of financial statement	1,295.05	-
Net book value as at September 30, 2020	<u>738,069,466.46</u>	<u>5,557,488.94</u>

The Group had land with structures thereon and machineries at net book value as at September 30, 2020 and December 31, 2019, of Baht 274.30 million and Baht 274.30 million, respectively are used as collateral with commercial bank. (Note 14 and 16)

As at September 30, 2020 and December 31, 2019 certain plant and equipment items have been fully depreciated but are still in use. The historical cost of those assets in the consolidate financial statements are Baht 62.90 million and Baht 62.83 million, respectively and in the separate financial statements are Baht 6.76 million and Baht 505.19 million, respectively.

10. RIGHT – OF – USE ASSETS

The condensed movements in these items for the nine – month period ended September 30, 2020 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
Net book value as at January 1, 2020	-	-
Effects of the adoption of TFRS 16, as at January 1, 2020 (Note 2.6)	10,471,299.68	-
Addition	35,894,153.56	-
Depreciation for the period	(10,019,557.28)	-
Net book value as at September 30, 2020	<u>36,345,895.96</u>	<u>-</u>

11. RIGHT UNDER THE RAW WATER DISTRIBUTION CONTRACT

As at September 30, 2020 and December 31, 2019 is as follow:

	(Unit: Baht)
	Consolidated
Balance as at January 1, 2019	148,241,748.95
Amortized during the period	(5,665,289.78)
Balance as at December 31, 2019	142,576,459.17
Amortized during the period	(4,248,967.31)
Balance as at September 30, 2020	<u>138,327,491.86</u>

The value of the right under the raw water distribution contract is based on the report of an independent appraiser dated June 23, 2016 using the income approach based on the minimum volume of water to be supplied throughout the remaining term of the contract of 29 years less the fair value of the property, plant and equipment.

The Management estimates the estimated duration of the benefit from the right under the raw water distribution contract starting from the date the Company exercises control over the subsidiary throughout the term of the contract of 350 months. The amortization is charged to profit and loss on a straight – line basis.

12. OTHER INTANGIBLE ASSETS

The condensed movements for the nine – month period ended September 30, 2020 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
Net book value as at January 1, 2020	1,219,321.85	1.00
Acquisition during the period	4,013,665.61	-
Amortization for the period	(830,925.60)	-
Net book value as at September 30, 2020	<u>4,402,061.86</u>	<u>1.00</u>

13. OTHER NON – CURRENT ASSETS

		(Unit: Baht)			
		Consolidated		Separate	
		September	December	September	December
		30, 2020	31, 2019	30, 2020	31, 2019
Deposits at financial institution with commitment					
Type	Guarantee				
– Saving accounts	Credit line	52,399,917.57	14,304,897.43	-	-
– Fixed deposits	Credit line and letter of guarantee	529,131.19	526,840.36	-	-
	Raw Water Buy and Sell				
	Contract	2,970,784.65	2,940,186.40	-	-
	Fleet Card	662,058.23	616,065.94	-	-
		<u>56,561,891.64</u>	<u>18,387,990.13</u>	<u>-</u>	<u>-</u>
Other non – current assets		48,889,149.09	26,824,378.41	2,000.00	114,000.00
Withholding tax over 1 year		-	9,961,391.78	-	-
Unused machinery and equipment		15,395,829.49	16,725,768.02	15,393,829.49	16,725,768.02
		<u>120,846,870.22</u>	<u>71,899,528.34</u>	<u>15,395,829.49</u>	<u>16,839,768.02</u>

14. BANK OVERDRAFTS AND SHORT – TERM LOANS FROM FINANCIAL INSTITUTION

As at September 30, 2020 and December 31, 2019 is as follow:

		(Unit: Baht)			
		Interest rate (% p.a.)		Consolidated	
		September	December	September	December
		30, 2020	31, 2019	30, 2020	31, 2019
Bank overdrafts		MOR	MOR	12,447,123.89	4,904,223.99
Promissory note from financial		3.40	3.40	53,871,028.85	46,324,045.00
Trust receipts and letter of credit				137,642,612.57	226,786,922.42
Total				<u>203,960,765.31</u>	<u>278,015,191.41</u>

Short – term loan from financial institution is promissory notes, maturity of 3 months and interest rate at 3.40% per annum.

As at September 30, 2020 and December 31, 2019, The Company and its subsidiaries have credit line of bank overdrafts from financial institutions of Baht 37 million and Baht 7 million, respectively. (Separate financial statement: Baht 2 million and Baht 2 million respectively)

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Bank overdrafts and short – term loans from financial institution (promissory note) is guaranteed by property and machinery of the Company and its subsidiaries. (Note 9)

The condensed movements for the nine – month period ended September 30, 2020 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
Net book value as at January 1, 2020	46,324,045.00	-
<u>Add</u> Increase	146,823,017.80	-
<u>Less</u> Decrease	(139,276,033.95)	-
Net book value as at September 30, 2020	53,871,028.85	-

15. TRADE PAYABLE AND OTHER CURRENT PAYABLES

	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Trade payable – Relate parties (Note 3)	-	-	-	24,102,233.76
Trade payable – Other parties	562,490,434.02	526,437,367.19	12,840.00	46,845,795.27
Retention payables	129,208,013.41	127,283,163.25	-	-
Advance Payment	49,081,948.24	5,854,905.89	-	-
Unearned revenue from construction (Note 25)	3,111,340.60	-	-	-
Unearned revenue from services	500,000.00	-	-	-
Unearned revenue from contract	31,500,425.73	24,080,256.56	-	-
Unearned revenue from service contract	-	566,666.70	-	-
Unearned revenue from goods	157,009.37	14,659,835.72	-	-
Other current payable				
– Deposit for land – Relate parties (Note 3)	-	-	-	100,000,000.00
– Other payable – Other parties	8,721,269.05	5,242,978.20	1,920,497.79	2,809,917.94
– Revenue department payables	45,742,745.66	48,593,997.86	79,627.33	12,961,694.20
– Accrued expenses	221,060,263.80	2,909,431.87	309,914.46	1,573,993.61
– Short – term employee benefits	5,546,517.31	20,063,135.12	13,784.18	17,323,976.56
– Others	3,082.50	3,082.50	-	-
Total trade and other current payables	1,057,123,049.69	775,694,820.86	2,336,663.76	205,617,611.34

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16. LONG – TERM BORROWINGS

	(Unit: Baht)			
	Consolidated		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Long – term borrowings from financial institutions	63,201,768.31	69,501,768.38	-	-
Current portion of long – term liabilities	<u>(63,201,768.31)</u>	<u>(8,100,000.00)</u>	-	-
	-	<u>61,401,768.38</u>	-	-

The condensed movements for the nine – month period ended September 30, 2020 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
Net book value as at January 1, 2020	69,501,768.38	-
<u>Add Increase</u>	-	-
<u>Less Decrease</u>	(6,300,000.07)	-
Net book value as at September 30, 2020	<u>63,201,768.31</u>	-

The long – term borrowings of Baht 210 million represent loans of a subsidiary which have the following securities:

1. Mortgage of its land subsidiaries. (Note 9)
2. Pledge of its deposit subsidiaries. (Note 13)
3. Guarantee by the director of the subsidiary.
4. Assign the right of receipt from Eastern Water Resources Development and Management PLC. (EASTW)

The borrowings agreement contains certain covenants regarding the dividend payment, maintaining the financial ratio, the lending to the related parties, additional borrowing and maintaining the shareholders structures.

On September 28, 2017, a subsidiary has entered into a debt restructuring agreement with a financial institution. The subsidiary shall monthly repay from January 2018 to December 2024 with interest rate of MLR. And guaranteed according to proportion for shareholding by A2 Technology Co., Ltd., not charged the fee between related.

Under the term of the agreement, the subsidiary shall comply to the conditions as follow:

1. No decreasing in share capital or merge with other company or established new company to run its operation without acceptance by bank.
2. No dividends, interim or annual. Or distribute to the benefit. Or any return. To any shareholder, one or all. And no matter how or how to pay. Unless a prior consent is obtained from the bank.

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As at September 30,2020, the Subsidiary was unable to comply with certain condition as stipulated in the loan agreement. As a result, the loan became a liability that must be repaid on demand immediately . Now, it's in the process of negotiating a waiver with the bank. However, for the reporting purpose in compliance with relevant financial reporting standards, the Subsidiary has presented this loan as a "current liability" in the interim financial statement.

17. LEASE LIABILITIES

The carrying amount of leases liabilities and movements for the nine – month period ended September 30, 2020 is as follows:

	(Unit: Baht)	
	Consolidated	Separate
As at December 31, 2019	2,105,114.26	-
Effects of the adoption of TFRS 16 (Note 2.6)	10,471,299.68	-
As at January 1, 2020	12,576,413.94	-
<u>Add</u> lease liabilities	313,731,282.66	-
<u>Add</u> interest	(14,587,129.10)	-
Payment	(120,634,444.57)	-
As at September 30, 2020	191,086,122.93	-
Less: Current portion	(38,719,729.69)	-
Lease liabilities – net of current portion	<u>152,366,393.24</u>	<u>-</u>

The following are the amounts for the nine – month period ended September 30, 2020 recognised in profit or loss:

	(Unit: Baht)	
	For the nine – month period ended September 30, 2020	
	Consolidated	Separate
Depreciation of right – of – use assets	10,019,557.28	-
Interest expense on lease liabilities	6,235,888.74	-
Expenses related to short – term lease agreements	4,830,612.82	-
Expenses related to leases with low underlying assets	411,300.00	-
Total	<u>21,497,358.84</u>	<u>-</u>

18. DEBENTURES HAVE NOT BEEN ISSUED.

According to the minute of Annual General of Shareholders' Meeting 2020 on April 25, 2020. Approved the issuance and offering of debentures in the amount not exceeding of Baht 1,500 million. At present, the company has not issued such debentures.

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19. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing earnings (loss) for the three – month and nine – month periods ended September 30, 2020 and 2019 attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid – up ordinary shares during the period.

	(Unit: Baht)			
	For the three – month period ended September 30			
	Consolidated		Separate	
	2020	2019	2020	2019
Profit (loss) of parent Company for the period	47,986,917.06	72,093,290.16	103,418,892.04	21,011,272.50
The number of ordinary shares by the weighted average method (Unit: Share)	659,999,862	659,999,862	659,999,862	659,999,862
Basis Earnings (loss) per share (Baht/ Share)	<u>0.07</u>	<u>0.11</u>	<u>0.16</u>	<u>0.03</u>

	(Unit: Baht)			
	For the nine – month period ended September 30			
	Consolidated		Separate	
	2020	2019	2020	2019
Profit (loss) of parent Company for the period	(32,945,936.98)	195,397,331.17	179,165,834.94	69,134,277.48
The number of ordinary shares by the weighted average method (Unit: Share)	659,999,862	659,999,862	659,999,862	659,999,862
Basis Earnings (loss) per share (Baht/ Share)	<u>(0.05)</u>	<u>0.30</u>	<u>0.27</u>	<u>0.10</u>

20. DIVIDENDS PAYMENT

On November 12, 2019 according to the Company's board of directors Meeting No.4/2019 has resolution pay dividend shares in the rate of Baht 0.10 per share amounting to Baht 66.00 million. The payment made in 2020.

On April 25, 2020 according to the minute of Annual General of Shareholders' Meeting 2020 has resolution pay additional dividend in the rate of Baht 0.06 per share amounting to Baht 39.60 million. The payment made on May 22, 2020. Total dividend payment in the rate of Baht 0.16 per share amounting to Baht 105.60 million.

21. SEGMENT INFORMATION

The Group presents financial information by business segments. Based on the management system. The Group's management and internal reporting structure is a component of segment reporting.

Performance by segment and segment assets Include items directly related to the division. Or that can be rationalized to the segment. Most unallocated items consist of assets, other income, selling expenses, administrative expenses and financial costs.

The Group operates in two geographic segments are Thailand and Vietnam.

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Details of information classified by operating segments of the Company and its subsidiaries. For the three – month and nine – month periods ended September 30, 2020 and 2019 are as follows:

(Unit: Million Baht)

	Consolidated									
	For the three – month period ended September 30									
	High Precision Part and Components		Engineering and Construction (EPC)		Sales of building materials and administration		Water resource management		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales and services	152	214	466	679	47	-	4	3	669	896
Costs of sales/ Cost of services	(120)	(164)	(405)	(601)	(45)	-	(2)	(3)	(572)	(768)
Gross profit (loss)	32	50	61	78	2	-	2	-	97	128
Unallocated income and expenses:										
Other income									5	7
Distribution costs									(1)	(1)
Administrative expense									(43)	(42)
Other expenses									-	-
Finance costs									(4)	(2)
Profit (loss) before income tax expense									54	90
Tax (expense) income									(6)	(19)
Profit (loss) for the period									48	71
Assets classified by business segments of the Company and its subsidiaries as at September 30, 2020 and December 31, 2019 are as follows:									Sep. 30, 2020	Dec. 31, 2019
Property, plant and equipment									738	791
Other assets									2,666	2,344
Total assets									3,404	3,135

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(Unit: Million Baht)

	Consolidated									
	For the nine – month period ended September 30									
	High Precision Part and Components		Engineering and Construction		Sales of building materials and administration		Water resource management		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales and services	448	659	656	1,354	244	-	21	50	1,369	2,063
Costs of sales/ Cost of services	(371)	(495)	(593)	(1,177)	(212)	-	(21)	(12)	(1,197)	(1,684)
Gross profit (loss)	77	164	63	177	32	-	-	38	172	379
Unallocated income and expenses:										
Other income									4	15
Distribution costs									(4)	(4)
Administrative expense									(188)	(129)
Other expenses									(3)	-
Finance costs									(12)	(6)
Profit (loss) before income tax expense									(31)	255
Tax (expense) income									(7)	(48)
Profit (loss) for the period									(38)	207
Assets classified by business segments of the Company and its subsidiaries as at September 30, 2020 and December 31, 2019 are as follows:									Sep. 30, 2020	Dec. 31, 2019
Property, plant and equipment									738	791
Other assets									2,666	2,344
Total assets									3,404	3,135

Segment revenue based on geography in the consolidated financial statements for the three – month and nine – month periods ended September 30, 2020 and 2019 were as follows:

	(Unit: Baht)			
	For the three – month periods		For the nine – month periods	
	ended September 30		ended September 30	
	2563	2562	2563	2562
Segment revenue				
Thailand	364,709,879.42	896,133,386.50	939,887,623.15	2,062,760,326.44
Vietnam	303,906,630.92	-	428,690,356.04	-
Total	<u>668,616,510.34</u>	<u>896,133,386.50</u>	<u>1,368,577,979.19</u>	<u>2,062,760,326.44</u>

Gross profit for each segment

Geography is based on sales minus cost of sales. This is calculated based on the gross profit of the Group of company and its subsidiaries.

Other assets Most of them consist of cash and cash equivalents, trade receivable, inventories and others.

Major customer

Separate financial statement

For the nine – month periods ended September 30, 2020. The Company has no major customers.

For the nine – month periods ended September 30, 2019. The Company major customer were domestic sales from products for automotive to Baht 72.27 million.

Subsidiary

For the nine – month periods ended September 30, 2020 have 2 major customers, revenues from construction services of waste power plants and revenues from construction services of solar power plants amounting to Baht 58.79 million and Baht 115.33 million, respectively.

For the nine – month periods ended September 30, 2019. The Company major customer were domestic sales revenue from power plant construction amounting to Baht 831.44 million

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22. OTHER REVENUE AND OTHER EXPENSE

For the nine – month periods ended September 30, 2020 and 2019, the Group had other revenue and other expenses. as follows:

	(Unit: Baht)			
	For the nine – month period ended September 30			
	Consolidated		Separate	
	2020	2019	2020	2019
Other revenue				
Gain from sale asset	319,998.00	177,401.56	100,419,920.55	180,360.83
Gain from exchange rate	-	13,437,490.18	8,806,200.47	-
Deividend income	-	-	99,999,994.00	-
Other	4,341,945.83	2,030,842.74	9,613,903.95	7,107,093.94
Total	<u>4,661,943.83</u>	<u>15,645,734.48</u>	<u>218,840,018.97</u>	<u>7,287,454.77</u>
Other expense				
Loss from exchange rate	3,498,404.91	-	-	6,781,074.20
Other	-	-	-	-
Total	<u>3,498,404.91</u>	<u>-</u>	<u>-</u>	<u>6,781,074.20</u>

23. DISCLOSURE OF IMPORTANT INFORMATION ABOUT THE CONTRACT***Raw Water Contract No. 1***

On January 29, 2014, Cholkij Sakol Company Limited (a subsidiary) has entered into a raw water purchase agreement with a private company. In accordance to the conditions stipulated in the agreement, the subsidiary agreed to sell raw water to the said company and comply with the conditions stipulated in the agreement. The agreement is effective for a period of 10 years and can be renewed for the contract 10 years, less up to 2 times (including 30 years contract), starting from November 1, 2017.

The subsidiary agrees to sell the raw water to such company. The minimum volume is not less than 8 – 12 million cubic meters per year.

Special Reciprocal Lease Agreement

On August 9, 2017, a subsidiary company has entered into special reciprocal land lease agreement with a private company. Under the conditions of the agreement, the said company agreed to lease parts of the subsidiary company's land and to comply with the conditions stipulated in the agreement. The agreement is effective from August 9, 2017, and is valid for 30 years from the commencement date.

Raw Water Contract No. 2

On July 25, 2017, Cholkij Sakol Company Limited (a subsidiary) entered into raw water sales agreement with a private company. Under the terms of the agreement. The subsidiary agrees to sell the raw water to the company. Minimum volume of not less than 5 – 8 million cubic meters per year for a period of 30 years, starting from January 1, 2018 to December 31, 2047, and in accordance with the conditions specified in the agreement.

24. COMMITMENTS AND CONTINGENT LIABILITIES**24.1 Obligation of credit lines for loans from financial institutions**

	Currency (Unit)	Consolidated					
		September 30, 2020			December 31, 2019		
		Total Amount	Credit lines	Balance Amount	Total Amount	Credit lines	Balance Amount
Bank overdrafts	Million Baht	37.00	4.85	32.15	7.00	4.90	2.10
Trust receipts and letters of credit */ **	Million Baht	90.00	-	90.00	30.00	-	30.00
Short – term borrowings	Million Baht	120.00	-	120.00	30.00	-	30.00
Long – term borrowings	Million Baht	450.00	-	450.00	450.00	94.96	355.04
Letter of guarantee **	Million Baht	19.38	7.98	11.40	13.38	7.93	5.45
Forward contract (USD)	Million USD	1.92	-	1.92	0.63	-	0.63
	Currency (Unit)	Separate					
		September 30, 2020			December 31, 2019		
		Total Amount	Credit lines	Balance Amount	Total Amount	Credit lines	Balance Amount
Bank overdrafts	Million Baht	2.00	-	2.00	2.00	-	2.00
Trust receipts and letters of credit	Million Baht	30.00	-	30.00	30.00	-	30.00
Short – term borrowings	Million Baht	30.00	-	30.00	30.00	-	30.00
Letter of guarantee	Million Baht	4.50	-	4.50	4.50	4.41	0.09
Forward contract (USD)	Million USD	0.63	-	0.63	0.63	-	0.63

* Credit lines together with the parent company.

Guaranteed of long – term loans from the financial institutionA2 Technologies Co., Ltd.

As at September 30, 2020, A2 Technologies Co., Ltd. guaranteed a letter of advance received under Construction contract to A2teeravat joint venture Co., Ltd. not charged the fee between related.

The Company and Advance Web Studio Co., Ltd. (a shareholder of the Company at the rate of 22.12%) jointly guaranteed a letter of guarantee of Baht 225.48 million to A2 Technology Co., Ltd. to issue a letter of guarantee for the construction without inter – charges and Advance Web Studio Co., Ltd., pledge of 36.05 million ordinary shares of Asia Precision Public Company Limited as collateral.

The Company and Advance Web Studio Co., Ltd., (a shareholder of the Company at the rate of 22.12%) and A2 Technology Co., Ltd., jointly guaranteed a letter of guarantee of Baht 27.91 million to A2teeravat joint venture Co., Ltd., to issue a letter of guarantee for the construction without inter – charges and Advance Web Studio Co., Ltd., pledge of 18.05 million ordinary shares of Asia Precision Public Company Limited as collateral.

** On December 18, 2018, A2 Technologies Co., Ltd., received a credit limit from a financial institution, which consisted of a guarantee limit of Baht 70 million and a revolving credit limit of Baht 180 million. The purpose of this credit limit is for supporting projects and working capital requirement. The interest rate is equal to money market rate. The credit limit is guaranteed by Asia Precision PLC, Advance Web Studio Co., Ltd., and APCS Technologies Co., Ltd.

On November 7, 2019, an increase in credit limit of A2 Technologies Co., Ltd., from Baht 250 million to Baht 470 million was approved. Detail as follows:

1. Revolving credit limit (Combine Line) of Baht 450 million.
2. Pre-settlement limit of Baht 20 million for protecting against risk

Note that APCS Technologies Co., Ltd. is allowed to use the joint credit limit, but not exceeding Baht 250 million.

Key conditions regarding drawdown as follows:

1. A2 Technologies Co., Ltd., must transfer the claim to the bank in the agreed format, with value equivalent to the project contract value or the net installment minus advance payment, for projects that have project value exceeding Baht 30 million or projects with duration over 9 months.
2. In the case of drawdown guarantee limit, type receive payment in advance, prior to arranging collateral contract with the bank, A2 Technologies Co., Ltd., must arrange a claim transfer and/ or registered collateral as agreed with the bank.

Cholkij Sakol Co., Ltd.

Guaranteed by land and machinery of a subsidiary.

The loan under debt restructuring of Cholkij Sakol Co., Ltd., is guaranteed loans in proportion to shareholding by A2 Technologies Co., Ltd., not charged the fee between related.

24.2 Contractor agreement commitments

As at September 30, 2020, the subsidiary company has commitment as follows:

	(Unit: Baht)		
	Consolidated		
	Contract Amount	Payment	Outstanding
Construction agreement	1,087,779,445.29	298,504,065.92	789,275,379.37

25. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

The Group company has significant information about the value of contract work as follow:

	(Unit: Baht)	
	Consolidated	
	September 30, 2020	December 31, 2019
Contract revenues at the beginning of the period/ year	2,506,548,812.34	2,970,104,289.91
<u>Add</u> Get contractual work during the period/ year	1,620,316,204.61	339,981,097.60
<u>Less</u> Construction work canceled during the period/ year	(6,865,097.17)	(10,440,884.78)
<u>Less</u> Construction work can be closed by contract during the period/ year	(2,070,005,376.21)	(793,095,690.39)
Contract revenues at the ending of period/ year	2,049,994,543.57	2,506,548,812.34
Value of work completed of contract revenues (work not yet be closed)	(315,603,957.37)	(2,262,457,235.05)
Contract revenues the remaining – Net	1,734,390,586.20	244,091,577.29

Significant information of construction contracts as at September 30, 2020 and December 31, 2019, are as follows:

	(Unit: Baht)	
	Consolidated	
	September 30, 2020	December 31, 2019
Revenues from contracts recognized as revenues at the beginning of the period/ year	2,262,457,235.05	1,405,551,432.55
<u>Add</u> Revenues from contracts recognized as revenues during the period/ year	655,843,141.17	1,650,001,492.89
<u>Less</u> Revenues from contracts work can be closed during the period/ year	(2,070,005,376.21)	(793,095,690.39)
Revenues from contracts cumulative at the ending of period/ year	848,295,000.01	2,262,457,235.05
Costs of contracts recognized as cost at the beginning of the period/ year	2,037,429,562.27	1,245,045,083.15
<u>Add</u> Costs of contracts recognized as cost during the period/ year	593,034,324.56	1,478,197,159.83
<u>Less</u> Costs of contract work can be closed during the period/ year	(1,877,225,687.19)	(685,812,680.71)
Costs of contract cumulative at the ending of period/ year	753,238,199.64	2,037,429,562.27

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"UNAUDITED"

NOTES TO FINANCIAL STATEMENTS

"REVIEWED"

SEPTEMBER 30, 2020

(Unit: Baht)

	Consolidated	
	September 30, 2020	December 31, 2019
Profit on construction contract recognized as profit at the beginning of the period/ year	225,027,672.78	160,506,349.40
<u>Add</u> Profit on construction contract recognized as profit during the period/ year	62,808,816.61	171,804,333.06
Loss on construction contract work can be closed during the period/ year	(192,779,689.02)	48,504.67
<u>Less</u> Profit on construction contract work can be closed during the period/ year	(1,655,649.33)	(107,331,514.35)
Profit on construction contract cumulative at the ending of period/ year	93,391,151.04	225,027,672.78
Unbilled construction revenues at the beginning of the period/ year	494,128,504.93	830,749,471.88
Unearned construction revenues at the beginning of the period/ year	-	(13,247,655.83)
<u>Add</u> Revenues from contracts recognized as revenues during the period/ year	655,843,141.17	1,650,001,492.89
<u>Less</u> Progress billings during the period/ year	(559,989,349.96)	(1,973,374,804.01)
Unearned construction revenues at the ending of period/ year (Note 15)	-	-
Unbilled construction revenues at the ending of period/ year (Note 4)	589,982,296.14	494,128,504.93

(Unit: Baht)

	Consolidated			
	For the three – month period		For the nine – month period	
	ended September 30		ended September 30	
	2020	2019	2020	2019
Revenues from contracts recognized as revenues	465,739,611.57	597,246,520.44	655,843,141.17	1,233,275,642.57
Costs of construction contracts incurred and recognized as expenses	(405,113,422.43)	(536,008,274.83)	(593,034,324.56)	(1,093,909,732.41)
Profit (Loss) recognized during the periods	60,626,189.14	61,238,245.61	62,808,816.61	139,365,910.16

26. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, excluding non – controlling interests and also monitors the level of dividends to ordinary shareholders.

As at September 30, 2020 and December 31, 2019, in the consolidated financial statements, debt to equity ratio is 0.9500: 1 and 0.6714: 1 respectively and the separate financial statements, debt to equity ratio is 0.0052: 1 and 0.2170: 1 respectively.

27. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements have been approved to be issued by the Company's board of directors on November 16, 2020.