

**ASIA PRECISION PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
INTERIM FINANCIAL INFORMATION
JUNE 30, 2021
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 June 30, 2021, the related consolidated and separate statements of comprehensive income for three – month and six – month period ended June 30, 2021, the consolidated and separate statements of changes in shareholders' equity, and the consolidated and separate statements of cash flows for six – month period ended June 30, 2021 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".

(Ms. Kannika Wipanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok

August 11, 2021

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2021

| | | Unit: Baht | | | |
|----------------------|---|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 |
| | | "Unaudited" | | "Unaudited" | |
| Notes | | "Reviewed" | "Audited" | "Reviewed" | "Audited" |
| Assets | | | | | |
| Current assets | | | | | |
| | Cash and cash equivalents | 729,883,931.05 | 537,956,491.33 | 72,975,013.38 | 94,541,629.53 |
| 4 | Trade and other current receivables | 1,895,234,190.43 | 1,562,361,994.13 | 413,855.60 | 722,475.13 |
| 3 | Short – term loans | - | - | 297,300,000.00 | 312,320,081.97 |
| 5 | Inventories | 87,788,247.43 | 74,405,155.95 | - | - |
| 6 | Other – financial current assests | 126,075.19 | - | - | - |
| | Total current assets | <u>2,713,032,444.10</u> | <u>2,174,723,641.41</u> | <u>370,688,868.98</u> | <u>407,584,186.63</u> |
| Non – current assets | | | | | |
| 7 | Investments in subsidiaries | - | - | 1,149,999,940.00 | 1,149,999,940.00 |
| 8 | Investment property | 2,478,196.16 | 2,478,196.16 | - | - |
| 9 | Property, plant and equipment | 701,904,479.74 | 729,489,250.94 | 5,513,252.88 | 5,541,363.42 |
| 10 | Right – of – use assets | 32,157,361.58 | 33,237,668.94 | - | - |
| 11 | Right under the raw water distribution contract | 134,078,524.53 | 136,911,169.43 | - | - |
| 12 | Other intangible assets | 3,587,245.14 | 4,085,301.72 | - | 1.00 |
| | Deferred tax assets | 742,695.12 | 1,907,642.24 | - | - |
| 13 | Other non – current assets | 77,139,243.68 | 84,117,068.63 | 10,847,461.49 | 11,972,057.16 |
| | Total non – current assets | <u>952,087,745.95</u> | <u>992,226,298.06</u> | <u>1,166,360,654.37</u> | <u>1,167,513,361.58</u> |
| | Total assets | <u><u>3,665,120,190.05</u></u> | <u><u>3,166,949,939.47</u></u> | <u><u>1,537,049,523.35</u></u> | <u><u>1,575,097,548.21</u></u> |

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2021

| | | Unit: Baht | | | | |
|---|---|-----------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------|
| | | Consolidated financial statements | | Separate financial statements | | |
| | | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 | |
| | | "Unaudited" | | "Unaudited" | | |
| Notes | | "Reviewed" | "Audited" | "Reviewed" | "Audited" | |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| | Bank overdrafts and short – term borrowings from financial institutions | 14 | 94,368,293.90 | 145,176,024.12 | - | - |
| | Trade and other current payables | 15 | 1,294,942,617.37 | 805,093,742.00 | 1,196,372.25 | 412,155.29 |
| | Current portion of long – term liabilities | 16 | 13,500,000.00 | 13,517,663.52 | - | - |
| | Current portion of lease liabilities | 17 | 114,279,756.01 | 62,697,180.25 | - | - |
| | Short – term borrowings | 3 | 78,257,895.53 | 76,779,950.07 | - | - |
| | Corporate income tax payable | | 20,619,871.16 | 12,804,222.45 | 80,536.11 | - |
| | Total current liabilities | | 1,615,968,433.97 | 1,116,068,782.41 | 1,276,908.36 | 412,155.29 |
| Non – current liabilities | | | | | | |
| | Long – term borrowings | 16 | 38,901,768.23 | 47,901,768.28 | - | - |
| | Lease liabilities | 17 | 47,173,470.27 | 125,039,237.99 | - | - |
| | Deferred tax liabilities | | 34,097,221.53 | 34,687,455.23 | - | - |
| | Non – current provisions for employee benefit | | 27,256,164.32 | 24,970,853.87 | 5,405,076.97 | 5,210,916.97 |
| | Other non – current liabilities | | 9,240,612.09 | 27,777,409.39 | - | - |
| | Total non – current liabilities | | 156,669,236.44 | 260,376,724.76 | 5,405,076.97 | 5,210,916.97 |
| | Total liabilities | | 1,772,637,670.41 | 1,376,445,507.17 | 6,681,985.33 | 5,623,072.26 |
| Shareholders' equity | | | | | | |
| Share capital | | | | | | |
| Authorized share capital | | | | | | |
| | Ordinary shares Baht 1.00 par value 659,999,962 shares | | 659,999,962.00 | 659,999,962.00 | 659,999,962.00 | 659,999,962.00 |
| Issued and paid share capital | | | | | | |
| | Ordinary shares Baht 1.00 par value 659,999,862 shares | | 659,999,862.00 | 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 | 369,183,857.00 |
| Retained earnings | | | | | | |
| Appropriated | | | | | | |
| | Legal reserve | | 66,000,000.00 | 66,000,000.00 | 66,000,000.00 | 66,000,000.00 |
| | Unappropriated | | 687,010,859.11 | 588,112,965.38 | 435,183,819.02 | 474,290,756.95 |
| | Other components of shareholders' equity | | 103,535,165.09 | 100,780,115.74 | - | - |
| | Total shareholders' equity of the parent company | | 1,885,729,743.20 | 1,784,076,800.12 | 1,530,367,538.02 | 1,569,474,475.95 |
| | Non – controlling interests | | 6,752,776.44 | 6,427,632.18 | - | - |
| | Total shareholders' equity | | 1,892,482,519.64 | 1,790,504,432.30 | 1,530,367,538.02 | 1,569,474,475.95 |
| | Total liabilities and shareholders' equity | | 3,665,120,190.05 | 3,166,949,939.47 | 1,537,049,523.35 | 1,575,097,548.21 |

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE THREE – MONTH PERIOD ENDED JUNE 30, 2021

"Unaudited"

"Reviewed"

| | | Unit: Baht | | | |
|---|-------|-----------------------------------|------------------|-------------------------------|----------------|
| | | Consolidated financial statements | | Separate financial statements | |
| Notes | | 2021 | 2020 | 2021 | 2020 |
| Revenues from sales and services | 3, 21 | 260,600,315.12 | 182,377,197.47 | - | 702,584.95 |
| Contract revenues | 21 | 238,245,727.87 | 95,150,602.61 | - | - |
| Costs of sales and costs of services | 3, 21 | (175,297,848.32) | (158,544,993.09) | - | (670,917.43) |
| Contract costs | 21 | (220,941,408.46) | (87,789,023.01) | - | - |
| Gross profit | | 102,606,786.21 | 31,193,783.98 | - | 31,667.52 |
| Other income | | 12,926,292.92 | 9,097,080.85 | 5,283,179.57 | 4,781,446.96 |
| Distribution costs | | (1,346,472.52) | (1,095,309.32) | - | - |
| Administrative expenses | | (43,968,848.78) | (62,843,846.47) | (4,757,111.28) | (5,754,761.37) |
| Other expenses | | (29,552.48) | - | - | 8,821,870.45 |
| Finance costs | | (3,869,348.99) | (4,106,600.89) | - | - |
| Profit (loss) before income tax expense | | 66,318,856.36 | (27,754,891.85) | 526,068.29 | (9,763,517.34) |
| Tax (expense) income | | (7,965,646.99) | 6,541,984.17 | (124,629.66) | 2,034,182.92 |
| Profit (loss) for the period | | 58,353,209.37 | (21,212,907.68) | 401,438.63 | (7,729,334.42) |
| Other comprehensive income (expense) | | | | | |
| <i>Other comprehensive income to be reclassified</i> | | | | | |
| <i>to profit or loss in subsequent period:</i> | | | | | |
| Exchange differences on translating of financial statement | | | | | |
| in foreign currency | | (3,111,569.35) | (237,131.94) | - | - |
| Total comprehensive income (expense) for the period | | 55,241,640.02 | (21,450,039.62) | 401,438.63 | (7,729,334.42) |
| Profit (loss) attributable to | | | | | |
| Owners of parent | | 58,222,789.65 | (18,537,270.56) | 401,438.63 | (7,729,334.42) |
| Non – controlling interests | | 130,419.72 | (2,675,637.12) | - | - |
| | | 58,353,209.37 | (21,212,907.68) | 401,438.63 | (7,729,334.42) |
| Total comprehensive income (expense) attributable to | | | | | |
| Owners of parent | | 55,111,220.30 | (18,774,402.50) | 401,438.63 | (7,729,334.42) |
| Non – controlling interests | | 130,419.72 | (2,675,637.12) | - | - |
| | | 55,241,640.02 | (21,450,039.62) | 401,438.63 | (7,729,334.42) |
| Basic earnings (loss) per share | 20 | 0.0882 | (0.0281) | 0.0006 | (0.0117) |

STATEMENTS OF COMPREHENSIVE INCOME

"Reviewed"

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2021

| | | Unit: Baht | | | |
|---|-------|-----------------------------------|------------------|-------------------------------|-----------------|
| | | Consolidated financial statements | | Separate financial statements | |
| Notes | | 2021 | 2020 | 2021 | 2020 |
| Revenues from sales and services | 3, 21 | 531,251,825.43 | 509,857,939.25 | - | 8,636,910.78 |
| Contract revenues | 21 | 424,666,080.95 | 190,103,529.60 | - | - |
| Costs of sales and costs of services | 3, 21 | (359,527,515.08) | (437,104,824.89) | - | (7,174,638.33) |
| Contract Costs | 21 | (352,073,617.87) | (187,920,902.13) | - | - |
| Gross profit | | 244,316,773.43 | 74,935,741.83 | - | 1,462,272.45 |
| Other income | | 23,592,735.89 | 1,597,519.85 | 10,704,869.82 | 109,594,230.39 |
| Distribution costs | | (3,079,211.36) | (2,626,250.92) | - | - |
| Administrative expenses | | (88,752,473.55) | (144,509,909.97) | (10,041,512.58) | (15,747,350.24) |
| Other expenses | | (67,551.61) | (6,187,712.61) | - | - |
| Finance costs | | (8,118,845.17) | (7,910,455.68) | - | (1,366.12) |
| Profit (loss) before income tax expense | | 167,891,427.63 | (84,701,067.50) | 663,357.24 | 95,307,786.48 |
| Tax (expense) income | | (29,069,597.92) | (1,394,088.27) | (171,503.45) | (19,560,843.58) |
| Profit (loss) for the period | | 138,821,829.71 | (86,095,155.77) | 491,853.79 | 75,746,942.90 |
| Other comprehensive income (expense): | | | | | |
| Other comprehensive income to be reclassified | | | | | |
| to profit or loss in subsequent period: | | | | | |
| Exchange differences on translating of financial statement | | | | | |
| in foreign currency | | | | | |
| | | 2,755,049.35 | (237,131.94) | - | - |
| Total comprehensive income (expense) for the period | | 141,576,879.06 | (86,332,287.71) | 491,853.79 | 75,746,942.90 |
| Profit (loss) attributable to | | | | | |
| Owners of parent | | | | | |
| | | 138,496,685.45 | (80,932,854.03) | 491,853.79 | 75,746,942.90 |
| Non – controlling interests | | | | | |
| | | 325,144.26 | (5,162,301.74) | - | - |
| | | 138,821,829.71 | (86,095,155.77) | 491,853.79 | 75,746,942.90 |
| Total comprehensive income (expense) attributable to | | | | | |
| Owners of parent | | | | | |
| | | 141,251,734.80 | (81,169,985.97) | 491,853.79 | 75,746,942.90 |
| Non – controlling interests | | | | | |
| | | 325,144.26 | (5,162,301.74) | - | - |
| | | 141,576,879.06 | (86,332,287.71) | 491,853.79 | 75,746,942.90 |
| Basic earnings (loss) per share | 20 | 0.2098 | (0.1226) | 0.0007 | 0.1148 |

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

"Unaudited"

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

"Reviewed"

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2021

Unit: Baht

| Consolidated financial statements | | | | | | | | | | | |
|---|------|----------------------------------|-------------------------------------|-----------------------------------|-----------------|---|---|--|---------------------------------------|--------------------------------|-------------------------------|
| Shareholders' equity of the parent company | | | | | | | | | | | |
| | Note | Issued and paid share capital | Share premium on ordinary shares | Retained earnings | | Other components of shareholders' equity | | | Total equity of the parent company | Non – controlling interests | Total shareholders' equity |
| | | | | Appropriated for Legal reserve | Unappropriated | Exchange differences on translating of financial statement in foreign currency | Change in the interest of the parent in subsidiary | Total other components of shareholders' equity | | | |
| Balance as at January 1, 2021 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 588,112,965.38 | (366,362.36) | 101,146,478.10 | 100,780,115.74 | 1,784,076,800.12 | 6,427,632.18 | 1,790,504,432.30 |
| Changes in shareholders' equity for the period: | | | | | | | | | | | |
| Total comprehensive income (expense) for the period | | - | - | - | 138,496,685.45 | 2,755,049.35 | - | 2,755,049.35 | 141,251,734.80 | 325,144.26 | 141,576,879.06 |
| Dividends payment | 18 | - | - | - | (39,598,791.72) | - | - | - | (39,598,791.72) | - | (39,598,791.72) |
| Balance as at June 30, 2021 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 687,010,859.11 | 2,388,686.99 | 101,146,478.10 | 103,535,165.09 | 1,885,729,743.20 | 6,752,776.44 | 1,892,482,519.64 |
| Balance as at January 1, 2020 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 613,752,270.84 | - | - | - | 1,708,935,989.84 | 166,560,351.15 | 1,875,496,340.99 |
| Changes in shareholders' equity for the period: | | | | | | | | | | | |
| Total comprehensive income (expense) for the period | | - | - | - | (80,932,854.03) | (237,131.94) | - | (237,131.94) | (81,169,985.97) | (5,162,301.74) | (86,332,287.71) |
| Dividends payment | 18 | - | - | - | (39,598,791.72) | - | - | - | (39,598,791.72) | - | (39,598,791.72) |
| Balance as at June 30, 2020 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 493,220,625.09 | (237,131.94) | - | (237,131.94) | 1,588,167,212.15 | 161,398,049.41 | 1,749,565,261.56 |

The accompanying notes to the interim consolidated financial statements are an integral part of the financial statements.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX – MONTH PERIOD ENDED JUNE 30, 2021

"Unaudited"

"Reviewed"

| Unit: Baht | | | | | | |
|---|------|----------------------------------|-------------------------------------|-----------------------------------|-----------------|-------------------------------|
| Separate financial statements | | | | | | |
| | Note | Issued and paid share capital | Share premium on ordinary shares | Retained earnings | | Total shareholders' equity |
| | | | | Appropriated for Legal reserve | Unappropriated | |
| Balance as at January 1, 2021 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 474,290,756.95 | 1,569,474,475.95 |
| Changes in shareholders' equity for the period: | | | | | | |
| Total comprehensive income (expense) for the period | | - | - | - | 491,853.79 | 491,853.79 |
| Dividends payment | 18 | - | - | - | (39,598,791.72) | (39,598,791.72) |
| Balance as at June 30, 2021 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 435,183,819.02 | 1,530,367,538.02 |
| | | | | | | |
| Balance as at January 1, 2020 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 338,403,492.90 | 1,433,587,211.90 |
| Changes in shareholders' equity for the period: | | | | | | |
| Total comprehensive income (expense) for the period | | - | - | - | 75,746,942.90 | 75,746,942.90 |
| Dividends payment | 18 | - | - | - | (39,598,791.72) | (39,598,791.72) |
| Balance as at June 30, 2020 | | 659,999,862.00 | 369,183,857.00 | 66,000,000.00 | 374,551,644.08 | 1,469,735,363.08 |

The accompanying notes to the interim consolidated financial statements are an integral part of the financial statements.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX- MONTH PERIOD ENDED JUNE 30, 2021

"Unaudited"
"Reviewed"

| | Unit: Baht | | | |
|--|-----------------------------------|------------------------|-------------------------------|-----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Profit (loss) before income tax expense | 167,891,427.63 | (84,701,067.50) | 663,357.24 | 95,307,786.48 |
| Adjustment to reconcile profit (loss) before income tax expense to net cash provided (paid) | | | | |
| Adjusted financial costs | 8,118,845.17 | 7,910,455.68 | - | 1,366.12 |
| Adjusted interest received | (203,668.16) | (486,039.51) | (9,081,942.50) | (5,577,726.70) |
| Adjusted trade and other receivables (increase) decrease | (311,388,878.52) | 282,925,593.45 | 287,484.77 | 209,016,676.41 |
| Adjusted inventories (increase) decrease | (11,474,190.90) | (13,657,306.08) | - | 4,547,814.77 |
| Adjusted other assets (increase) decrease | 6,552,148.81 | (40,384,563.39) | - | 112,000.00 |
| Adjusted trade and other payable increase (decrease) | 458,582,618.28 | (222,811,696.51) | 784,216.96 | (201,414,036.45) |
| Depreciation and amortization | 45,478,480.54 | 52,417,738.44 | 1,173,840.97 | 911,654.27 |
| Adjusted loss on value of goods (reversed) | (1,908,900.58) | 3,758,670.76 | - | (159,427.32) |
| Adjusted other provisions for employee benefits | 2,285,310.45 | 12,684,081.63 | 194,160.00 | 270,683.34 |
| Adjusted unrealized loss (gain) on foreign exchange | (475,860.09) | 9,675,686.67 | - | (79,454.50) |
| Adjusted loss (gain) from assets disposals | 67,425.85 | (1,783,194.31) | - | (100,419,920.55) |
| Adjustments by loss (profit) from disposal of non – current assets | 1.00 | - | 1.00 | - |
| Adjustment by the expenses of business transformation | - | 29,314,644.51 | - | - |
| Total adjust from reconciliation of gain (loss) | 195,633,331.85 | 119,564,071.34 | (6,642,238.80) | (92,790,370.61) |
| Net Cash Provided by (Used in) Operating | 363,524,759.48 | 34,863,003.84 | (5,978,881.56) | 2,517,415.87 |
| Interest expense | (6,692,408.04) | (6,428,899.89) | - | (8,694.89) |
| Interest received | 203,668.16 | 486,039.51 | 9,102,024.47 | 5,577,726.70 |
| Income tax refund (pay out) | (20,066,840.21) | (4,285,467.67) | (90,967.34) | (4,152,746.64) |
| Cash received (paid) for employee benefit | - | (577,210.00) | - | (577,210.00) |
| Net Cash Provided by (Used in) Operating Activities | 336,969,179.39 | 24,057,465.79 | 3,032,175.57 | 3,356,491.04 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Restricted short – term deposit with financial institution (increase) decrease | (4,893,539.23) | (68,027.28) | - | - |
| Cash received from sale property, plant and equipment | 77,436.00 | 1,783,196.31 | - | 445,278,504.54 |
| Cash paid to purchase property, plant and equipment | (7,090,746.95) | (7,052,370.52) | - | - |
| Cash paid to purchase intangible assets | (145,806.00) | (3,937,712.88) | - | - |
| Cash received from loans to related parties | - | - | 15,000,000.00 | - |
| Cash paid for loans to related parties | - | - | - | (169,000,000.00) |
| Cash paid for expenses of business transformation | - | (9,294,660.00) | - | - |
| Net Cash Provided by (Used in) Investing Activities | (12,052,656.18) | (18,569,574.37) | 15,000,000.00 | 276,278,504.54 |

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX- MONTH PERIOD ENDED JUNE 30, 2021

"Unaudited"

"Reviewed"

| | Unit: Baht | | | |
|---|-----------------------------------|-----------------------|-------------------------------|-------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Bank overdrafts increase (decrease) | (2,044,656.05) | (92,592,227.98) | - | - |
| Cash received from borrowings from the financial institutions | 27,681,400.00 | 149,895,977.90 | - | - |
| Cash received from sale and lease back | - | 255,000,000.00 | - | - |
| Cash paid to pay the financial institutions borrowings | (89,706,665.72) | (171,124,034.00) | - | - |
| Cash paid to pay the person and related parties borrowings | - | (185,400.00) | - | (100,000,000.00) |
| Cash paid for deposit for sale and lease back | - | (55,000,000.00) | - | - |
| Cash paid to pay lease liabilities | (32,062,368.44) | (56,092,352.67) | - | - |
| Dividends payment | (39,598,791.72) | (39,598,791.72) | (39,598,791.72) | (39,598,791.72) |
| Net Cash Provided by (Used in) Financing Activities | (135,731,081.93) | (9,696,828.47) | (39,598,791.72) | (139,598,791.72) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | | |
| BEFORE EFFECTS OF EXCHANGE RATES | 189,185,441.28 | (4,208,937.05) | (21,566,616.15) | 140,036,203.86 |
| EFFECTS OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS | 2,741,998.44 | (284,893.31) | - | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 191,927,439.72 | (4,493,830.36) | (21,566,616.15) | 140,036,203.86 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 537,956,491.33 | 606,286,449.77 | 94,541,629.53 | 201,317,982.47 |
| CASH AND CASH EQUIVALENTS END OF PERIOD | 729,883,931.05 | 601,792,619.41 | 72,975,013.38 | 341,354,186.33 |

ADDITIONAL CASH FLOW DISCLOSURES:

Non – cash are significant in the consolidated and separate financial statements are as follows:

| | | | | |
|--|--------------|---------------|---|---|
| Assets purchased by lease liabilities | - | 1,650,000.00 | - | - |
| Right – of – use assets increased by lease liabilities | 5,779,176.49 | 25,228,193.68 | - | - |

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 June 30, 2021, the Company has the largest shareholder is Advance Web Studio Co., Ltd. held 22.12% (As at 31 December 2020 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

On 29 March 2021, a subsidiary established a Project Management Office of A2 Technologies Co., Ltd. in Social Republic of Vietnam to engage in supplying materials, equipment and construction of transmission line and extension bay in Bac Lieu pursuant to the Joint Agreement between A2 Technologies Co., Ltd. and A2 Technologies Vietnam Co., Ltd.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

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 2020.

2.1 Significant accounting policies.

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2.2 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.3 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, 2020.

2.4 BASIS FOR PREPARATION OF THE CONSOLIDATION FINANCIAL STATEMENT

2.4.1 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:

| Subsidiary Company Direct and Indirect | Nature of business | Country of incorporation | Percentage of holding (%) | |
|--|--|--------------------------|---------------------------|-------------------|
| | | | June 30, 2021 | December 31, 2020 |
| <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</u> (Held by Asia Precision A.T. Co., Ltd.) | | | | |
| Asia Precision Tech Co., Ltd. | Manufacture and sale of metal parts. | Thailand | 100.00 | 100.00 |

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| Subsidiary Company Direct and Indirect | Nature of business | Country of incorporation | Percentage of holding (%) | |
|--|--|--------------------------|---------------------------|-------------------|
| | | | June 30, 2021 | December 31, 2020 |
| <u>Subsidiary Company Indirect (Held by A2 Technologies Co., Ltd.)</u> | | | | |
| Cholkij Sakol Co., Ltd. | Production and distribution of raw water. | Thailand | 98.12 | 98.12 |
| 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 |
| A2 Teeravat joint venture Co., Ltd. * | Construction project to increase water pumping capability. Pump Station Improvement | Thailand | 49.00 | 49.00 |
| A2 Technologies Vietnam Co., Ltd. | Construction consultation and project construction. | Vietnam | 100.00 | 100.00 |

* A2 Teeravat Joint Venture Co., Ltd. is an entity controlled by A2 Technologies Co., Ltd. because A2 Technologies Co., Ltd. has power and authority both directly and indirectly in determining A2 Teeravat Joint Venture Co., Ltd.'s financial and operating policies in order to control the return from A2 Teeravat Joint Venture Co., Ltd.'s activities.

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

| Name of entity | Nature of Business | Country of incorporation | Interest in joint operations (%) | |
|--|--------------------|--------------------------|----------------------------------|-------------------|
| | | | June 30, 2021 | December 31, 2020 |
| Consortium of A2 Technologies Vietnam Co., Ltd. and A2 Technologies Co., Ltd. (Thailand) | Construction | Vietnam | 100.00 | 100.00 |

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. |
| A2 teeravat joint venture Co., Ltd. | Construction project to increase water pumping capability. Pump Station Improvement | 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. |
| At Peak Co., Ltd.* | Advertising Companies. | At Peak Co., Ltd.'s directors are Cholkij Sakol Co., Ltd.'s shareholders. |
| Advance Web Studio Co., Ltd. | Other Specialized Designs Not classified elsewhere. | Major Shareholders in Asia Precision Public Company Limited/ common management team. |
| Aws asset management Co., Ltd. | Other activities that complement financial service activities Which is not elsewhere classified | Major Shareholders in Advance Web Studio Co., Ltd./ common management team in a subsidiary |

* On 20 July 2020, At Peak Co., Ltd. was no longer the Group's related company because At Peak Co., Ltd.'s directors were not the shareholders of Cholkij Sakol Co., Ltd.

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3.1 The significant balances with related company as at June 30, 2021 and December 31, 2020 are as follows:

| | (Unit: Baht) | | | |
|--|------------------|----------------------|------------------|----------------------|
| | Consolidated | | Separate | |
| | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 |
| Short – term loans to | | | | |
| <u>A2 Technologies Co., Ltd.*</u> | | | | |
| Principle | | | | |
| Beginning balance period/ year | - | - | 297,300,000.00 | 150,000,000.00 |
| Increase during the period/ year | - | - | - | 147,300,000.00 |
| Decrease during the period/ year | - | - | (15,000,000.00) | - |
| Ending balance period/ year | - | - | 282,300,000.00 | 297,300,000.00 |
| Accrued interest income | | | | |
| Beginning balance period/ year | - | - | - | - |
| Increase during the period/ year | - | - | 8,584,447.61 | 13,407,042.02 |
| Decrease during the period/ year | - | - | (8,584,447.61) | (13,407,042.02) |
| Ending balance period/ year | - | - | - | - |
| Total | - | - | 282,300,000.00 | 297,300,000.00 |
| <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 income | | | | |
| 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 | - | - | - | - |

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| | (Unit: Baht) | | | |
|-------------------------------------|--------------|----------|----------------|----------------|
| | Consolidated | | Separate | |
| | June | December | June | December |
| | 30, 2021 | 31, 2020 | 30, 2021 | 31, 2020 |
| <u>APCS Technologies Co., Ltd.*</u> | | | | |
| Principle | | | | |
| Beginning balance period/ year | - | - | 15,000,000.00 | - |
| Increase during the period/ year | - | - | - | 15,000,000.00 |
| Decrease during the period/ year | - | - | - | - |
| Ending balance period/ year | - | - | 15,000,000.00 | 15,000,000.00 |
| Accrued interest income | | | | |
| Beginning balance period/ year | - | - | 20,081.97 | - |
| Increase during the period/ year | - | - | 455,599.32 | 20,081.97 |
| Decrease during the period/ year | - | - | (475,681.29) | - |
| Ending balance period/ year | - | - | - | 20,081.97 |
| Total | - | - | 15,000,000.00 | 15,020,081.97 |
| Grand total | - | - | 297,300,000.00 | 312,320,081.97 |

* As at 30 June 2021 and 31 December 2020, short-term loans (promissory notes) bore interest at the rate of Minimum Loan Rate and were due at call.

**As at 31 December 2020, short-term loans (promissory notes) bore interest by referencing to commercial banks' deposit rate and were due at call.

| | (Unit: Baht) | | | |
|---|--------------|----------|----------|------------------|
| | Consolidated | | Separate | |
| | June | December | June | December |
| | 30, 2021 | 31, 2020 | 30, 2021 | 31, 2020 |
| 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 | - | - | - | - |
| Decrease during the period/ year | - | - | - | (100,000,000.00) |
| Ending balance period/ year | - | - | - | - |

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(Unit: Baht)

| | Consolidated | | Separate | |
|---|------------------|----------------------|------------------|----------------------|
| | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 |
| Accrued interest | | | | |
| Beginning balance period/ year | - | - | - | 7,328.77 |
| Increase during the period/ year | - | - | - | 1,366.12 |
| Decrease during the period/ year | - | - | - | (8,694.89) |
| Ending balance period/ year | - | - | - | - |
| Total | - | - | - | - |
| <u>Loan from Advance Web Studio Co., Ltd</u> ⁽²⁾ | | | | |
| Principle | | | | |
| Beginning balance period/ year | - | 185,400.00 | - | - |
| Increase during the period/ year | - | - | - | - |
| Decrease during the period/ year | - | (185,400.00) | - | - |
| Ending balance period/ year | - | - | - | - |
| Accrued interest | | | | |
| Beginning balance period/ year | - | 726.36 | - | - |
| Increase during the period/ year | - | 1,420.89 | - | - |
| Decrease during the period/ year | - | (2,147.25) | - | - |
| Ending balance period/ year | - | - | - | - |
| Total | - | - | - | - |
| <u>Loan from shareholder in subsidiary</u> ⁽³⁾ | | | | |
| 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 | - | - |

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(Unit: Baht)

| | Consolidated | | Separate | |
|---|----------------------|----------------------|------------------|----------------------|
| | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 |
| Accrued interest | | | | |
| Beginning balance period/ year | 27,173,531.51 | 24,402,394.24 | - | - |
| Increase during the period/ year | 1,374,180.39 | 2,771,137.27 | - | - |
| Decrease during the period/ year | - | - | - | - |
| Ending balance period/ year | 28,547,711.90 | 27,173,531.51 | - | - |
| Total | 73,480,788.65 | 72,106,608.26 | - | - |
| <u>Loan from At Peak Co., Ltd.</u> ⁽³⁾ | | | | |
| 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 | 1,573,341.81 | 1,363,518.53 | - | - |
| Increase during the period/ year | 103,765.07 | 209,823.28 | - | - |
| Decrease during the period/ year | - | - | - | - |
| Ending balance period/ year | 1,677,106.88 | 1,573,341.81 | - | - |
| Total | 4,777,106.88 | 4,673,341.81 | - | - |
| Grand Total | 78,257,895.53 | 76,779,950.07 | - | - |

⁽¹⁾ As at 31 December 2020, short-term loans (promissory notes) bore interest by referencing to commercial banks' deposit rate and were due at call.

⁽²⁾ As at 31 December 2020, A2 Technologies Co., Ltd. borrowed by issuing a promissory note bearing interest at the rates between 5.50% and 6.775% per annum which was due at call.

⁽³⁾ As at 30 June 2021 and 31 December 2020, Cholkij Sakol Co., Ltd. entered into loan agreements with its related parties. The loan bore interest at the rates between 5.50% and 7.75% per annum and was due at call. On 20 July 2020, end of related party relationship.

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3.2 The significant transactions with related parties for the three – month and six – month periods ended June 30, 2021 and 2020 are as follows:

Revenues and expenses with related parties.

| | | (Unit: Thousand Baht) | | | |
|-----------------------------------|--|--|------------|----------|----------|
| | | For the three – month period ended June 30 | | | |
| | | Consolidated | | Separate | |
| | Pricing Policy | 2021 | 2020 | 2021 | 2020 |
| Revenues from sales assets | | | | | |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | - | 58 |
| Interest Income | | | | | |
| A2 Technologies Co., Ltd. | Agreement contract | - | - | 4,311 | 2,526 |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | - | 220 |
| APCS Technologies Co., Ltd. | Agreement contract | - | - | 229 | - |
| Purchase – finish goods | | | | | |
| Asia Precision A.T. Co., Ltd. | Same price and trade conditions with outsider, nearby market price | - | - | - | 646 |
| Rental Expense | | | | | |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | 6 | 6 |
| Interest Expense | | | | | |
| Shareholder in subsidiary * | Agreement contract | 691 | 689 | - | - |
| At Peak Co., Ltd. * | Agreement contract | 52 | 52 | - | - |
| | | <u>743</u> | <u>741</u> | <u>-</u> | <u>-</u> |

* On 20 July 2020, end of related party relationship.

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| | | (Unit: Thousand Baht) | | | |
|--------------------------------|---|--|--------------|----------|----------|
| | | For the six – month period ended June 30 | | | |
| | | Consolidated | | Separate | |
| | Pricing Policy | 2021 | 2020 | 2021 | 2020 |
| Income from sale assets | | | | | |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | - | 290,790 |
| Revenue from sales | | | | | |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | - | 58 |
| Interest income | | | | | |
| A2 Technologies Co., Ltd. | Agreement contract | - | - | 8,584 | 5,053 |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | - | 273 |
| APCS Technologies Co., Ltd. | Agreement contract | - | - | 456 | - |
| Cost of service | | | | | |
| Asia Precision A.T. Co., Ltd. | Same price and trade conditions with outsider, nearby market price | - | - | - | 1,818 |
| Purchase – finish goods | | | | | |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | - | 2,464 |
| Rental expense | | | | | |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | 12 | 12 |
| Interest expense | | | | | |
| Shareholder in subsidiary.* | Agreement contract | 1,374 | 1,378 | - | - |
| At Peak Co., Ltd.* | Agreement contract | 104 | 104 | - | - |
| Asia Precision A.T. Co., Ltd. | Agreement contract | - | - | - | 1 |
| Advance Web Studio Co., Ltd. | Agreement contract | - | 1 | - | - |
| | | <u>1,478</u> | <u>1,483</u> | <u>-</u> | <u>1</u> |

* On 20 July 2020, end of related party relationship.

3.3 Guarantee and others

The Group have guarantees of liabilities in accordance with Note 25.3

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4. TRADE AND OTHER CURRENT RECEIVABLES

(Unit: Baht)

| | Consolidated | | Separate | |
|---|------------------|----------------------|------------------|----------------------|
| | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 |
| Trade receivables | 952,227,224.37 | 914,433,281.79 | - | - |
| <u>Less</u> expected credit loss | - | - | - | - |
| Total trade receivables | 952,227,224.37 | 914,433,281.79 | - | - |
| Unbilled construction revenues | 675,093,428.11 | 398,813,254.93 | - | - |
| Other current receivables | | | | |
| Other receivables | 4,542.02 | 729,833.11 | - | 359,520.00 |
| Prepaid for contractor | 170,546,728.53 | 153,306,859.04 | - | - |
| Prepaid for inventories | 1,389,853.63 | - | - | - |
| Prepaid expenses | 3,157,980.52 | 4,487,787.75 | 137,220.70 | 97,297.71 |
| Advances | 58,462,142.59 | 25,683,911.52 | - | - |
| Withholding tax | 288,719.64 | 14,256,388.33 | - | 21,134.76 |
| Revenue Department – Receivable | 22,298,624.08 | 16,698,788.62 | 272,238.04 | 243,772.01 |
| Input Tax Suspense | 11,187,821.84 | 32,732,858.11 | 4,396.86 | 750.65 |
| Deposit | 370,580.63 | 722,283.75 | - | - |
| Others | 206,544.47 | 496,747.18 | - | - |
| Total | 943,006,966.06 | 647,928,712.34 | 413,855.60 | 722,475.13 |
| Total trade and other current receivables | 1,895,234,190.43 | 1,562,361,994.13 | 413,855.60 | 722,475.13 |

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Outstanding balances of receivable classified by ages are as follows:

(Unit: Baht)

| | Consolidated | | Separate | |
|-------------------------------------|------------------|----------------------|------------------|----------------------|
| | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 |
| Trade receivables | | | | |
| Not yet due receivables | 311,709,254.71 | 135,942,706.49 | - | - |
| Overdue: | | | | |
| Over 1 day to 30 days | 50,391,481.70 | 78,012,265.80 | - | - |
| Over 31 days to 90 days | 61,009,345.60 | 203,120,802.05 | - | - |
| Over 91 days to 180 days | 105,460,169.33 | 140,852,480.96 | - | - |
| Over 181 days to 365 days | 117,219,031.03 | 108,550,693.65 | - | - |
| Over 365 days | 56,925,325.21 | - | - | - |
| Total | 702,714,607.58 | 666,478,948.95 | - | - |
| Retention receivables to agreement* | 249,512,616.79 | 247,954,332.84 | - | - |
| Total | 952,227,224.37 | 914,433,281.79 | - | - |
| <u>Less</u> expected credit loss | - | - | - | - |
| Net | 952,227,224.37 | 914,433,281.79 | - | - |

*Warranty contractual is not over 1 year.

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

5. INVENTORIES

(Unit: Baht)

| | Consolidated | | Separate | |
|--|------------------|----------------------|------------------|----------------------|
| | June 30, 2021 | December 31, 2020 | June 30, 2021 | December 31, 2020 |
| Raw materials and supplies | 31,001,689.11 | 27,573,483.51 | - | - |
| Goods in transit | 917,319.42 | 834,845.17 | - | - |
| Work in process | 36,423,507.65 | 26,789,295.68 | - | - |
| Finished goods | 21,703,636.01 | 23,374,336.93 | - | - |
| Total | 90,046,152.19 | 78,571,961.29 | - | - |
| <u>Less</u> Allowance for decline values | (2,257,904.76) | (4,166,805.34) | - | - |
| | 87,788,247.43 | 74,405,155.95 | - | - |

The movements of allowances for obsolete of inventories for the six – month period ended June 30, 2021 and 2020 are as follows:

| | (Unit: Baht) | | | |
|------------------------------------|---------------------|---------------------|----------|--------------|
| | Consolidated | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Beginning balance as at January 1 | 4,166,805.34 | 1,061,577.42 | - | 159,427.32 |
| Increase | 287,434.04 | 4,106,021.54 | - | - |
| Reversal/ Disposal during the year | (2,196,334.62) | (347,350.78) | - | (159,427.32) |
| Ending balance as at June 30 | <u>2,257,904.76</u> | <u>4,820,248.18</u> | <u>-</u> | <u>-</u> |

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

6. Other current financial assets (liabilities)

Hedge instruments

The subsidiaries hedged with line of foreign currency forward contracts for foreign currency with 2 financial institutions. As at June 30, 2021, the Company has withdrawn credit limit with 2 financial institutions.

The subsidiaries entered into many foreign currency forward contracts for foreign currency. The term of each contract was 6 months and 8 months.

The balance of foreign currency forward contract (bank bought) as at June 30, 2021 amounted to USD 3.80 million and JPY 50.00 million, respectively.

Fair value of the foreign currency forward contracts and unrealized gain (loss) from hedging as at June 30, 2021 and December 31, 2020 are as follows:

| | (Unit: Baht) | |
|---|-----------------------|----------------------|
| | Consolidated | |
| | June 30, 2021 | December 31, 2020 |
| Forward contract | | |
| Balance as per contract | 136,396,000.00 | - |
| Fair value at end of period | <u>136,522,075.19</u> | <u>-</u> |
| Unrealized (gain) losses from hedging | <u>(126,075.19)</u> | <u>-</u> |
| Total unrealized (gains) losses from hedging | <u>(126,075.19)</u> | <u>-</u> |

Unrealized (gains) losses from hedging as the above mentioned were presented in the statement of financial position in the items of assets (liabilities) under foreign currency forward contracts and aggregately presented in "Other income" in statement of comprehensive income.

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7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the separate financial statements as at June 30, 2021 and December 31, 2020 which are stated at cost are as follow:

(Unit: Thousand)

| | Currency | Share capital | | Paid share capital | | Percentage of shareholding | | Cost | | Dividend income | |
|--|--------------|---------------|----------|--------------------|----------|----------------------------|----------|-----------|-----------|-----------------|----------|
| | | Jun. 30, | Dec. 31, | Jun. 30, | Dec. 31, | Jun. 30, | Dec. 31, | Jun. 30, | Dec. 31, | Jun. 30, | Dec. 31, |
| | | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Subsidiaries directly held by the Company | | | | | | | | | | | |
| A2 Technologies Co., Ltd. | Baht | 600,000 | 600,000 | 600,000 | 600,000 | 100 | 100 | 599,999 | 599,999 | - | 99,999 |
| Asia Precision A.T. Co., Ltd. | Baht | 550,000 | 550,000 | 550,000 | 550,000 | 100 | 100 | 549,999 | 549,999 | - | - |
| Subsidiaries held through A2 Technologies Company Limited | | | | | | | | | | | |
| Cholkij Sakol Co., Ltd. | Baht | 120,000 | 120,000 | 120,000 | 120,000 | 98.12 | 98.12 | - | - | - | - |
| 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 | 750,000 | 750,000 | 100 | 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 | 1,149,998 | - | 99,999 |

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8. INVESTMENT PROPERTY

On April 1, 2020, The Subsidiary rented 1 plot of land from private company. It has a total area of 4 Rai with a rental period of 3 years from April 1, 2020 to March 31, 2023. The Subsidiary reclassified such land under the investment property.

The Subsidiary pledged land at cost of Baht 2 million to secure credit with a commercial bank.

9. PROPERTY, PLANT AND EQUIPMENT

The condensed movements in these items for the six – month period ended June 30, 2021 and December 31, 2021 are as follows:

| | (Unit: Baht) | |
|--|-----------------------|---------------------|
| | Consolidated | Separate |
| Net book value as at January 1, 2021 | 729,489,250.94 | 5,541,363.42 |
| Acquisitions during the period | 8,882,973.23 | - |
| Transfer in (out) | (1,763,760.67) | - |
| Sold during the period | (267,372.00) | - |
| Depreciation for the period | (34,586,993.47) | (28,110.54) |
| Accumulated depreciation of assets sold during the period | 122,510.15 | - |
| Exchange differences on translating of financial statement | 27,871.56 | - |
| Net book value as at June 30, 2021 | <u>701,904,479.74</u> | <u>5,513,252.88</u> |

The Group had land with structures thereon and machineries at net book value as at June 30, 2021 and December 31, 2020, of Baht 272 million and Baht 274 million, respectively with a commercial bank as guarantee for both short – term and long – term facilities.

10. RIGHT – OF – USE ASSETS

The condensed movements in these items for the six – month period ended June 30, 2021 are as follow:

| | (Unit: Baht) | |
|--------------------------------------|----------------------|----------|
| | Consolidated | Separate |
| Net book value as at January 1, 2021 | 33,237,668.94 | - |
| Addition | 5,779,176.49 | - |
| Depreciation for the period | (6,859,483.85) | - |
| Net book value as at June 30, 2021 | <u>32,157,361.58</u> | <u>-</u> |

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11. RIGHT UNDER THE RAW WATER DISTRIBUTION CONTRACT

The condensed movements in these items for the six – month period ended June 30, 2021 are as follows:

| | (Unit: Baht) |
|-------------------------------|----------------|
| | Consolidated |
| Balance as at January 1, 2021 | 136,911,169.43 |
| Amortized during the period | (2,832,644.90) |
| Balance as at June 30, 2021 | 134,078,524.53 |

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 INTANGILBLE ASSETS

The movements for the six – month period ended June 30, 2021 are as follows:

| | (Unit: Baht) | |
|--------------------------------------|--------------|----------|
| | Consolidated | Separate |
| Net book value as at January 1, 2021 | 4,085,301.72 | 1.00 |
| Acquisition during the period | 145,806.00 | - |
| Amortization for the period | (643,862.58) | (1.00) |
| Net book value as at June 30, 2021 | 3,587,245.14 | - |

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13. OTHER NON – CURRENT ASSETS

| | | (Unit: Baht) | | | |
|---|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | | Consolidated | | Separate | |
| | | June | December | June | December |
| | | 30, 2021 | 31, 2020 | 30, 2021 | 31, 2020 |
| Deposits at financial institution with commitment | | | | | |
| Type | Guarantee | | | | |
| – Saving accounts | Loan limited | 5,420,859.07 | 19,464,450.62 | - | - |
| – Fixed deposits | Credit line and letter of guarantee | 529,918.05 | 529,395.27 | - | - |
| | Raw Water Buy and Sell Contract | 7,570,784.65 | 2,970,784.65 | - | - |
| | Fleet Card | 662,954.28 | 662,376.73 | - | - |
| | | <u>14,184,516.05</u> | <u>23,627,007.27</u> | <u>-</u> | <u>-</u> |
| Other non – current assets | | 19,962,810.05 | 20,523,844.03 | 2,000.00 | 2,000.00 |
| Withholding tax over 1 year | | 32,167,590.85 | 27,996,160.17 | 21,134.76 | - |
| Unused machinery and equipment * | | 10,824,326.73 | 11,970,057.16 | 10,824,326.73 | 11,970,057.16 |
| | | <u>77,139,243.68</u> | <u>84,117,068.63</u> | <u>10,847,461.49</u> | <u>11,972,057.16</u> |

*Unused machinery and equipment

| | | (Unit: Baht) | |
|--------------------------------------|--|----------------------|----------------------|
| | | Consolidated | Separate |
| Net book value as at January 1, 2021 | | 11,970,057.16 | 11,970,057.16 |
| Dispose | | - | - |
| Depreciation for the period | | (1,145,730.43) | (1,145,730.43) |
| Net book value as at June 30, 2021 | | <u>10,824,326.73</u> | <u>10,824,326.73</u> |

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

Bank overdraft and short – term loans from financial institution as at June 30, 2021 and December 31, 2020 are as follow:

(Unit: Baht)

| | Interest rate (% p.a.) | | Consolidated | | Separate | |
|-------------------------------------|------------------------|-------------|----------------------|-----------------------|----------|----------|
| | June | December | June | December | June | December |
| | 30, 2021 | 31, 2020 | 30, 2021 | 31, 2020 | 30, 2021 | 31, 2020 |
| Bank overdrafts | MOR | MOR | 4,783,587.04 | 6,828,243.09 | - | - |
| Promissory note from financial | 2.00 – 3.40 | 2.00 – 3.40 | 24,251,400.00 | 77,276,665.67 | - | - |
| Trust receipts and letter of credit | - | - | 65,333,306.86 | 61,071,115.36 | - | - |
| Total | | | 94,368,293.90 | 145,176,024.12 | - | - |

Changes in short – term loan from financial institutions for the six – month period ended June 30, 2021 are detailed as follows.

(Unit: Baht)

| | Consolidated | Separate |
|--------------------------------------|----------------------|----------|
| Net book value as at January 1, 2021 | 77,276,665.67 | - |
| <u>Add</u> lend | 27,681,400.00 | - |
| <u>Less</u> repay | (80,706,665.67) | - |
| Net book value as at June 30, 2021 | 24,251,400.00 | - |

As at June 30, 2021 and December 31, 2020, the Group has overdrafts from financial institutions amounting to Baht 4.78 million and Baht 6.83 million, respectively, with interest rates MOR per annum. The Group credit limit discussed in Note 25.1

As at June 30, 2021, the Subsidiary obtained a short – term loan from a financial institution in the form of promissory note. The interest is rate of 2.00% - 3.40% per year due to repayments between August 26, 2021 – September 10, 2021.

Trust receipts and letters of credit / short – term loans from financial institutions guaranteed by the Company and Advance Web Studio Company Limited and APCS Technology Company Limited as discussed in Note 25.1

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15. TRADE AND OTHER CURRENT PAYABLES

(Unit: Baht)

| | Consolidated | | Separate | |
|--|-------------------------|-----------------------|---------------------|-------------------|
| | June | December | June | December |
| | 30, 2021 | 31, 2020 | 30, 2021 | 31, 2020 |
| Trade payable – other parties | 926,235,294.77 | 482,393,490.46 | - | - |
| Retention payables | 117,098,123.13 | 122,438,338.90 | - | - |
| Advance payment | 26,246,382.70 | 27,267,395.18 | - | - |
| Other current payable | | | | |
| Other payable – other parties | 8,997,538.76 | 6,476,873.76 | 75,094.11 | 32,554.15 |
| Unearned revenue from construction | 3,679,302.25 | 40,543.87 | - | - |
| Unearned revenue from contract | 130,936,590.38 | 95,446,812.23 | - | - |
| Unearned revenue from services | 837,500.00 | - | - | - |
| Advance revenue from on land | 235,514.03 | 78,504.71 | - | - |
| Advance received from consulting fee | - | 600,000.00 | - | - |
| Advance received from goods | 871,843.50 | - | - | - |
| Revenue department payables | 1,916,049.96 | 9,499,572.65 | - | - |
| Deferred income tax | 7,263,166.70 | 22,974,894.03 | 84,325.55 | 76,637.60 |
| Accrued expenses | 17,838,179.18 | 7,341,068.18 | 1,036,952.59 | 302,963.54 |
| Sales tax not yet due | 52,783,794.52 | 30,215,365.53 | - | - |
| Other | 3,337.49 | 320,882.50 | - | - |
| Total trade and other current payables | <u>1,294,942,617.37</u> | <u>805,093,742.00</u> | <u>1,196,372.25</u> | <u>412,155.29</u> |

16. LONG – TERM BORROWINGS

As at June 30, 2021 and December 31, 2020 are as follow:

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------|----------|
| | June | December | June | December |
| | 30, 2021 | 31, 2020 | 30, 2021 | 31, 2020 |
| Long – term borrowings from financial institutions | 52,401,768.23 | 61,419,431.80 | - | - |
| Current portion of long – term liabilities | (13,500,000.00) | (13,517,663.52) | - | - |
| | <u>38,901,768.23</u> | <u>47,901,768.28</u> | <u>-</u> | <u>-</u> |

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The condensed movements for the six – month period ended June 30, 2021 are as follows:

| | (Unit: Baht) | |
|--|----------------|----------|
| | Consolidated | Separate |
| Net book value as at January 1, 2021 | 61,401,768.28 | - |
| <u>Add</u> Additional loan | - | - |
| <u>Less</u> Decrease during the period | (9,000,000.05) | - |
| Net book value as at June 30, 2021 | 52,401,768.23 | - |

The long – term borrowings of Baht 210 million represent loans of Cholkij Sakol Co., Ltd (Cholkij) 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, Cholkij has entered into a debt restructuring agreement with a financial institution. Cholkij will have monthly repaid from January 2018 to December 2024 with the interest at the rate of MLR. The loan is guaranteed by A2 Technologies 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, neither interim nor annual or distribute to the benefit or any return to any shareholder, one or all. And no matter which way or how to pay. Unless a prior consent is obtained from the bank.

As of December 31, 2020, Cholkij is taking an action that requires consent from the financial institution, the lender under the loan agreement before taking action. Current, Cholkij is in the process of requesting relief from the financial institution in order to prevent the financial institution from considering the default on the loan agreement.

However, the lender bank has not yet sent a letter to notify Cholkij of the case of default. In violation of the aforementioned conditions, and Cholkij has continually paid principal and interest as borrowed by the bank.

Cholkij 's management considers that from the lending bank has not yet sent a default notification to Cholkij and Cholkij has continued to make payment under the agreement, therefore, Cholkij is not considered a default with the lender bank.

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17. LEASE LIABILITIES

The carrying amount of leases liabilities and movements for the six – month period ended June 30, 2021 is as follows:

| | (Unit: Baht) | |
|--|------------------|----------|
| | Consolidated | Separate |
| As at January 1, 2021 | 187,736,418.24 | - |
| Increases | 6,305,197.66 | - |
| Increase (Decrease) from interest | (526,021.18) | - |
| Payment | (32,062,368.44) | - |
| As at June 30, 2021 | 161,453,226.28 | - |
| Less: Current portion of lease liabilities | (114,279,756.01) | - |
| Lease liabilities – net of current portion | 47,173,470.27 | - |

18. DIVIDEND

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

On April 25, 2021 according to the minute of Annual General of Shareholders' Meeting 2021 has approved dividend in the rate of Baht 0.06 per share amounting to Baht 39.60 million. The payment made on May 21, 2021.

19. 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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20. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing earnings (loss) for the three – month and six – month period ended June 30, 2021 and 2020, attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid – up ordinary shares during the period.

| | For the three – month period ended June 30 | | | |
|--|--|-----------------|-------------|----------------|
| | Consolidated | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) of parent Company for the years (Unit: Baht) | 58,222,789.65 | (18,537,270.56) | 401,438.63 | (7,729,334.42) |
| Number of ordinary shares issued (Unit: Shares) | 659,999,862 | 659,999,862 | 659,999,862 | 659,999,862 |
| Basic earnings (loss) per share (Baht/ share) | 0.0882 | (0.0281) | 0.0006 | (0.0117) |

| | For the six – month period ended June 30 | | | |
|---|--|-----------------|-------------|---------------|
| | Consolidated | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) of parent Company for the period (Unit: Baht) | 138,496,685.45 | (80,932,854.03) | 491,853.79 | 75,746,942.90 |
| Number of ordinary shares issued (Unit: Shares) | 659,999,862 | 659,999,862 | 659,999,862 | 659,999,862 |
| Basis Earnings (loss) per share (Baht: Share) | 0.2098 | (0.1226) | 0.0007 | 0.1148 |

21. SEGMENT INFORMATION

The Group presents financial information by business segments and timing of revenue recognition. 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 six – month period ended June 30, 2021 and 2020 are as follows:

(Unit: Million Baht)

| | Consolidated | | | | | | | | | |
|---|--|-------|------------------------------------|------|--|------|---------------------------|------|-------|-------|
| | For the three – month period ended June 30 | | | | | | | | | |
| | Precision Part | | Engineering and Construction (EPC) | | Sales of building materials and administration | | Water resource management | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Timing of revenue recognition | | | | | | | | | | |
| Point in time | 207 | 106 | - | - | 2 | 26 | 16 | 13 | 225 | 145 |
| Over time | - | - | 238 | 95 | 36 | 38 | - | - | 274 | 133 |
| Total income | 207 | 106 | 238 | 95 | 38 | 64 | 16 | 13 | 499 | 278 |
| Revenues from sales and services | 207 | 106 | 238 | 95 | 38 | 64 | 16 | 13 | 499 | 278 |
| Costs of sales/ Cost of services | (140) | (105) | (221) | (88) | (31) | (40) | (4) | (14) | (396) | (247) |
| Gross profit (loss) | 67 | 1 | 17 | 7 | 7 | 24 | 12 | (1) | 103 | 31 |
| Unallocated income and expenses: | | | | | | | | | | |
| Other income | | | | | | | | | 12 | 9 |
| Distribution costs | | | | | | | | | (1) | (1) |
| Administrative expense | | | | | | | | | (44) | (63) |
| Other expenses | | | | | | | | | - | - |
| Finance costs | | | | | | | | | (4) | (4) |
| Profit (loss) before income tax expense | | | | | | | | | 66 | (28) |
| Tax (expense) income | | | | | | | | | (8) | 7 |
| Profit (loss) for the year | | | | | | | | | 58 | (21) |

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(Unit: Million Baht)

| | Consolidated | | | | | | | | | |
|---|--|-------|------------------------------|-------|--|-------|---------------------------|------|-------|-------|
| | For the six – month period ended June 30 | | | | | | | | | |
| | Precision Part | | Engineering and Construction | | Sales of building materials and administration | | Water resource management | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Timing of revenue recognition | | | | | | | | | | |
| Point in time | 417 | 296 | - | - | 2 | 152 | 34 | 17 | 453 | 465 |
| Over time | - | - | 425 | 190 | 78 | 45 | - | - | 503 | 235 |
| Total income | 417 | 296 | 425 | 190 | 80 | 197 | 34 | 17 | 956 | 700 |
| Revenues from sales and services | 417 | 296 | 425 | 190 | 80 | 197 | 34 | 17 | 956 | 700 |
| Costs of sales/ Cost of services | (291) | (251) | (353) | (188) | (60) | (167) | (8) | (19) | (712) | (625) |
| Gross profit (loss) | 126 | 45 | 72 | 2 | 20 | 30 | 26 | (2) | 244 | 75 |
| Unallocated income and expenses: | | | | | | | | | | |
| Other income | | | | | | | | | 24 | 2 |
| Distribution costs | | | | | | | | | (3) | (3) |
| Administrative expense | | | | | | | | | (89) | (145) |
| Other expenses | | | | | | | | | - | (6) |
| Finance costs | | | | | | | | | (8) | (8) |
| Profit (loss) before income tax expense | | | | | | | | | 168 | (85) |
| Tax (expense) income | | | | | | | | | (29) | (1) |
| Profit (loss) for the period | | | | | | | | | 139 | (86) |

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(Unit: Million Baht)

| Consolidated | | | | | |
|--|-------------------|---------------------------------|---------------------------------|------------------------------|------------------------------|
| For the six – month period ended June 30 | | | | | |
| | Sales of building | | | Total | |
| | Precision Part | Engineering and Construction | materials and administration | Water resource management | |
| | | | | | Jun 30, 2021 Dec 31, 2020 |
| Assets classified by business segments of the Company and its subsidiaries as at June 30, 2021 and December 31, 2020 are as follows: | | | | | |
| Property, plant and equipment | | | | | 702 729 |
| Other assets | | | | | 2,963 2,438 |
| Total assets | | | | | <u>3,665</u> <u>3,167</u> |

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Geographical segments information

Revenue of the Group's Geographical segments information for the three – month and six – month period ended June 30, 2021 and 2020 were as follows:

| | (Unit: Million Baht) | | | |
|-----------------|--|-----------------------|----------|-------------------|
| | For the three – month period ended June 30 | | | |
| | Consolidated | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Segment revenue | | | | |
| Thailand | 422,602,998.25 | 277,527,800.08 | - | 702,584.95 |
| Vietnam | 76,243,044.74 | - | - | - |
| | <u>498,846,042.99</u> | <u>277,527,800.08</u> | <u>-</u> | <u>702,584.95</u> |

| | (Unit: Million Baht) | | | |
|-----------------|--|-----------------------|----------|---------------------|
| | For the six – month period ended June 30 | | | |
| | Consolidated | | Separate | |
| | 2021 | 2020 | 2021 | 2020 |
| Segment revenue | | | | |
| Thailand | 773,416,052.61 | 699,961,468.85 | - | 8,636,910.78 |
| Vietnam | 182,501,853.77 | - | - | - |
| | <u>955,917,906.38</u> | <u>699,961,468.85</u> | <u>-</u> | <u>8,636,910.78</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 Company and its subsidiaries. Other assets Most of them consist of cash and cash equivalents, trade receivable, inventories and others.

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22. FINANCIAL INSTRUMENTS

22.1 Fair values of financial instruments

Carrying amount and fair value

Since the majority of the Company financial instruments are short – term in nature or carrying interest at rates close to the market interest rates, the company their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

- a) For financial assets and liabilities which have short – term maturity, including cash and cash equivalents, trade and other current receivables, bank overdrafts and short – term borrowings from financial institutions, trade and other current payables, current portion of long – term liabilities, current portion of lease liabilities and Income tax payable, their carrying amounts in the statement of financial position approximate their fair value.
- b) For pledged deposit at banks, lease liability and long – term borrowings with carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

Book value of the above financial assets and liabilities is measured at amortized cost

As at June 30, 2021, The Group has financial assets and liabilities measured at fair value. As shown the carrying amount and fair value of financial assets and liabilities, including their levels in the fair value hierarchy, are as follows:

| | (Unit: Baht) | | | | |
|---------------------------------------|---------------------|----------|------------|----------|------------|
| | Consolidated | | | | |
| | As at June 30, 2021 | | | | |
| Carrying amount | Fair Value | | | | |
| | Level 1 | Level 2 | Level 3 | Total | |
| <u>Financial Liabilities</u> | | | | | |
| <i>Hedging instruments</i> | | | | | |
| - Other current financial liabilities | 126 | - | 126 | - | 126 |
| Total | 126 | - | 126 | - | 126 |

The Group have not transaction transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy during the period.

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The following methods and assumptions are used in estimating fair values of financial instruments (Level 2) as disclosed herein.

| Type | Valuation technique |
|--|--|
| Other current financial assets and liabilities (Forward exchange contracts) | <i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date |

23. FAIR VALUE HIERARCHY

In applying the valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs are unobservable inputs for the asset or liability.

As at June 30, 2021 and December 31, 2020, the Company has no assets and liabilities that are measured and presented at fair value in the statement of financial position. Except other current financial assets (liabilities) as mentioned in Note 25.

24. LAWSUIT

Cholkij Sakol Co., Ltd. has issued 31 promissory notes as evidence of loans to a lender who is an existing shareholder for the total amount of baht 44,933,076.75, interest rate 5.50 – 7.75 per year, maturity on call (Note 3) 25,924,248.32 Baht, total Baht 70,857,325.07.

On July 20, 2020, the lender agrees to remove all outstanding interest payments amount of Baht 25,924,248.32 with a condition for Cholkij Sakol Co., Ltd. to pay all within 17 November 2020.

On November 10, 2020, Cholkij Sakol Co., Ltd. requested an extension of the principal repayment period on March 16, 2021, with a condition requiring Cholkij Sakol Co., Ltd. to pay a pre – dated check to the lender in the amount of Baht 44,933,076.75 and asked the lender to agree to release the interest to Cholkij Sakol Co., Ltd. in the amount of Baht 25,924,248.32. However, Cholkij Sakol Co., Ltd. must notify a creditor of a lending bank to acknowledge and give consent according to the conditions of the loan agreement and debt restructuring before payment can be made.

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On November 13, 2020, the lender agrees to receive a pre – dated check from Cholkij Sakol Co., Ltd. And agree to extend the payment period for another 120 days.

On November 30, 2020, the lender sent a follow – up letter requesting Cholkij Sakol Co., Ltd. to deliver the check dated March 16, 2021 within 3 days of receiving the letter.

On December 18, 2020, the lender filed a lawsuit with the Civil Court for Cholkij Sakol Co., Ltd. to pay the promissory note with interest in the total amount of Baht 71,970,957.24. The court arranged for a mediation on February 16, 2021, but due to the COVID – 19 epidemics, the civil court ordered to postpone appointment to June 22, 2021. And Cholkij Sakol Co., Ltd. the lender was an independent person and could not check the evidence. The debt is not yet due and has no right to ask the court to dismiss the lawsuit.

On March 12, 2021, Cholkij Sakol Co., Ltd. has defended the case that the said debt is not yet due and has no right to sue for payment, requesting the court to dismiss the case.

Subsequently, the Civil Court issued an injunction in June 22, 2021, and a new day, April 26, 2021, for mediation negotiations but due to the COVID – 19 epidemic, mediation negotiations were held online on April 26, 2021, and mediation negotiations were postponed on May 27, 2021.

Subsequently, on May 20, 2021, Chonlakit Sakol Co., Ltd. submitted a statement of no intention to mediate. Therefore, the Civil Court has set the date for the witness examination of the plaintiff's witnesses on August 25, 2021 and the defendant's witness examination on August 26, 2021.

Chonlakit Sakol Co., Ltd. has recorded the total amount of promissory note and accrued interest payable Baht 73,480,788.65 which the management of Chonlakit Sakol Co., Ltd. believes that the said amount is sufficient for the current situation.

25. LIABILITIES AND COMMITMENTS

25.1 Obligation and credit lines for borrowing from financial institutions

| | Currency (Unit) | Consolidated | | | | | |
|---|--------------------|-----------------|----------------|------------------|-------------------|----------------|------------------|
| | | June 30, 2021 | | | December 31, 2020 | | |
| | | Credit lines | Credit Used | Credit remain | Credit lines | Credit Used | Credit remain |
| Bank overdrafts | Million Baht | 47.00 | 4.78 | 42.22 | 47.00 | 6.82 | 40.18 |
| Trust receipts and letters of credit ** | Million Baht | 160.00 | 76.74 | 83.26 | 190.00 | 76.92 | 113.08 |
| Short – term borrowings | Million Baht | 129.25 | 9.25 | 120.00 | 129.25 | 9.25 | 120.00 |
| Long – term borrowings and letter of guarantee ** | Million Baht | 913.54 | 339.15 | 574.39 | 707.38 | 7.04 | 700.34 |
| Forward contract (USD) | Million USD | 7.29 | 3.80 | 3.49 | 7.92 | - | 7.92 |

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| | Currency (Unit) | Separate | | | | | |
|--------------------------------------|--------------------|-----------------|----------------|------------------|-------------------|----------------|------------------|
| | | June 30, 2021 | | | December 31, 2020 | | |
| | | Credit lines | Credit Used | Credit remain | Credit lines | Credit Used | Credit remain |
| Bank overdrafts | Million Baht | 2.00 | - | 2.00 | 2.00 | - | 2.00 |
| Trust receipts and letters of credit | Million Baht | - | - | - | 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 |
| Forward contract (USD) | Million USD | - | - | - | 0.63 | - | 0.63 |

Guaranteed of long – term loans from the financial institution.

** 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.

On September 3, 2020, A2 Technology Company Limited received a credit facility approval from a bank. It consists of revolving credit which are Bank overdraft loans of Baht 10 million, Fleet card credit cards of Baht 1 million and guarantee loans of Baht 107 million to support the construction of a substation in Vietnam. And as working capital the interest rate is equal to the MOR interest rate minus the margin of 1% per annum.

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1. Guaranteed by Asia Precision Public Co., Ltd.
2. Business collateral registration a bank savings account In the amount of Baht 53.50 million.

On September 9, 2020, A2 Technologies Co., Ltd., received credit facility approval from a bank. To help add liquidity to the business sector in the coronavirus situation 2019 according to the policy of the Bank of Thailand It consists of revolving credit which are Bills of Baht 9.25 million for working capital Interest rate of 2.00% per annum with six months interest – free period guaranteed by APCS Technology Co., Ltd., Asia Precision Public Company Limited and Advance Web Studio Co., Ltd. with conditions. Important Regarding loan withdrawal, the Company has to withdraw the whole amount of the bills within six months from April 19, 2020 or any other period specified by the Bank of Thailand. In which if the loan applicant has paid some of the principal debt A loan applicant cannot apply for a loan for the repayment of the loan.

25.2 Contractor agreement commitments

As at June 30, 2021, the subsidiary company has commitment construction contracts as follows:

| | (Unit: Baht) | | |
|------------------------|------------------|----------------|------------------|
| | Consolidated | | |
| | Contract amount | Payment | Outstanding |
| Construction agreement | 1,464,695,138.02 | 358,241,266.62 | 1,106,453,871.40 |

25.3 Guarantee of liabilities related and other.

The Group didn't charge any guarantee fees among its related parties.

A2 Technologies company limited

As at June 30, 2021, A2 Technologies Co., Ltd., had commitments under letter of guarantee construction amount of Baht 113.59 million (Guarantee on behalf of A2 Technologies Company Limited amounting to Baht 97.74 million and guarantee in respect of receiving advance payment under construction contract for the A2 Teeravat joint venture Co., Ltd. Amounting to Baht 15.85 million), with collateral from related companies as follows:

- 1) Asia Precision Public Company Limited
- 2) Advance Web Studio Co., Ltd.
- 3) APCS Technologies Co., Ltd
- 4) Advance Web Studio Co., Ltd., lead 13,600,000 ordinary shares of Asia Precision Public Company Limited

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As at June 30, 2021, A2 Technologies company limited has guaranteed long – term loans. From the financial institution under debt restructuring agreement to Cholkij Sakol Co., Ltd.

Cholkij Sakol Co., Ltd.

The loan under debt restructuring of Cholkij Sakol Co., Ltd. is guaranteed loans in proportion to shareholding by A2 Technologies Co., Ltd., (Note 16).

26. APPROVAL OF INTERIM FINANCIAL INFORMATION

This interim financial information has been approved to be issued by the Company's board of directors on August 11, 2021.