

Ref. AP012-2563

14 August 2020

Subject: Explanation of change in operating results from the same period last year more than 20%

To: Managing Director  
The Stock Exchange of Thailand

Asia Precision Public Company Limited (“the Company”) would like to make clarification on the performance results for the three month period ended 30 June 2020 of the Company and its subsidiaries, as follow:

### **Executive Summary**

(Unit : Million Baht)

ITEMS	Consolidated Financial Statement				Consolidated Financial Statement			
	For the three month periods ended 30 June				For the three month periods ended 30 June			
	2020	2019	Changed		2020	2019	Changed	
		Amount	%			Amount	%	
Revenues from sales and service	182.4	261.8	(79.4)	(30.3)	509.9	530.6	(20.7)	(3.9)
Revenue from construction	95.2	247.2	(152.0)	(61.5)	190.1	636.0	(445.9)	(70.1)
Cost of sales of goods and cost of service	158.5	181.0	(22.5)	(12.4)	437.1	358.4	78.7	22.0
Cost of Constructions	87.8	218.4	(130.6)	(59.8)	187.9	557.9	(370.0)	(66.3)
Selling & Administrative expenses	63.9	46.2	17.7	38.3	147.1	89.4	57.7	64.6
Financial cost	4.1	1.5	2.6	172.2	7.9	3.9	4.0	100.8
Profit from operating	(21.2)	59.7	(80.9)	(135.6)	(86.1)	136.9	(223.0)	(162.9)
Net Profit attributable to equity holders of the Company	(18.5)	53.5	(72.1)	(134.6)	(80.9)	123.3	(204.2)	(165.6)

### **Operating**

Overall operating result of the Company and its subsidiaries in the consolidated financial statement for the three month period ended 30 June 2020 compare with the year ended 2019, Revenues from sales and services decreased Baht 79.4 million (30.3%), Contract revenues decreased Baht 152.0 million (61.5%), Cost of sales and costs of services decreased Baht 22.5 million (12.4%), Contract Costs decreased Baht 130.6 million (59.8%), Selling and administrative expenses increased Baht 17.7 million (38.3%), financial cost increased Baht 2.6 million (172.2%), Profit from operating decreased Baht 80.9 million (135.6%), and Profit attributable to Owners of parent decreased Baht 72.1 million (134.6%).

Overall operating result of the Company and its subsidiaries in the consolidated financial statement for the six month period ended 30 June 2020 compare with the year ended 2019, Revenues from sales and services decreased Baht 20.7 million (3.9%), Contract revenues decreased Baht 445.9 million (70.1%), Cost of sales and costs of services increased Baht 78.7 million (22.0%), Contract Costs decreased Baht 370.0 million (66.3%), Selling and administrative expenses increased Baht 77.7 million (64.6%), financial cost increased Baht 4.0 million (100.8%), Profit from operating decreased Baht 223.0 million (162.9%), and Profit attributable to Owners of parent decreased Baht 204.2 million (165.6%).

1. Revenue and costs from sales and services are contributed from 3 businesses units as follows:
  - Revenue from Precision Metal Parts business unit – Sales decreased year on year due to global economic slowdown situation. The company used this opportunity to improve efficiency, resulting in a rate decrease in cost more than rate of decrease in revenue.
  - Water management business unit – revenue from sales of raw water decreased year on year due to drought situation. Nevertheless, the company managed to prepare the required amount of water as agreed in the contract. The cost increased due to increase in labor cost and depreciation.
2. Revenue from construction from EPC business – Revenue decreased from the same period of last year due to the majority of current projects are close to project ending stage, and therefore large proportion of revenue were recognized at the earlier stage. For the projects awarded in 2020, the projects are in progress and therefore cannot recognize revenue in 2Q2020.

## **FINANCIAL POSITION (Compare to the consolidated financial statement as of December 31, 2019)**

### **Assets**

As at June 30, 2020 and December 31, 2019, Assets in the Consolidated financial statement in amount of Baht 2,902.0 million and Baht 3,134.7 million respectively, increases Baht 232.7 million (7.4%).

### **Liabilities**

As at June 30, 2020 and December 31, 2019, Liabilities in the Consolidated financial statement in amount of Baht 1,152.5 million and Baht 1,259.2 million respectively, decreased Baht 106.8 million (8.5%).

### **Equity**

As at June 30, 2020 and December 31, 2019, Equity in the Consolidated financial statement in amount of Baht 1,749.6 million and Baht 1,875.5 million, decreases Baht 125.9 million (6.7%).

Yours faithfully

**Asia Precision Public Company Limited**

(Mr. Apichart Karoonkornsakul )

President

Authorized to sign on behalf of the Company

*Company Secretary*

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