

No : AP030-2565

November 18, 2022

Subject: Claim for the damages from the counterparty.

To: Managing Director  
The Stock Exchange of Thailand

In 2018, The Subsidiary of the Company signed a contract with a counterparty for a design, procurement of construction, installation, and commissioning test of the system in Engineering Procurement and Construction (EPC) and operational of the system for a solid waste management project for the community. In this construction contract, the Subsidiary of the Company already finished construction in the middle of 2020, for which there was an obligation to guarantee with the counterparty for a period of 730 days, and the obligation to guarantee expired in the middle of 2022.

The Subsidiary of the Company has sent the letter and requested a return of the collateral amount of Baht 200 million from the counterparty, but the counterparty has declined to release the collateral. This is because the counterparty has claimed damages from the performance guarantee, signed by the Subsidiary of the Company. During the Subsidiary investigation of such claims, the counterparty sent a letter of claim for damages in the amount of approximately Baht 400 million, and the Subsidiary of the Company already signed to receive such a document. While the Subsidiary of the Company is in the process of negotiating the claim with the counterparty, the Subsidiary of the Company has also negotiated and claimed such damages from the sub-contractors. The matter is under the consideration of the arbitrator.

In this case, the Subsidiary of the Company foresees that there will be no effect on the Subsidiary of the Company's cash flow. The counterparty has held collateral worth more than Baht 200 million, excluding the management service fees from the handover of power plant construction to the present. The Subsidiary of the Company has not yet received the management service fees of approximately Baht 239 million (before VAT), which the management service fees have been recorded according to the normal accounting period of the Company. However, the Subsidiary of the Company is unable to consider the accuracy and appropriateness of the provision for damages from the claim of the counterparty.

However, if the Subsidiary of the Company is aware of the progress in such dispute including the claims with the sub-contractors, which is in the consideration of the arbitrator. The Company will inform the Stock Exchange of Thailand of the progress.

Please be informed accordingly.

Yours Sincerely,

Asia Precision Public Company Limited

(Mr. Apichart Karoonkornsakul)

Chairman of the Executive Committee

*Company Secretary*

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