

Ref. AP010-2562

12 September 2019

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 and nine month period ended 30 September 2019 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 September				For the nine month periods ended 30 September			
	2019	2018	Changed		2019	2018	Changed	
			Amount	%			Amount	%
Revenues from sales and service	298.9	239.7	59.2	24.7	829.5	769.6	59.9	7.8
Revenue from construction	597.3	634.6	(37.4)	(5.9)	1,233.3	1,100.4	132.9	12.1
Cost of sales of goods and cost of service	232.1	180.5	51.6	28.6	590.5	567.3	23.2	4.1
Cost of Constructions	536.0	556.0	(20.0)	(3.6)	1,093.9	972.7	121.2	12.5
Selling & Administrative expenses	43.6	41.9	1.8	4.3	133.1	120.5	12.6	10.4
Financial cost	2.0	2.1	(0.1)	(5.3)	5.9	6.5	(0.6)	(9.2)
Profit from operating	70.3	77.3	(7.1)	(9.1)	207.2	185.0	22.1	12.0
Net Profit attributable to equity holders of the Company	72.1	79.1	(7.0)	(8.8)	195.4	178.6	16.8	9.4

### **Operating**

Overall operating result of the Company and its subsidiaries in the consolidated financial statement for the three month period ended 30 September 2019 compare with the year ended 2018, revenues from sales and services increases Baht 59.2 million (24.7%), contract revenues decreases Baht 37.4 million (5.9%), cost of sales and costs of services increases Baht 51.6 million (28.6%), contract costs decreases Baht 20.0 million (3.6%), selling and administrative expenses increases Baht 1.8 million (4.3%), financial cost decreases Baht 0.1 million (5.3%), profit from operating decreases Baht 7.1 million (9.1%), and profit attributable to owners of parent decreases Baht 7.0 million (8.8%).

Overall operating result of the Company and its subsidiaries in the consolidated financial statement for the nine month period ended 30 September 2019 compare with the year ended 2018, revenues from sales and services increases Baht 59.9 million (7.8%), contract revenues increases Baht 132.9 million (12.1%), cost of sales and costs of services increases Baht 23.2 million (4.1%), contract costs increases Baht 121.2 million (12.5%), selling and administrative expenses increases Baht 12.6 million (10.4%), financial cost decreases Baht 0.6 million (9.2%), profit from operating increases Baht 22.1 million (12.0%), and profit attributable to owners of parent increases Baht 16.8 million (9.4%).

1. Revenue and costs from sales and services are divided into 3 business units as follows:

- Precision metal parts business unit – Sales decreased year on year due to the drop of sales from HVAC sector. Nevertheless, there was a recovery in camera sector. Automotive and other metal part sectors remain stable.
- EPC business unit – new revenue recognition from consulting service for solar power plant
- Water management business unit-revenue from sales of raw water increase year on year due to customer started pumping water earlier than last year. This is still in line with the contract.

Overall cost reduced year on year due to more effective cost management and lower depreciation item.

2. Operation performance of EPC business unit-Both revenue and costs of EPC both increased year on year due to an increase in engineering and construction projects. For example, construction projects in renewable energy power plant such as solar farm power plant construction projects, sub-station construction projects, biomass power plant construction projects and water utility construction projects. A number of projects have commenced construction, and revenue is partially recognized.

**FINANCIAL POSITION (Compare to the consolidated financial statement as at December 31, 2018)**

**Assets**

As at September 30, 2019 and December 31, 2018, Assets in the Consolidated financial statement in amount of Baht 3,333.0 million and Baht 2,877.2 million respectively, increases Baht 455.8 million (15.8%).

**Liabilities**

As at September 30, 2019 and December 31, 2018, Liabilities in the Consolidated financial statement in amount of Baht 1,434.0 million and Baht 1,185.3 million respectively, increased Baht 248.6 million (21.0%).

**Equity**

As at September 30, 2019 and December 31, 2018, Equity in the Consolidated financial statement in amount of Baht 1,899.0 million and Baht 1,691.8 million, increased Baht 207.2 million (12.2%).

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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