

รายงานประจำปี 2563 **ANNUAL REPORT 2020**

Passion
& Technology



“ Precision Metal Component Specialist ”

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Investors can also find more information in the annual statement (Form 56-1) on www.sec.or.th or www.apcs.co.th

Message from the Chairman

Asia Precision Public Company Limited originally engaged in the business of precision metal parts manufacturing since 1995, with the key customers in automotive industry. The Company has expanded its operation into Engineering, Procurement, and Construction (EPC) business in 2016 as the Company saw high growth potential in the industry and lucrative business opportunities. Revenue from EPC business compared to the group's total revenue increased significantly from 5.99% in 2016 to 68.92% in 2020. As a result, The Stock Exchange of Thailand changed APCS's business industry from Automotive (AUTO) to Property & Construction (CONS) since July 1, 2020.

The Company aims to expand EPC business in 4 categories including Solar Energy, Waste Energy, Power Distribution, and Water Distribution. The Company is trusted by clients from both the private and public sectors. In 2020, the Company expanded its operation to Vietnam, by setting up a new subsidiary: A2 Technologies Vietnam Co., Ltd. The Company received a number of consultation projects and construction projects in Vietnam, with a total contract value of over 1 billion Baht. This demonstrated a great sign of potential in the oversea investment and expansion. Nevertheless for the precision metal parts business, the Company remained focus in manufacturing improvement to drive down cost, as well as exploring new opportunities in Medical Industry to support sustainable growth.

Furthermore, the Company strives to give back to the Thai society and conducted various social responsibility projects. This includes, 'Asia Volunteer Project' which collaborated with Social Innovation Foundation to uplift living standard for disables, and 'Home Town Development Project'.

On behalf of the Board of Directors, I wish to express our sincerest thanks to the shareholders, clients and business alliances, who have been providing continuous support to us, and wish to thank the management and staff for their commitments and contributions through hard work for APCS's sustainable growth and development. I wish to confirm to you all that our business administration will base on the principles of moral, integrity and transparency as well as strict compliance with the good corporate governance.



Prof. Udomsil Srisaengnam, MD

Chairman, Board of Directors

February 25, 2021

1. Policy and Business Overview

Business Overview

Asia Precision Public Company Limited (“Company” or “APCS”) was established on March 14, 1995, and started out as a precision metal parts manufacturer. In 2016, the Company recognized the paramount opportunities in the alternative energy and utilities industries, and therefore expanded its operations into Engineering, Procurement, and Construction (EPC) business operates under A2 Technologies Co., Ltd. (“A2”), and Raw Water Distribution business, operates under Cholkij Sakol Co., Ltd. (“CK”). The Company intends to transform EPC business into the main business of the group.

Revenue from EPC business has grown continuously; in 2020, EPC business contributed to 69.02% of total revenue. Furthermore, the EPC business has the tendency to expand continuously; therefore, the Company is aware of the need to restructure the business for clarity and ease of management to support expansion in the future. APCS will operate as a holding company, with the main focus on investment in subsidiaries following the business restructuring plan. Currently, the group operates in 3 business streams: Engineering, Procurement, and Construction (EPC) business, Precision Metal Parts Manufacturing business, and Raw Water Distribution business.

After the restructuring is completed, the Company will remain listed on the Stock Exchange of Thailand. Currently, the Company has registered capital of 659,999,962 Baht, and paid up capital of 659,999,862 Baht

Operating performance effected from COVID-19 outbreak situation

In 2020, the automotive parts industry showed a decline following the slowdown of automotive industry, especially component parts. This was largely due to the outbreak of COVID-19, which halted the global automotive supply chain during the first half of 2020. The global demand, including local demand in Thailand, dropped dramatically.

The Company’s AUTO business also affected from the same situation during the second quarter of 2020. The Company slowed down production, resulting in the miss in the planned production and sales targets. This led to the decision to reduce the total number of employees, in accordance with declined order volume. The Company rolled out a voluntary resignation program for employees, as well as paying suitable compensation for those employees decided to join the program. This program does not affect the Company’s cash flow. The Company remains capable of paying account payable, repaying loans, and payout dividend to shareholders as usual.

For EPC business:

1. Operation – In terms of operating limitations, the Company has tightly set measures to counteract the COVID-19 situation, by communicating, providing knowledge and practice guidelines for awareness and prevention from such diseases to employees. A committee was set up to monitor the situation and hold meetings to determine additional measures all the time.

However, there were some measures that may cause inconvenience or delay in work, such as measures to refrain from accepting meeting appointments and meeting directly with persons outside the company, in the office area or risk area as specified in all cases, and to use other communication channels instead: teleconference, VDO call, self-quarantine and work from home.

2. Finance - The Company had carefully planned and managed liquidity, including the performance of various contract conditions to prepare and reduce the impact that will occur from COVID-19 situation that may affect the Company, employees, customers, and other stakeholders.
3. Balance sheet and performance -Due to the COVID-19 situation, some customers who are pending signing or in the process of studying the project decided to delay the final decision; although this is a small proportion of total business. Nevertheless, the company adjusted the revenue target to reflect the reality. The company did not get affected on the impairment of assets. This was due to the nature of the business, in which the Company implemented projects according to the time specified in the employment contract, which the company was able to deliver according to the specified goals.
4. Contractual Obligation - In the COVID-19 situation, different levels of risk area have been established. Some projects were located in the high risk area. The company planned and managed project in a comprehensive manner, resulting in the ability to execute the contract for every project without changing ant agreements.
5. Treats to viability
The Company does not get affected in this category.
6. Others - none

Business Operations:

APCS's business operations in 2020 are divided as follows:

For the year ended	AUTO		EPC		WATER		ADJ.		CONSOLIDATED		CHANGE	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	AMT	%
Revenues	634	854	1,472	1,871	27	64	-	-	2,133	2,788	(655)	(23.5%)
Profit (loss) from operating	35	104	70	182	(3)	42	(19)	(14)	83	315	(232)	(73.7%)
Financial costs									18	8	10	125.0%
Tax (expenses) income									27	55	(28)	(50.9%)
Expenses for business restructuring									29	-	29	100.0%
Profit (loss) for the period									9	252	(243)	(96.4%)
Attributable to Non-controlling interests									5	(14)	19	135.7%
Profit (loss) attributable to Owners of parent									14	238	(224)	(94.1%)
* AUTO : Precision Metal Parts / EPC : Construction/ WATER : Water management												

Operating Results:

Overall operating results of the Company and its subsidiaries in the consolidated financial statement for the year ended 31 December 2020 compared with same period of 2019 are as follows: Revenue decreased by Baht 655 million (23.5%).

1. Revenue from AUTO business decreased due to the outbreak of COVID-19, which caused the economic slowdown and directly impacted the global supply chain

2. Revenue from EPC business decreased due to the outbreak of COVID-19, which delay some clients' decisions to move forward with the projects in pipeline; although, the proportion of clients in this category is not high. Nevertheless, the Company had adjusted target revenue recognition to reflect the current situation.
3. Revenue from WATER business decreased due to the outbreak of COVID-19 and draught situation. Nevertheless, the company prepared sufficient water to deliver to meet the contract. The increase in cost was due to higher wages and depreciation.

For the year ended	CONSOLIDATED				
	Q1'20	Q2'20	Q3'20	Q4'20	Total
Revenues	422	278	669	764	2,133
Profit (loss) from operating	(24)	(24)	58	73	83
Financial costs	4	4	4	6	18
Tax (expenses) income	8	(7)	6	20	27
Expenses for business restructuring	29	-	-	-	29
Profit (loss) for the period	(65)	(21)	48	47	9
Attributable to Non-controlling interests	2	3	-	-	5
Profit (loss) attributable to Owners of parent	(63)	(18)	48	47	14
* AUTO : Precision Metal Parts / EPC : Construction/ WATER : Water management					

Operating Results:

Overall operating results of the Company and its subsidiaries in the consolidated financial statement for the year ended 31 December 2020 are as follows: Revenue Q1'20 Baht 422 million, Q2'20 Baht 278 million, Q3'20 Baht 669 million, Q4'20 Baht 764 million.

Due to the impact from the outbreak of COVID-19, operating performance in Q1'20 and Q2'20 resulted in a loss as a result of lower revenue. Nevertheless, revenue and operating profit recovered back to the normal level in Q3'20 and Q4'20

1. Engineering, Procurement and Construction (EPC)

Asia Precision Public Company Limited expanded its line of business beyond manufacturing of precision metal parts to Engineering, Procurement, and Construction (EPC), which operates under the companies: A2 Technologies Co., Ltd. (“A2”), APCS Technologies Co., Ltd., A2teeravat joint venture Co., Ltd., and A2 Technologies Vietnam Co., Ltd., These companies engage in the business of design, engineering, consultation, construction, maintenance, and sale of construction related equipment, for various power plant projects such as renewable power plants, power sub-stations, and raw water distributing facilities, both domestically and internationally, as follows:

- 1.1 Construction project of renewable energy power plant from solar energy - ground mounted, rooftop and floating.
- 1.2 Construction project of renewable energy power plants from waste energy, such as from municipal waste, industrial waste, and from waste sorting facilities
- 1.3 Construction project of high voltage substation and high voltage transmission line system
- 1.4 Construction project of water production and distribution plant

2. Precision Metal Parts Manufacturing

Asia Precision A.T. Co., Ltd., and Asia Precision Tech Co., Ltd. (AUTO Group) manufacture and distribute high precision parts and components made from metals such as steel, forged steel, stainless steel and aluminum. Shapes, characteristics and specifications are as designed by customers. The Company’s customers are 1st tier suppliers of auto parts. At present, the Company aims at producing and distributing products to the automotive industry, air conditioning and refrigeration compressor industry, digital camera industry, and medical industry.

The policy is to expand its customer base to other industries so as to spread its risks and increase growth opportunities. The Company also continues to improve its process for better coverage, add competitive edge as well as support its flexibility.

3. Raw Water Distribution

Asia Precision Public Company Limited also expanded its line of business beyond manufacturing of precision metal parts to distribution of raw water business, which operates under Cholkij Sakol Co., Ltd. (“CK”). The investment in this division is through A2. CK has a total of 5 raw water reservoirs, which has a combined volume capacity of 18 million cubic meters. All of the 5 reservoirs are located in Chonburi province.

Company	Abbrev.	Business Description	Segment	Registration Date	Registered Capital (Baht)	Paid up capital shares (shares)	Par value per share (Baht)	Paid up capital per share (Baht)	Shareholding (Shares)	Shareholding Proportion (%)
1. A2 Technologies Co., Ltd.	A2	Engineering Service, Automation Solution, and construction, operation and maintenance of power plants	Construction	19 October 2010	600,000,000.00	60,000,000	10.00	10.00	59,999,997	Owned by APCS 100.00
2. APCS Technologies Co., Ltd.	APT	Distributing materials, tools, equipment, spare parts for the construction of power plants, other energy businesses, water business as well as factories producing steam, pure water and chemicals to sell to the petrochemical industries or to communities and environmentally-related businesses or engineering services, designing and consultation, services to construction projects as well as maintenances.	Construction	28 June 2017	10,000,000.00	10,000	1,000.00	1,000.00	9,997	Owned by A2 99.97
3. A2teeravat joint venture Co., Ltd., ¹⁾	A2T	Construction of enhanced water station	Construction	15 May 2018	75,000,000.00	Preferred shares 3,675,000 Common shares 3,825,000	10.00 10.00	2.50 2.50	Preferred shares 3,674,997	Owned by A2 49.00
4. A2 Technologies Vietnam Co., Ltd.	A2V	Offer engineering service and automation solution, EPC, O&M of all types of renewable energy power plant	Construction	23 March 2020	1,000,000.00	100,000	10.00	10.00	100,000	Owned by A2 100.00
5. Cholkij Sakol Co., Ltd.	CK	Distribution of raw water	Raw Water distribution	14 July 2006	120,000,000.00	120,000	100.00	100.00	1,177,497	Owned by A2 98.12
6. Asia Precision A.T. Co., Ltd. ²⁾	APAT	Manufacturing of high volume precision metal parts	Metal parts manufacturing	22 October 2010	550,000,000.00	55,000,000	10.00	10.00	54,999,997	Owned by APCS 100.00
7. AsiaPrecisionTech Co., Ltd.	AST	Manufacturing of precision metal parts	Metal parts manufacturing	30 August 2018	1,000,000.00	200,000	5.00	5.00	199,997	Owned by APAT 100.00

Note: ¹⁾ A2 Technology Co., Ltd. owns 3,674,997 preferred shares in A2teeravat joint venture Co., Ltd., with 10,000 voting rights for 1 preferred share. 1 common share has 1 voting right. Owners of preferred shares will receive dividends and capital upon the dissolution or liquidation of business before common share owners and at the rate of 203% of paid up capital of preferred shares.

²⁾ On February 25, 2019, P2 Precision Co., Ltd. changed its company name to Asia Precision A.T. Co., Lt

1.1 Core Value



To comply with the Company's vision "A World-Class Expert", APCS determines to continuously improve companywide management system, including management, production, and human resource, to keep abreast with the changing world and technological advancement. APCS has applied modern sophisticated technology and encouraged people training for employees to have the required skills and knowledge to produce products that meet customer requirements.

1.2 Business goals and future projects

The Company goals are to expand business operations into the following industries:

1. Engineering, Procurement, and Construction (EPC)

- Power Plant Unit – the company has completed construction of waste-to-energy power plant (Municipal waste management facility to convert into energy, size 800 tons per day, at On-nut Solid Waste Disposal Center. The company received a 20-year continuation operation and maintenance contract, and also expanded its business to other types of renewable energy power plant such as biomass power plant to support important projects in accordance with the government policies. The Company is currently in the

process of constructing an alternative energy power plant from municipal solid waste in Nong Khai Province, which is expected to be completed in 2021.

- Solar Energy Unit – The company focuses on construction of solar power plant, especially solar farm type which are installed on ground. However, the public sector does not have policy to buy electricity at the moment; therefore, the main clients in focus are large industrial corporates that have high energy usage level and looking to reduce electricity bills. These customers will cater towards solar rooftop and solar floating.
- Water Management Unit – The company plans to expand construction and procurement of water production and distribution system for companies that distribute raw water to industrial estates, especially projects in Eastern Economic Corridor which have very high demand for water.
- Power Sub-Station Unit – Electricity is considered as one of the key public infrastructure that has high growth following economic expansion. Demands are from public and private sectors, especially the 3 electricity authorities of Thailand that have clear power sub-station projects in the pipeline.
- The subsidiary has a policy to expand power plant EPC business abroad, namely to Vietnam. Vietnamese economy is rapidly growing, and therefore has an increase in demand for power. Moreover, Vietnamese government has a policy to expand the alternative energy between 2011 and 2020 and vision to continue to 2030 to support its long term energy plan. Currently, the company has been successfully established. The Company provides management services for the construction of high voltage substation projects, construction of high voltage transmission lines for renewable energy power plants from solar and renewable energy power plants from wind power.

2. Precision metal parts manufacturing

- This remains as one of the core businesses, and the group will continue to expand this division sustainably. The group will try to capture diversified industries to spread its risks, not depending on a particular industry and to find additional business alliances who want to relocate their production base to Thailand. Those business alliances must have similar or related businesses with the group to enhance production synergy and share production technology. Parts and components we produce must be complicated in design or production process in order to add value to our products.

3. Raw Water Distribution

- The company invested in raw water distribution business, which has a very bright prospect with rapid growth and little competition. Our subsidiaries will handle a full-fledged water business – raw water, tap water and wastewater by gaining a concession from public or reliable private sector. Today the public sector stimulates economy through private investment. It's a good chance for private investors. With the AEC, investment in such neighboring countries as Myanmar, Laos and Cambodia has bright prospects.
- The subsidiary will expand low-cost raw water reservoirs to cope with uncertainties from natural raw water and increase revenue from customer growth.

1.3 Significant changes and developments

- On January 25, 2018, A2 Technologies Co., Ltd. increased its paid-up registered capital by another Bt500 million.
- On May 15, 2018, A2teeravat joint venture Co., Ltd. was established and engaged in construction business. Registered capital of 75 million baht (see details in section: operations of subsidiaries)
- On August 30, 2018, Asia Precision Tech Co., Ltd. was established and engaged in high precision metal parts and components manufacturing. Registered capital of 1 million baht.
- On December 19, 2019, APAT increased its registered capital from 150,000,000 Baht to 300,000,000 Baht
- On March 23, 2020, a subsidiary: A2 Technologies Vietnam Co., Ltd. was established and operated in EPC business in Vietnam. Its registered capital is 1,000,000 Baht.
- On July 20, 2020, A2 Technologies Co., Ltd. purchased shares in Cholkij Sakol Co., Ltd. from the previous owner, resulting in shareholding percentage increase from 53.33 to 98.12%
- On September 2, 2020 A2 increased its paid-up registered capital from 500,000,000 Baht to 600,000,000 Baht
- On September 9, 2020 APAT increased paid-up registered capital from 300,000,000 Baht to 550,000,000 Baht

1.4 Structures of APCS and its subsidiaries (as of 25 February 2021)



1.5 Relationship with the group of major shareholders

- None-

2. Characteristics of Products

Structure of revenue

The Group Company's revenue structure is classified by business unit and entity as follows:

(Unit : Million Baht)

Revenue by Product/ Business Unit	Handled by	Investment (%)	Consolidate Financial Statement ¹					
			2017		2018		2019	
			Revenue	%	Revenue	%	Revenue	%
2.1 Engineering, Procurement and Construction service (EPC)	A2 Technology Co., Ltd	100.00%						
	A2teeravat joint venture Co., Ltd.	49.00%						
	APCS Technology Co., Ltd.	100.00%	1,450.40	58.56	1,870.79	67.10	1,472.02	69.02
	A2 Technologies Vietnam Company Limited	100.00%						
2.2 Precision Metal Parts Manufacturing	Asia Precision PLC							
	Asia Precision A.T. Co., Ltd. ²	100.00%	990.71	40.00	853.64	30.62	633.70	29.71
	AsiaPrecisionTech Co., Ltd.	100.00%						
2.3 Production and distribution of raw water	Cholkij Sakol Co., Ltd.	98.12%	35.71	1.44	63.72	2.28	27.08	1.27
			2,476.82	100.00	2,788.15	100.00	2,132.80	100.00

Note: 1. The consolidated financial statements with combined revenues have been reconciled. (See details in Section 12, interrelated transactions.)

2. On February 25, 2019 P2 Precision Co., Ltd. changed its company name to Asia Precision A.T. Co., Ltd.

Group business divisions as of February 25, 2021

Asia Precision PLC (“Company”) has 7 subsidiaries, details as follows:



From 2020 onwards, Asia Precision Public Company Limited operates as a Holding Company, which primarily engages in investment other companies, following the business restructuring plan approved by shareholders during the 2019 Annual General Meeting, dated on 20 April 2019. The whole of precision metal parts manufacturing division was transferred to Asia Precision A.T. Co., Ltd. (“APAT”); APAT was previously named P2 Precision Co., Ltd, and got changed on 25 February 2019, and APAT is a wholly owned subsidiary of the Company. The purposes of this restructuring are to clearly separate companies into proper division for more effective management and to facilitate future expansion of the group. The new group structure is divided into 3 divisions as follows:

1. Precision Metal Parts Manufacturing – operates under Asia Precision A.T. Co., Ltd. and Asia Precision Tech Co., Ltd.
2. Engineering, Procurement, and Construction (EPC) – A2 Technologies Co., Ltd., APCS Technologies Co., Ltd, and A2 Teeravat Joint Venture Co., Ltd.
3. Distribution of Raw Water – Cholkij Sakol Co., Ltd.

EPC and Precision metal parts manufacturing are the core businesses of the group.

Once the restructuring is completed, the Company remains listed on The Stock Exchange of Thailand, but will change its category to Holding Company. APAT will be one of the companies operating the core business of precision metal parts manufacturing, in which all operations and assets including employees have been transferred from the Company. The Company owns 100% in APAT, and therefore the restructuring has no significant effect on the group’s total asset.

The operations of each division are as follows:

1. Manufactures and distributes high precision parts and components made from such metals as steel, forged steel, stainless steel and aluminum. Shapes, characteristics and specifications are as designed by customers. The Company’s customers are 1st tier suppliers of auto parts. At present, the Company aims at producing and distributing products to the automotive industry, air conditioning and refrigeration compressor industry and digital camera industry.
2. Engineering, Procurement and Construction service, including design, maintenance, equipment, and spare parts, of all renewable energy power plants, power subs-station, and water management system.
3. Distribution of raw water.

Details as follows:

2.1. Engineering, Procurement, and Construction Business (EPC)

EPC business operates under A2 Technology Co., Ltd and engages in engineering, design, procurement, construction and consultation for the construction of renewable-energy power plants, distributing materials, tools, equipment, spare parts for the construction of power plants, other energy businesses. The business is divided into 2 segments – construction and construction unit and sales of construction equipment unit.

2.1.1 EPC Business Unit

This unit engages in engineering, procurement, and construction of projects, which uses advanced technology to service both domestic and international markets. The service includes design, procurement, construction, system testing, consultation, maintenance, and after sale service. The unit is operated under A2 and A2teeravat.

(A) Type of Products

In 2019, A2 operated and continuously expanded its scope of construction projects; currently it has covered all types of renewable energy power plant including, solar power plant, waste-powered power plant, power sub-station, and water management facility. Key customers are large private sector companies and public sector e.g. PEA.



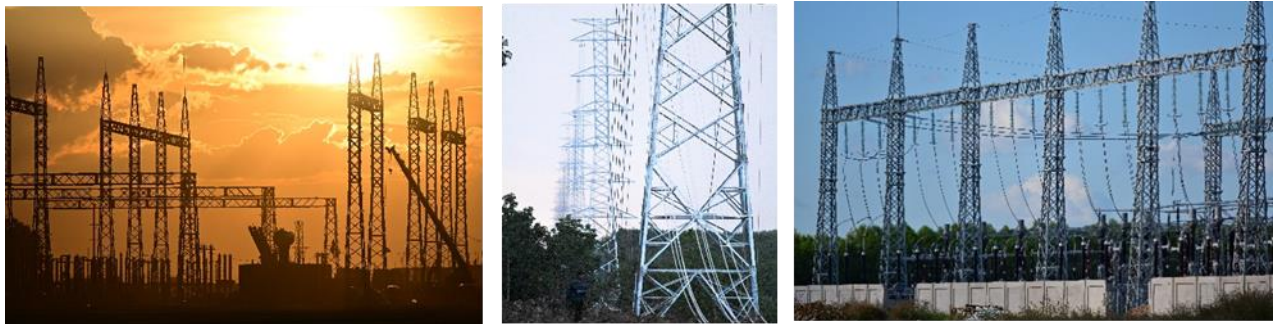
Solar Plant – installed on rooftop, on ground, and floating on water (from left to right)



Waste-powered Power Plant



Power sub-station



High voltage transmission line



Water management facility

Production and production procedures

(1) Construction procedures for a solar-cell power plant

The A2 management will first contact a client and obtain initial information about the client's requirements and make an initial decision whether to make a proposal to handle that project. If yes, the management will appoint a project manager to be in charge of the proposal.

The project manager, appointed by the management, will assign an engineer to survey the site conditions where construction will be made in order to gather initial information to prepare a proposal and assess risks as well as plan measures to cope with those risks if they are high risk scale.

(2) Project construction procedures

Receiving the project from the management, the project manager will figure out a project organization and appoint a site manager, who will be responsible for site operation. The project manager with the engineering manager and site manager will review the client's needs in different aspects together. Information acquired will be shared with the entire teamwork as initial information for designing and construction.

The project manager will assess the costs of operations and propose the budget to management team.

After data conclusion, the engineering manager and site manager will start purchasing materials, machinery and hire subcontractors to handle different portions of the project. In terms of the engineering, once a conceptual design is made, the site manager and the staff concerned will proceed with a detailed design, which will be used for the construction, supervision and procurement. In terms of subcontractors, the site manager and project engineer shall monitor the construction to make sure that they proceed according to the drawings and engineering principles and standards and they are also in charge of construction inspection, machinery and equipment installation as well as testing and commissioning.

Upon construction completion, the project has to pass the QC Test and Commissioning Procedure and final inspection jointly with the client before final project delivery to the client, depending on the terms and conditions in the contract.

(B) Marketing and competition

Ministry of Energy has introduced AEDP2018, approved by the Cabinet on October 20, 2020. The goal is to increase the proportion of renewable and alternative energy in the form of thermal electricity and electric energy from biofuels, with ratio to the final energy consumption of 30% in 2037. This resulted in a forecast for the final energy demand in 2037 at 126,867 ktoe.

Target of new capacity of community power plants for the foundation economy following PDP-2018 Rev.1

Production Capacity (MW)	2020		2021		2022		2023		2024	
	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
Biomass	200	200	100	300	100	400	100	500	100	600
Biogas (wastewater / waste)	100	100	50	150	33	183	-	183	-	183
Biogas (energy crops)	200	200	100	300	100	400	100	500	100	600
Solar (Hybrid)	200	200	100	300	90	390	80	470	80	550
Total	700	700	350	1,050	323	1,373	280	1,653	280	1,933

Source:

Department of Alternative Energy Development and Efficiency (2020) and AEDP2018

Overview of the power development plan of Thailand 2018 – 2037 Revision 1 (PDP2018 Rev.1): The target for new power plant capacity from renewable and alternative energy including community power plant projects for the foundation economy is set to a total of 18,696 MW from different types of fuels as follows:

Alternative	Contracted capacity (MW)
Solar	9,290
Floating solar and hydroelectricity power plant	2,725
Biomass	3,380
Pracharat Biomass Power Plant in the 3 Southern Border Provinces	120
Wind	1,485
Biogas (waste water / waste / energy crops)	1,183
Communal waste	400
Industrial waste	44
Small hydro	69
Total	18,696

From the said policy, the private sector has turned to investment in alternative energy. And those private investors are A2's targets to provide consultation services for the construction of power plants from alternative energy to licensees, especially turnkey projects – solar-cell power plants and power plants from different kinds of waste. This business may turn into a core business in the future.

In addition to the power development plan of Thailand that the government has laid down the policy framework, the government sector has also encouraged small-medium enterprise to invest more in a power generation system from renewable energy, through the tax incentive. More investment is expected in the future.

(C) Marketing policy and features

- **Competition strategies**

Personnel: A2 key executives are seasoned engineers with long experience in the business of construction of renewable-energy power plants, especially solar-cell power plants, waste-fueled power plants, and electricity substation construction. That's why they're well recognized by designers, engineering consultants and project developers. They're well qualified to deal with clients. In addition, A2 has a team specialized and experienced in designing, planning and construction as planned as well as complicated and delicate procedures in obtaining licenses. A2 team has a full team, well qualified and acquainted with delicate procedures – A2's significant competition strategies.

- **Customer features and target customers**

Our main target customers are companies and organizations both in public and private sectors which operate in energy and utility e.g. the 3 Electrical Authorities of Thailand. These customers have strong investment capability with reliable source of funding and clear business development strategy.

- **Channels of distribution**


A2 enters into bidding of government construction projects, focuses mainly in projects related to utility. For private sector, A2 gets involve with those invested in energy and helps develop and propose projects for its customers. Projects include various renewable energy power plant, power sub-station, utility facilities. All of the revenue generated in 2019 is from domestic projects. Nevertheless, A2 has plans to expand its construction and consultation service for investors who are interested to go invest in energy abroad e.g. Vietnam.

- **Pricing policy**

The pricing policy is a cost-plus contract – costs according to the requirements and quantity of work as agreed upon, and competition in alternative energy business.

- **Certificates and International Standards**

The company focuses on developing efficiency in production and management in order to be recognized by customers. The company has received international standard certificates in various fields as follows:

	Standards	Certified period	Details
1.	ISO 9001: 2015  	November 28,2019 to November 28,2022	<p>The company has been certified for quality management system ISO 9001: 2015 UKAS Quality Management.</p> <p>UKAS = United Kingdom Accreditation Service is the accrediting body of the United Kingdom that is recognized internationally, Accredited companies demonstrate fairness and the ability to perform the task and management that meet international quality standards. By obtaining this standard of quality system certification, it will be the cornerstone that is a valid tool in the continuous development of the organization and to create standardized products and services.</p>

(D) Procurement of materials

A2 will procure materials for the construction according to the Bill of Quantity (BOQ), featuring costs of materials and labor costs. Most clients have given A2 BOQ, featuring materials they require for A2 to calculate the material cost. In case a client has not identified materials, A2 will figure out materials and their costs from the drawings.

In terms of construction, A2 will select subcontractors in a bid or direct employment. Only subcontractors who have power plant construction references. A2 project engineer will be assigned to supervise the construction until completion.

(E) Environmental impact

A2 strictly follows procedures in the Code of Practice (CoP), issued by ESA to prevent and reduce possible environmental impact.

(F) Projects not yet delivered to the clients

The number of projects provided to the subsidiary's construction is as follows:

(Unit : Million Baht)

No.	Description	Project	Project Value	Recognized as revenues during the year 2018	Recognized as revenues during the year 2019	Balance
1	Construction projects completed in 2020	20	2,476.02	2,250.35	225.68	-
2	Projects under construction	15	1,604.88	11.92	954.86	638.10
3	Projects whose contracts have been signed but construction not yet started	1	0.33	-	-	0.33
	Total		4,081.23	2,262.27	1,180.54	638.43

2.1.2 Procurement and distribution of equipment for construction

This unit engages in procurement and distribution of construction projects including renewable energy power plant system and equipment, power sub-station and utility facility system. The unit operates under APT.

(A) Type of Products

To procure and distribute equipment related to power generation from solar cells, other alternative energies, utility facility construction. Examples of products are solar panels, inverter, switch gear system, transformer, monitoring system, and etc.

(B) Marketing and competition

- Industry conditions**

Based on the economic growth rate, demand for alternative energies saw an increase, thus the opportunities to sell equipment for alternative energy power production seemed to grow accordingly.

- Industrial and competition trends**

APT aimed to market and distribute quality components for alternative energy. The demand of such components depended on the demand of alternative energies.

(C) Marketing policy and features

- Competition strategies**

The alternative energy business required high investment and was quite competitive, which served as a key factor for the Company's success. A key marketing strategy to ensure success and competitiveness is to have quality products, well screened by APT specialists.

- **Target customers**

Target customers are customers with construction projects on hand. Projects include power plant construction, utility facility construction. Customers are both private and public sector who are project owners.

- **Channels of distribution**

APT sells directly to project owners or contractors and designers.

- **Pricing policy**

APT worked out its prices from the cost plus margin, putting the volume of purchase and competition in the alternative energy business into consideration.

- **Certificates and international standards**

-None-

- **Benefits and conditions received from sending investment messages**

-None-

(D) Procurement of materials

APT only procures materials and products upon receiving purchase orders from the customers. APT has no policy to stock any products, and therefore reduce inventory cost. In 2018, materials were procured from within the country and from abroad.

(F) Projects not yet delivered

-None-

(E) Environmental impact

-None-

2.2 Manufacturing of metal parts

Revenue by Product/ Manufacturing of metal parts	Consolidate Financial Statement ¹					
	2018		2019		2020	
	Revenue	%	Revenue	%	Revenue	%
1. Automobiles	568.07	57.34	469.27	54.97	356.62	56.28
2. Motorcycles	122.15	12.33	117.20	13.73	83.46	13.17
3. Compressor	167.56	16.91	130.76	15.32	135.34	21.36
4. Camera	84.32	8.51	79.72	9.34	38.36	6.05
5. Other Part	48.61	4.91	56.69	6.64	19.92	3.14
	990.71	100.00	853.64	100.00	633.70	100.00

Note: 1. The consolidated financial statements with combined revenues have been reconciled. (See details in Section 12, interrelated transactions.)

The Company is a producer and distributor of high precision parts and components made metals such as steel, cast iron, forged steel, stainless steel, and aluminum. The part designs and characteristics are set by customers.

Parts manufactured for each customer will differ in details, depending on their requirement for usage. The characteristics of the parts manufactured are different such as shape, dimension, types of materials, material specifications, smoothness of surface, etc.

Though APCS parts may be applied to a variety of industries and products, depending on objectives of their uses and designs of customers, most customers are automotive, air-conditioning and refrigeration compressors and digital cameras industries. APCS's products used as components and accessories in those industries are as follows

2.2.1 Automotive parts

(A) Characteristics of Products

APCS is the manufacturer and supplier of high precision metal components to customers who are product makers of automobiles and motorcycles and 1st tier suppliers, by which they will bring Company's products as components of their automobiles, such as engine parts, driving controls, air-conditioning, motor wipers and starters. The 1st tier suppliers of motorcycles will apply APCS parts as components of engines and clutch systems. Some of APCS customers includes Isuzu Engine Manufacturing (Thailand) Co., Ltd., Valeo Siam Thermal Systems Co., Ltd., Thai Summit Mitsuba Electric Manufacturing Co., Ltd., Jtekt Automotive (Thailand) Co., Ltd., Siam Kubota Corporation Co., Ltd., Triumph Motorcycle (Thailand) Co., Ltd., T.Rad (Thailand) Co., Ltd., and etc.

Examples of automotive products using APCS parts as components



Connector, Union, Bearing



A3003, A6061, A6063, ADC10
Bar Extrude, Cold Forge, Cast
Round, Hex, Profile : 8-230 mm
Turn, Mill, Drill, Ream, Assembly
Tolerance : +/- 0.007 mm
Roundness : 0.005 mm max
Roughness : 0.4 Ra



Drive Shaft, Worm Shaft, Roller Shaft, Pin



SCM415, S45C, SUM23, SUS410Q
Bar (HR, CD)
Round : 6-150 mm
Turn, Mill, Drill, Grind, Roll, Serration,
Heat Treatment
Tolerance : +/- 0.005 mm
Roundness : 0.005 mm
Roughness : 0.2 Ra



FC250, FCD450

Iron Cast

Profile: 10-300 mm, 0.2-3.0 Kg

Turn, Mill, Drill, Grind, Polish

Tolerance : +/- 0.010 mm**Roundness** : 0.010 mm**Roughness** : 0.4 Ra

SCM415, SCM420, SCM440,

S45C, SUJ2,

Bar (HR, CD), Cold Forge, Hot Forge,

Cold Form

Round, Profile : 10-150 mm

Turn, Mill, Drill, Grind, Heat Treat

Tolerance : +/- 0.010 mm**Roundness** : 0.010 mm**Roughness** : 0.8 Ra**(B) Marketing and Competition Automotive industry****Automotive industry**

The automotive industry in 2020 had produced approximately 1.43 million units, of which the local sales were 0.79 million units and 0.74 million units were exported.

The production quantity in 2020 decreased from 2019 by 0.59 million units or 29.12 percent, and production quantity in 2020 decreased from 2018 by 0.74 million units or 34.16 percent.

Domestic sales of vehicle in 2020 decreased from 2019 by 0.22 million units or 21.38 percent, and Domestic sales of vehicle in 2020 decreased from 2018 by 0.25 million units or 23.96 percent.

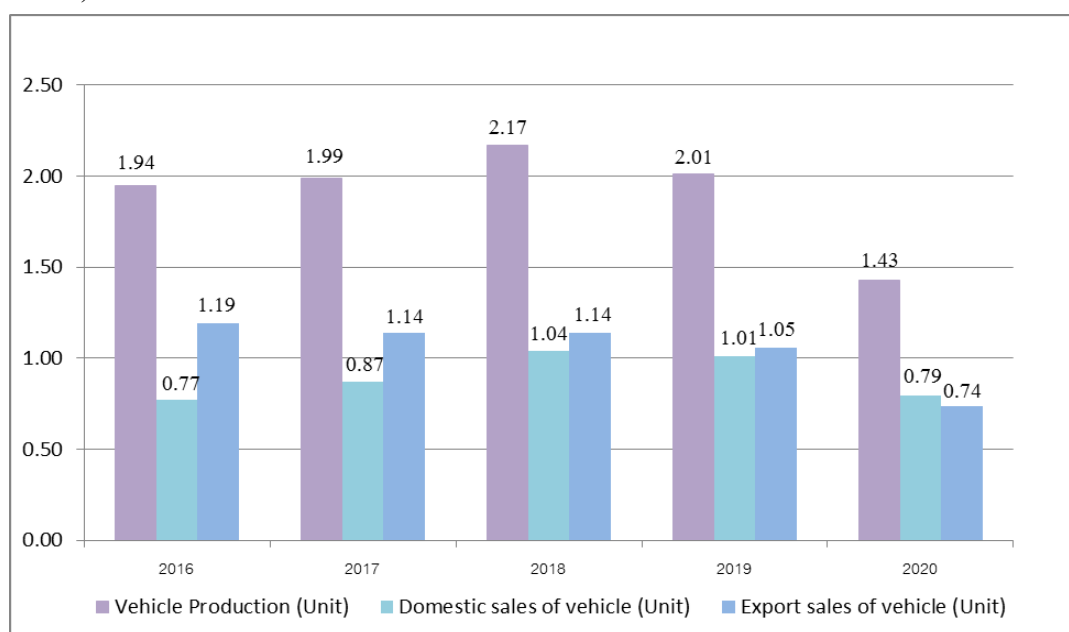
Export sales of vehicle in 2020 decreased from 2019 by 0.32 million units or 30.19 percent, and Export sales of vehicle in 2020 decreased from 2018 by 0.40 million units or 35.49 percent.

Overall, the automotive industry in 2020 production volume decreased from the same period of last year. This was a decline in both the domestic market and the export market due to the impact of the COVID-19 virus outbreak in many countries around the world. As for domestic factors, production is temporarily halted (April - May 2020) in line with measures to reduce the epidemic, drought problem and slowdown in domestic economy.

Year	Vehicle Production		Domestic Sales of Vehicles		Export of Vehicles	
	Quantity	Growth Rate	Quantity	Growth Rate	Quantity	Growth Rate
	(Unit)	(%)	(Unit)	(%)	(Unit)	(%)
2016	1,944,417	1.64	768,788	(3.86)	1,188,515	(1.36)
2017	1,988,823	2.28	871,650	13.38	1,139,696	(4.11)
2018	2,167,694	8.99	1,041,739	19.51	1,140,640	0.08
2019	2,013,710	(7.10)	1,007,552	(3.28)	1,054,103	(7.59)
2020	1,427,275	(29.12)	792,146	(21.38)	735,842	(30.19)

Source: Thailand Automotive Institute

(Unit : Million)



Source: Thailand Automotive Institute

Industry trends and automotive competition.

Based on the information from the automobile industry, shown in the industrial economic reports by the Office of Industrial Economics, Ministry of Industry, the estimate production is approximately 1,800,000 vehicles, an increase of 28.57 percent from the same period last year, divided into 40-45 percent for domestic sales and 55-60 percent for export.

Motorcycle Industry

The motorcycle industry in 2020 produced some 1.62 million units motorcycles with local sales of 1.52 million units and export sales of 0.73 million units motorcycles.

The production motorcycle quantity in 2020 decreased from 2019 by 0.33 million units or 17.10 percent, and production quantity in 2020 decreased from 2018 by 0.45 million units or 21.70 percent.

Domestic sales of vehicle in 2020 decreased from 2019 by 0.20 million units or 11.78 percent, and Domestic sales of vehicle in 2020 increased from 2019 by 0.27 million units or 15.22 percent.

Export sales of vehicle in 2020 decreased from 2019 by 23.36 million units or 0.22 percent, and Export sales of vehicle in 2020 decreased from 2018 by 17.95 million units or 0.16 percent.

The overall motorcycle production industry in 2020 slowed compared to the same period of last year due to the decline in demand of the domestic market and export markets as a result of COVID-19 virus outbreak in many countries around the world.

Year	Motorcycle production		Local sales of motorcycle		Export of motorcycle	
	Quantity	Growth Rate	Quantity	Growth Rate	Quantity	Growth Rate
	(Unit)	(%)	(Unit)	(%)	(Unit)	(%)
2016	1,820,358	0.72	1,738,231	6.05	924,917	(1.60)
2017	2,055,193	12.90	1,087,168	(37.46)	849,081	(8.20)
2018	2,063,076	0.38	1,788,323	64.49	886,275	4.38
2019	1,948,480	(5.55)	1,718,587	(3.90)	948,839	7.06
2020	1,615,319	(17.10)	1,516,096	(11.78)	727,152	(23.36)

Source: Thailand Automotive Institute

Industry trends and motorcycle rivalry

An industrial economic report by the Office of Industrial Economics expects a stable production of 2,000,000 motorcycles in 2021. This is a revision from the previously estimated production volume. Production for domestic sales of approximately 85-90 percent and production for export 10 percent. -15 are expected.

Automotive component industry

The automotive component industry is one of the industries that the government focuses and provides support as it plays a key role in supporting the automobile industry, which Thailand is one of the most significant and largest producers in the world. The industry is also significant to the Thai economy, creating huge employment and links with other related industries.

In terms of competition, the automotive component industry is not in a head-on competition. Most automotive component producers are specialized in certain products and their clients usually own larger businesses than component producers. That's why the clients often have several component producers as their suppliers. The relationship between the clients and component producers is usually based on supplier development so that the component producers may be able to supply components to the clients for a long time. It's not easy to develop a supplier to produce quality products at the clients' expectations. If a component develops a problem, the clients may be badly affected as they cannot make a delivery by the schedule. However, if a supplier is developed, the supplier will grow along with his client. In terms of APCS, APCS is not producing parts or components for a particular industry but its high-precision products can serve a variety of clients. That's why APCS does not have any specific competitors.

The automatic parts industry in 2020 saw a decline. The total export value was THB 177,935 million, comprising engine parts worth THB 23,817 million or 13.39 percent, spare parts worth THB 19,275 million or 10.83 percent, equipment parts and accessories worth THB 133,806 million or 75.20 percent and other parts worth THB 1,037 million or 0.58 percent. The Information Technology & Communication Center, Office of the Permanent Secretary for Commerce said major export markets for automotive parts were Japan, United States of America and Malaysia while motorcycle part were Cambodia, Japan and Brazil

Quantity of Export Automotive & Auto Parts

(Unit : Million Baht)

	2016	2017	2018	2019	2020
Engine	43,717	39,728	37,226	31,998	23,817
Spare parts	29,316	36,127	26,941	24,120	19,275
O.E.M. Part	184,481	198,242	215,680	181,254	133,806
Others	802	480	633	823	1,037
Total	258,316	274,577	280,480	238,195	177,935
Growth Rate (%)	5	6	2	(15)	(25)

Source: Thailand Automotive Institute

Industry trends and automotive parts competition

Overall auto parts industry is likely to be stable or slightly expanding following economic conditions that gradually recovered from the impact of the COVID-19 virus outbreak. The business recovery is in line with the economic conditions domestically and internationally. In addition, the ASEAN Free Trade Area will help boost exports in the region, as well as establishing a Mutual Recognition Agreement (MRA) in the ASEAN region on inspection and certification of automotive and parts safety standards that will help reduce the re-inspection process.

2.2.2 Air-conditioning and refrigeration compressor industry**(A) Characteristics of Products**

APCS is a manufacturer and supplier of parts to product makers in the air-conditioning and refrigeration compressor industries. Customers include Emerson Electric (Thailand) Co., Ltd. Emerson Climate Technology Co., Ltd., etc.

Examples of products in the air-conditioning and refrigeration compressor industries using APCS parts as components:

SCM415, S10C, S15C, S20C,
S45C, 316L
Bar (HR, CD), Cold Forge, Hot Forge
Round, Profile : 10-150 mm
Turn, Mill, Drill, Grind, Polish,
Heat Treat, Copper Plate
Tolerance : +/- 0.010 mm
Drill Hole : 0.6 x 7.0 mm
Roundness : 0.020 mm
Roughness : 0.4 Ra

(B) Marketing and Competition**Compressor Industry**

The production compressor quantity in 2020 decreased from 2019 by 1.49 million units or 14.77 percent, and production quantity in 2020 decreased from 2018 by 0.18 million units or 0.02 percent.

Domestic sales of vehicle in 2020 decreased from 2019 by 0.80 million units or 15.98 percent, and Domestic sales of vehicle in 2020 decreased from 2018 by 0.28 million units or 0.06 percent.

	2016	2017	2018	2019	2020
Compressor Industry Production (Unit : Million)	10.41	9.49	8.76	10.07	8.58
Growth Rate (%)	(5.82)	(8.83)	(7.68)	14.93	(14.77)
Local Sales of Compressor Industry (Unit : Million)	5.68	5.12	4.49	5.01	4.21
Growth Rate (%)	(2.65)	(9.84)	(12.36)	11.71	(15.98)

Source: The Office of Industrial Economics

Overview of compressor market in 2020: sales volume of compressor production decline because exports to the European Union, the United States, China, Japan and ASEAN decreased as a result of COVID-19 virus outbreak and the city shutdown / transport shutdown measures in many areas. This included factories, both domestic and foreign, having to stop production. As a result, the domestic and foreign economies slowed down.

Industrial prospects and competition

Overview of compressor market in 2021: The sales volume of compressor production will increase due to positive factors, both domestic and foreign, such as the COVID-19 vaccine, as well as the disruption of production in the United States and Europe. This resulted in an increase in the volume of orders from Thailand.

2.2.3 Digital cameras Industry**(A) Characteristics of Products**

APCS is a manufacturer and supplier of parts for digital camera product makers. Such parts include zoom equipment. A major APCS customer is ENT (Thailand) Co., Ltd.

Examples of products in the digital camera industry using APCS parts as components:

Cam Ring, Lens Housing



A5056

Extrude, Cold Forge, Cast

Round : 50-100 mm

Turn, Drill, Cam Mill, Anodize

Tolerance : +/- 0.005 mm

Roundness : 0.010 mm max

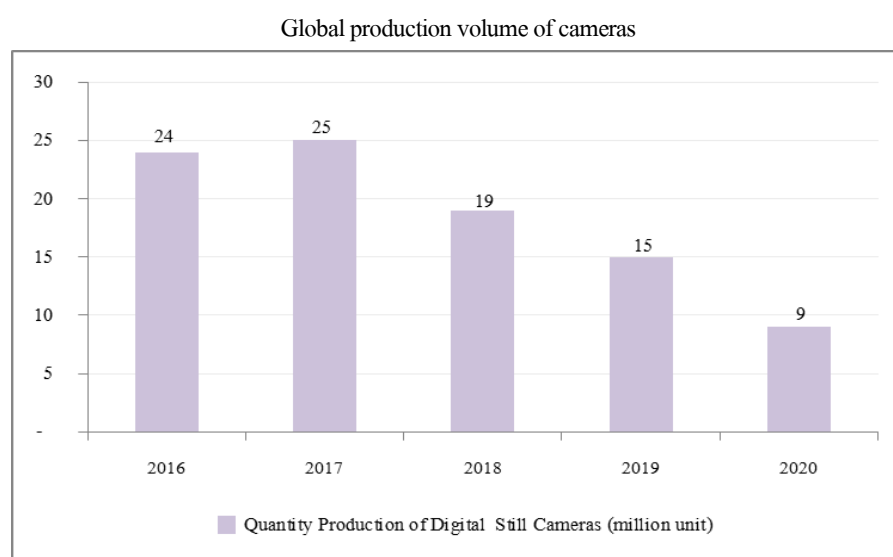
Roughness : 0.15 Ra

(B) Marketing and Competition**Digital cameras industry in Thailand**

In 2020, the digital camera industry was stable because smart phone manufacturers had improved their photography technology in their smart phones for much clearer pictures and that development had been continuous. Today, some models of the smart phone could take pictures as clear as compact cameras, thus increasing number of consumers had turned to smart phones and badly affecting the digital camera industry.

Today, there are 3 kinds of digital cameras:

- Compact cameras are easy to use and carry. They are the main products in the digital camera industry.
- Digital Single Lens Reflex or DSLR cameras are of high quality and rather large in size, sold at high prices, lens replaceable, good for professional photographers as DSLR cameras are quite costly. The customer base for DSLR cameras is much smaller than the compact cameras.
- Mirror less cameras are compact and lens replaceable. Their quality is close to the DSLR cameras.



Source: Camera & Imaging Products Association

Industrial prospects and competition

In 2021, APCS believes the digital camera industry is likely to continue to decline in the future because consumers use smartphones instead of digital cameras. However, there are still some consumer groups remain using cameras, especially high performance and expensive cameras.

The following section describes overall picture of business in automotive industry, including policies, market characteristics, raw material sourcing, impact on environment and work in progress. Details as follows:

(C) Policy and Market Nature of Important Products

- **Competitive Strategies**

APCS is the manufacturer and supplier of high precision machining and cold forging products, whose product and service quality have been recognized by clients. APCS is attentive from the start of the process, procuring raw materials, production process designs, production control as well as quality inspection and assurance and on-time delivery to customers to ensure that parts manufactured by APCS meet the clients' requirements and designs.

Producers who use APCS parts as components include product makers, manufacturers and 1st Tier suppliers both local and overseas. The competitive strategies employed by APCS are as follows:

(1) Parts quality: APCS has focused on quality control of parts manufacture to ensure that they meet the clients' specification requirements and designs. APCS procures raw materials according to the clients' specifications, design production process by a computerized system, monitor production process and process quality assurance for parts manufactured. APCS handles two levels of quality inspection: (1) Inspection and quality control during the production process and (2) final inspection before delivery to ensure that all parts manufactured and delivered by APCS may meet specifications specified and designed by customers.

(2) On-time delivery: APCS also focuses on the control and delivery of parts to customers on time and on a regular basis to support the clients' continuous production process and earn confidence from the clients.

(3) Stability of Production: APCS is capable of producing and sourcing parts to meet the clients' demand and quantity required, thus resulting in the clients' ability to manage their production process to avoid waste of production factors on a just-in-time basis.

(4) Ability to increase or expand production capacity: APCS is capable of increasing or expanding its production capacity to meet the rising demand in and expansion of the clients' businesses. APCS can produce parts in an increased quantity if customers require.

(5) Expansion of operation scope: APCS has increased continuous production lines which are continuous process from its main production lines in order to increase product value such as surface plating, which began in the 2nd quarter of 2011.

In the past, APCS outsourced the said processes, thus incurring expenses on transportation and coordination, employing outsiders as well as expenses on quality control employment. Furthermore, employing outsiders has resulted in longer production time because of the time required to ship parts back and forth and the third party's operation time is beyond APCS control.

APCS's expansion to cover the said process has resulted in better efficiency in cost management, quality control and production time.

(6) Development of production process and management for better efficiency: APCS has determined to develop its production processes and cost management. Initially, it implemented TOYOTA Production System (TPS) in 2008 and applied Cold Forging and Anodizing to its production process. In addition, APCS looks forward to better labor productivity by introducing automation process to its production lines for increased efficiency in using machines, increasing production

and enhancing quality, as well as providing opportunity to employees to develop their ability for higher skilled works

(7) Responsibility and good relationship with customers:

- Ability to increase production capacity to meet customers' demand: In certain cases, customers may need additional parts from APCS during a period and on emergency. APCS is able to adjust production lines to increase production capacity to match the demand of customers within a short period so that customers can produce and work continuously,
- Maintaining long term relationship with customers: APCS maintains a policy to preserve long term customer relationship by preparing and maintaining production capacity to support continuous operation of customers until the end of the models, as well as expansion of production capacity and increasing new processes for a complete cycle of services.
- Confidentiality: APCS realizes the significances of customer confidentiality by controlling technical data on parts customers employed APCS to produce or other data of confidentiality of customers not to be revealed to the public or use the data for personal benefit, as well as other data which may affect APCS competitiveness and activity.
- **Characteristics of clients and target clients**

APCS produces and distributes a variety of precision machined parts and components to supply different industries, depending on the clients' applications. Most APCS customers are in the automotive, compressor for air-conditioners and chillers and digital camera industries.

Examples of clients

Industry	Current Clients
1. Automotive industry	Automobile and motorcycle manufacturers, component producers for engines, driving control, air-conditioners, rain wiper motors, and starters, engine and clutch components for motorcycles, etc.
2. Compressor for air-conditioners and chillers	Compressor manufacturers for air-conditioners and chillers.
3. Digital camera industry	Digital camera manufacturers.
4. Other industries	Manufacturers of printers, printer shafts, medical tools and hydraulic machinery.

● Distribution channels

APCS distributes most parts to the 1st Tier Suppliers and product makers both local and overseas. In 2020, APCS supplied parts to local customers at 73.42% of the total revenue and 26.58% to overseas customers, as detailed below:

APCS's revenue structure by distribution channels manufactures high precision parts and components made from metals

Year	Separate Financial Statement						Consolidated Financial Statement					
	2018		2019		2020		2018		2019		2020	
	Value (Million Baht)	%	Value (Million Baht)	%	Value (Million Baht)	%	Value (Million Baht)	%	Value (Million Baht)	%	Value (Million Baht)	%
Domestic	747.56	75.46	691.39	75.27	4.36	48.93	747.56	75.46	626.51	73.39	465.29	73.42
Overseas	243.15	25.54	227.13	24.73	4.56	51.07	243.15	25.54	227.13	26.61	168.41	26.58
Total sale	990.71	100.00	918.52	100.00	8.92	100.00	990.71	100.00	853.64	100.00	633.70	100.00

APCS has supplied its products to such countries as China, Brazil, Belgium, Poland, United States of America, Argentina, Italy, Ireland, France, India, and etc.

● Pricing Policy

APCS has a policy of cost plus pricing. Both APCSS and the client will jointly settle a price of metal parts before production.

Since the majority of the cost of parts comes from raw materials such as iron, stainless steel, aluminum, etc., which are commodity goods and their prices are set by the demand and supply of each type of raw materials in the world market which suffer constant changes, APCS therefore suffers risks from fluctuation of the said raw materials.




In case the raw material prices go up substantially, APCS will negotiate with customers to adjust parts prices in order to maintain a reasonable profit margin. If the market price of a raw material rises by more than 10 percent from the price stated in the agreement, APCS will negotiate with the customer for a change in selling price to meet the actual cost of raw materials. On the other hand if the price of raw material decreases, the customer will negotiate with APCS for an adjustment in parts price, similarly. The ratio of price adjustment up or down will not be fixed mainly, but will depend on negotiation in each time, which normally there will be a sharing of costs, in which the customer will bear the major cost. However there may be lag time while the raw materials are under the responsibility of APCS, thus there are certain risks on material price changes.


However, APCS maintains a price setting policy to customers on the bases of Arm's Length and equality, without considering any other relationship other than normal trading relationship. Even though products ordered by each customer will be different in size, shape, production procedure and types of raw materials, APCS holds the policy to set price on the same basis by considering cost plus pricing which the same standard pricing and trade terms criteria are applied. Besides, the profit margins and terms of trade of each customer may differ depending on competitive condition of each industry and quantity of orders. (The margin of the APCS in 2020, customers in the automotive industry average of 50.21 industrial air

conditioning compressor and refrigeration average of 30.17, and industrial digital cameras average percent. the industry average was 10.40 percent, 9.22), the Company will take into account the best interests of the Company.

- **Certificates and International Standards**

APCS is committed to development of production and management efficiency to raise the standards of APCS factories to the level acceptable by clients. To date, APCS has received the following international standard certificates:

	Standards	Period Certified	Certification
1.	ISO 9001 : 2015 	Jun 2, 2020 to Apr 12, 2023	The ISO 9001: 2015 standard is a standard that international organizations regulate (International Standardization and Organization), established with the aim to promote a systematic approach to management and administration of corporate quality. The company has received such standards throughout the organization. Scope of Certification: The Manufacture of precision machined parts. Permitted Exclusions : Product Design
2.	IATF 16949 : 2016 	Apr 13, 2020 to Apr 12, 2023	The IATF 16949:2016 is developed from the ISO 9001:2015 by adding requirements to the IATF 16949 to the automotive industry, which are applicable to the quality management of the automotive industry across the world. APCS has been certified with that standard throughout the organization. (IATF 16949 changes its name from ISO/TS 16949) Scope Certification : Manufacturing of precision parts
3.	ISO 14001: 2015 	Oct 19, 2019 to Jun 2, 2021	The ISO 14001:2015 has been figured out by the International Standardization and Organization to encourage organizations to have efficient environmental management. APCS has been certified with that standard throughout the organization. Scope Certification : Manufacture of precision parts for automotive, office automation, electronic, electrical appliance and industrial machine

	Standards	Period Certified	Certification
4.	AS9100 Rev. D / ISO 9001 : 2015 	Aug 15, 2018 to Aug 14, 2021	The manufacture of machined components for aircraft

(D) Procurement of materials and production

• Production and production capacity

Today, APCS has one factory, located at in the Amata Nakorn Industrial Estate, 700/331, Moo 6, Donhualor, Muang, Chonburi. Province. The maximal production capacity as of December 31, 2020 was 2,952,838 hours/year. From 2018 to 2020, APCS's actual production capacity was as follows:

	Unit	2018	2019	2020
Machines	(Per Unit)	483	467	467
Capacity ¹	(Per Hours)	3,045,958	3,007,698	2,952,838
Producing Actual	(Per Hours)	1,922,002	1,810,544	1,280,009
Capital Ratio	(%)	63.1	60.2	43.3

^{1/} The maximal production capacity is calculated from 300 production days per year, * producing 21 hours a day * number of machines.

• Raw materials

The main raw materials for precision machined components are steel, aluminum and stainless steel, usually specified by clients. Then APCS will find materials based on prices and terms best appropriate to APCS. Most materials are imported as the steel, aluminum and stainless steel, made in the country feature size and qualities irrelevant to the clients' specifications. APCS has no policy to buy raw materials from a particular supplier but spread the purchase from several suppliers for the benefit of material selection. APCS has a leading supplier of steel, aluminum and stainless approximately 49 suppliers.

In 2020, APCS imported raw materials at about 11 percent of the total value of material procurement, Taiwan, South Korea, China, England, USA and while the other 89 percent from local suppliers or overseas representatives in Thailand. In 2020, APCS bought raw materials not more than 20 percent of the total value of material procurement from a single supplier. The largest supplier was about 9 percent of the total value of material procurement in 2020.

Raw material purchase from suppliers is at arm's length. APCS treats every supplier equally, based on normal business relationship, pricing, quality and terms best appropriate for APCS. APCS has no policy to buy raw materials from

a particular supplier but spread the purchase from several suppliers for the benefit of material selection. To prevent inappropriate purchase is to have quotes from several suppliers, from which APCS will choose to buy raw materials for APCS's optimal benefits

(E) Environmental impact of manufactures high precision parts and components made from metals

As a manufacturer of automotive and electronics parts, located in Amata Nakorn Industrial Estate, Chon Buri, APCS's production process may cause environmental impact. APCS has consequently introduced measures to cope with that possible impact to employees' health, environmental quality in the factory and nearby areas and control every parameter not to exceed the standard requirements and in line the related government agencies' regulations.

● Air What may affect the air quality is oil mist from the production process. APCS has installed oil mist and dust detectors at the production line to prevent impact to the air quality. In addition, the Ministry of Industry and Ministry of Interior require APCS not to discharge waste, whose parameters exceed the regulations. A test of the waste samples shows that APCS waste is under the standard criteria. The test on May 5-6, 2020 by MET Co., Ltd., an environmental quality analyst whose laboratory has been registered with the Department of Industrial Works, shows the following findings:

- Air pollutants discharged from the APCS factory,

Parameter	Result	Criteria	Unit
Nickel Acetate (as Ni)	0.014	0.5 ⁽¹⁾	mg/m ³
Sulfuric Acid	<0.1	25 ⁽¹⁾	ppm
Sulfur Dioxide	<0.1	500 ⁽¹⁾	ppm
Oxide of Nitrogen as Nitrogen Dioxide	<1	-	ppm
Total Suspended Particulate	4	400 ⁽¹⁾	mg/m ³
Sodium Tetraborate as Sodium	35.2	-	mg/m ³
Nitric Acid	0.03	-	ppm

Notes: Ministry of Industry's Notification on volume of pollutants discharged from the factory of 2006.

⁽¹⁾ : Standards CHWI

- : No standard

: Results measurement, calculate the temperature 25 degrees Celsius, the pressure of one atmosphere or 760 mm Hg dry conditions.

- Air quality in the workplace

Parameter	Result	Criteria	Unit
Sodium Hydroxide	<0.001-0.365	5 ^[1]	mg/m ³
Sulfuric Acid	<0.001-0.406	1 ^[1]	mg/m ³
Nitric Acid ^[3]	0.01-0.03	2 ^[1]	ppm
Potassium Hydroxide	<0.001	2 ^[2]	mg/m ³
Iron Fume	<0.003	10	mg/m ³
Methanol	<0.06	200	ppm
Iron Chloride as FeCl ₃	<0.003	10	mg/m ³
Sodium Nitrate as Na	0.025	-	mg/m ³
Isopropyl Alcohol	<0.03-0.06	400	ppm
Carbon Monoxide	<1-1	50 ^[1]	ppm
Total Dust	0.508-0.741	15	mg/m ³
Respirable Dust	0.299-0.436	5	mg/m ³
n-Hexane	<0.02	500 ^[1]	ppm
Oil Mist	<0.001-0.352	5	mg/m ³
Aluminum Dust	0.002-0.006	15	mg/m ³
2-Methyl-2,4-Pentanediol ^[2]	0.08	125	mg/m ³
2-Butoxy Ethanol	<0.02	50 ^[1]	ppm
Sodium Tetraborate as Na	0.153-0.519	-	mg/m ³
Naphtha	<0.11	2,000 ^[1]	mg/m ³
Xylene	<0.03	100 ^[1]	ppm
Ethyl Acetate	4.93	400 ^[1]	ppm
Methyl isobutyl ketone	<0.07	100 ^[1]	ppm
2-Propanal	<0.06	400 ^[1]	ppm
2-Propanone	<0.06	1,000 ^[1]	ppm
2-Butanone	<0.03	200 ^[1]	ppm
1-Propanol	<0.06	200 ^[1]	ppm
Toluene	<0.03	200 ^[1]	ppm
Ethylene Glycol Monobutyl Ether	<0.03	50 ^[1]	ppm
1-Methoxy-2-Propanol as Propylene Glycol Monomethyl Ether	<0.02	100 ^[1]	ppm
Propane	<0.06	1,000	ppm
Butane	<0.09	800 ^[1]	ppm
Ethyl Alcohol	<0.06	1,000 ^[1]	ppm
Heptane	<0.05	500 ^[1]	ppm
Methylcyclohexane	0.28	500 ^[1]	ppm

Notes : Occupational Safety and Health Administration (OSHA)

^[1] : Ministry of Interior's Notification on safety at work concerning environment (Chemicals)^[2] : Ministry of Interior's Notification on safety at work concerning environment (Chemicals)^[3] : Analyzed by Emex Association Co., LTD

- : No applicable standard

- Water Water is one of the main resources consumed in the production process, for instance, washing metal products in the production process, blended with the coolant to keep machinery cool, product plating process, and washing other things as well as for human consumption. Wastewater from the coolant and inorganic waste will be collected and a company licensed to handle waste disposal from the Department of Industrial Works, Industry Ministry, would take it for proper disposal

- Wastewater APCS can treat wastewater from 2 sources. Firstly, wastewater from the plating process, APCS can treat 6 cubic meters/hour, efficient enough to treat all the wastewater from the production process. Secondly, wastewater from human consumption.

APCS monitors the wastewater quality and parameters involved to make sure that they meet the Industrial Estate Authority of Thailand's requirements. Wastewater discharged to the Amata Nakorn Industrial Estate's main drain is sampled on a monthly basis by the Amata Nakorn Industrial Estate. APCS's wastewater parameters do not exceed the criteria.

The latest sampling on December 7, 2020 by Test Tech Co., Ltd. (Amata Nakorn Branch), the water and wastewater analyst in the Amata Nakorn Industrial Estate, whose laboratory has been registered with the Department of Industrial Works, Ministry of Industry, showed:

Parameter	Results	Criteria	Unit
Temperature	29.4	≤ 45	°C
Biochemical Oxygen Demand	22	≤ 500	mg/l
Chemical Oxygen Demand	71	≤ 750	mg/l
Total Suspended Solid	27	≤ 200	mg/l
pH	7.53	5.5 – 9.0	-
Total Dissolved Solids	586	$\leq 3,000$	mg/l
Grease & Oil	2.3	≤ 10	mg/l

- Raw material scraps Scrap from the production process are metal scraps from lathing and/or drilling process. APCS will collect those lathe scraps and hire a company licensed for waste management to pick them up. The trucks will be weighed before and after scrap loading under an APCS staff's supervision. Before loading the scraps, those scraps will be squeezed for less storage space and a byproduct from that process is oil from the scraps, which can be recycled.

As the factory is located in Amata Nakorn Industrial Estate under supervision of the Industrial Estate Authority of Thailand, waste discharge, in terms of volume and quality, is strictly controlled by the Industrial Estate Authority of Thailand. Waste discharged by APCS from 2007 to 2020 has been under the criteria of the Amata Nakorn Industrial Estate.

APCS has been certified with ISO 14001:2015 on October 19, 2019 and received the Green System Award, Level 3 from the Ministry of Industry on September 14, 2020 for its standards of environmental management and operation. That guarantees our focus on pollution prevention from affecting the environment.

(F) Products not yet delivered

None.

2.3 Raw Water Business Unit

The unit engages in distribution of raw water.

(A) Type of Products

Cholkij Sakol Co., Ltd. (CK) is involved with raw water distribution. It's quality raw water at the standards of inland water, category 3. Cholkij today 5 reservoirs with total capacity of 18 million cubic meters in Nong Tamlueng Sub-district and Nong hong Sub-district, Phan Thong District, Chon Buri Province.

(B) Marketing and competition

- **Industrial conditions**

CK's main source of income comes from the sale of raw water to customers, which distributes to the industrial sector and waterworks authority in Chon Buri and Chachoengsao provinces. Demand for raw water depends on the industrial growth in Chon Buri and Chachoengsao provinces. Continuous industry growth was seen in 2020. Water usage has slowed due to the Covid-19 outbreak

- **Trends of the industry and competition**

The Thai industrial sector in 2021 is expected to grow as shown in the industrial product index, compared with the same period of 2020. Covid-19 outbreak caused the tourism, export-import business and the industry to slow down. The consumer index in 2020 declined from the year 2019 in all sectors, despite the government's policy on industrial development in the eastern region that has been promoted. But if the spread of Covid-19, both inside and outside the country, is not likely to improve, it is expected that economic growth will slow down, similar to the previous year.

(C) Marketing policy and features

- **Competition strategies**

Raw water of CK is of high quality and meets the standards of inland water, category 3, the standards required by customers. Cholkij Sakol has installed a system to check the quality and quantity of water for clients to be confident in raw water, supplied by Cholkij Sakol. In addition, Cholkij Sakol is studying other water sources for future business expansion.

- **Customer features and target customers**

CK's customers are those who procure and distribute raw water or procure water to process and distribute for household or industrial consumption. Our target customer is the industrial sector, water management companies that distribute to household and industrial sector and ect.

- **Channels of distribution**

Today, CK sells raw water to a domestic customer, Our customer is the industrial sector, water management companies that distribute to household and industrial sector.

- **Storage and distribution**

The current situation is Thailand is in drought state. However, the company has prepared the water so that it can sell the water to meet the contract. This caused the cost of raw water distribution business to increase due to labor cost and depreciation

- **Raw materials**

Quality of CK's inland water, category 3 has been monitored today and for the future.

- **Pricing policy**

The raw water prices are agreed by the buyer and seller.

(D) Environmental impact

CK collect only rainwater to its 5 reservoirs in the rainy season (August-November). Therefore, there is no environmental impact but CK's operation help relieve floods in downstream areas.

(E) Projects not yet delivered

- None -

3. Risk Factors

Risks identified in this document. Based on current data and future expectations as far as can be determined. The risk factors of some significance. The text in the forecasts presented in the statement of this, such as using the words "believe," "anticipate," "estimate," "expect," "plans" or "intends", etc. Or. expectations regarding the performance of the business expansion. Changes in the laws relating to the business of the Company and other state policies concerning anticipated future events. As a result, the actual May differ significantly from expectations or predictions may.

3.1 Risks involved with APCS business operation are as follows:

3.1.1 Risks in construction industry (EPC)

3.1.1.1 Risks from fluctuation in construction material price

The gross profit for each project is based on accurate project cost estimates and cost control within a predetermined budget. Building materials are the primary costs used in cost estimates. If the price of construction materials fluctuates due to the economic conditions and market demand, this will affect the profit of the Company. Nevertheless, the subsidiary is well aware of this risk. In the past, the subsidiary has negotiated for the seller to stand the price for a longer period. There is a demand planning for building materials for each period. And the market price is continuously monitored to be used for negotiating prices with sellers to get the best prices.

3.1.1.2 Risks from delay in construction project

If the construction operation is delayed, this will resulted in delay of delivery of the project to the client. As a result, the subsidiary will be charged a penalty due to project not delivered on the date specified in the contract, and resulting in additional other expenses. Nevertheless, the subsidiary company places great importance on delivering the project to the client on time as stated in the contract. The company determines thorough work plans from the beginning of the project until the end of the project. The project is controlled in accordance with the plan closely. Progress is reported to the client according to the meeting schedule specified by the client or according to the contract specified. In the event of an unexpected event, that may result in the project not able to be delivered to the client on schedule. The subsidiary company will report to the client immediately and make a letter requesting to extend the delivery period to the client. This is to jointly prepare a memorandum of agreement for extending the project delivery period and prevent the subsidiary from being charged a fine from the client. In the past, the subsidiary company has never experienced any delay in delivering the project which causes the subsidiary to have to pay a penalty to the client.

3.1.1.3 Risks from dependency on engineers and personnel

The subsidiary with rapid expansion that is in construction business requires people with expertise and experience in designing, planning, operating as well as construction of projects as planned. They are engineers at the level of assistant managing director, project managers and project

engineers or foremen. If A2 loses these engineers and personnel, it will affect the company's ability to win projects and perform well in the future.

The company realizes the importance of personnel, which is an important factor in business operations and therefore determines measures to prevent such risks. In the past the company continuously strived to develop the capabilities and competencies of personnel so that employees can perform their work efficiently and achieve goals. Talent management policy was established to support continuous and sustainable growth by creating a new generation of executives for the future. This is done through a process of determining the potential personal characteristics of both managerial and operational competence and performance. This includes Succession Planning to prepare plans for succession and replacement of important positions in the organization, in order to prepare the person to be responsible to systematically inherit the duties of overseeing businesses and organizations.

This also includes a clear human resource management policy through thorough care of the personnel, provide compensation for work and provide welfare for all employees in line with the competition and labor market, treat employees with fairness, equality within the framework of company regulations, labor laws and good traditions in society, ensuring employees have good quality of life and health, have safe working conditions, create a good working environment and promote teamwork.

3.1.1.4 Risks from the other contractual party failing to comply with the agreements

The subsidiary faces risks with the clients failing to comply with the agreements, especially payment according to the work progress, thus most likely causing damage to the subsidiary. The subsidiary has come up with such preventive measures as financial analysis of the client before taking a project, finding additional information about that client from other sources or demand advance payment as well as collection according the work progress. The company will carefully select customers whose government own part of the shares or reliable state enterprises.

3.1.1.5 Risks from high competition

Currently, the construction business is increasingly competitive, including rising number of competitors. As a result, there were more contestants to bid on a project, causing some contractors to lower the bid price in order to win the bidding. The aforementioned price reduction also resulted in a decrease in the profit of the Company. Nevertheless, the subsidiary mitigates this risk by bidding for jobs that the subsidiary has expertise in, and able to control costs. This also includes the development of the capabilities of the personnel to be able to perform their work with quality. This makes subsidiary gain trust from government and private sectors. Therefore, the subsidiary is always given the opportunity to participate in bidding for new projects.

3.1.1.6 Risks from foreign currency exchange rate fluctuation

The subsidiary company imports construction materials from abroad, such as solar panels and inverters. The value of ordered construction materials is quite high. The fluctuation in foreign currency

exchange rate fluctuation results in risks to the Company. Nevertheless, the Company uses Forward Contract to mitigate this risk at appropriate time.

3.1.1.7 Risk from natural disasters

Risk from natural disasters can arise, whether it is flood, fire, earthquake, and other natural disasters; all of these may cause damage to the project property. Nevertheless, the company has mitigated such risk by purchasing an insurance policy that covers natural disasters throughout the construction period for all construction projects, and perform a safety system practice every year. The company has studied the environment of the construction project location from the beginning to prevent the chance of natural disasters and damage to the project property.

If a natural disaster causes damage to the data of the subsidiary, the subsidiary has an established data protection measure: by keeping the information in 2 separate places. For the first place, the company will store information using an external storage device, which will be stored in a secured place. For the second place, the company will store data using Cloud Storage, which is an online storage space, to reduce the risk of data loss due to natural disasters. The subsidiary has tested the backup system at least 3 times a year to ensure complete backups of the system.

3.1.2 Risk in Automotive Industry

3.1.2.1 Risks from dependency on major customers and automotive customers

In 2020, APCS's major customers were still in the 3 major industries, as follows

Industry	Percentage of revenue from precision manufacturing business	Percentage of total revenue in consolidated financial statements
1. Automotive	69.45	20.63
2. Compressor and Refrigerating	21.36	6.35
3. Camera	6.05	1.80
4. Others	3.14	0.93
Total	100.00	29.71

In 2020, about 20.63 percent of the Group's sales revenue came from customers in the automotive industry. The Group's sales revenue from the 10 top customers constituted some 65 percent of all sales revenue in metal parts manufacturing business. This is a risk on the volatility of income from major customers in case of a decline in the automotive industry, which will affect APCS income.

However, APCS has the policy of revenue source distribution not to rely heavily on any one customer or group of customers, and spreading sources of income to other industries other than the automotive industry. But however because of the top 10 major customers are large companies with sales revenue from one billion Baht to ten billion Baht per year, and the value of parts they order from APCS contributes a minor portion of their total orders of the said customers, but a high portion of APCS's

income. In the year 2020, APCS did not have a particular customer accounting for more than 20 percent of the total revenue.

Furthermore, APCS is capable of changing production of parts for a product to another product as well as ability in searching for new markets and quite adapt to changing production of parts for a product to another product. APCS is therefore good at adjustment in the event of decline in any industry conditions.

3.1.2.2 Risks on pricing and sourcing of raw materials

Main raw materials used in parts manufacturing include iron, aluminum and stainless steel. They are commodity goods and their prices are set by their demand and supply in the world market in each period of time which is beyond the APCS control.

If the prices of those raw materials go up, costs of other manufacturers in the same industry will be affected and APCS's profit will therefore drop as APCS will have to share its clients' burden.

Though those raw material prices are beyond APCS control, APCS closely monitor world market prices by a special team, who will also analyze price trends at each period and assess APCS demand in each period so that APCS may manage ordering and delivery time to match production. This will help APCS not to over stock raw materials. Furthermore, in the event the price changes are substantial, APCS will negotiate product prices with customers. Normally, the burden will be shared with customers, who will take a greater burden. However, the said negotiation will have lag time while the materials are under APCS responsibility and therefore APCS still carries the risk of raw material price changes. On the other hand, if the raw material prices drop, customers will ask for a price cut-down. (See details of no.1 : Characteristics of Products section Pricing Policy)

3.1.2.3 Risks from exchange rate fluctuations

In 2020, the Thai Baht depreciates against the US Dollar, from 30.1540 THB/USD in 2019 to 31.2933 THB/USD in 2020. As a result, this provided a better position for the sale of products to foreign customers in foreign currency. And the company has considered the policy to emphasize the balance foreign exchange transactions, including using a foreign currency deposit account, in order to reduce the risk of foreign exchange fluctuation. The exchange rate changes are also regularly monitored.

3.1.2.4 Risks from having no long-term contracts

Most APCS business transactions, generally practiced in the industry, are not made as long-term service contracts, but only short-term contracts of about a year, or no contract at all, just a purchase order, depending on the policy of each customer.

At the termination of a contract or when it is due to change product models, customers will select new manufacturers and suppliers of parts and components. Consequently, APCS has risk of losing customers if it is not selected.

However, normally manufacturers in the automotive, air-conditioning and cold storage compressor and digital camera industries do not easily change their suppliers of parts and components to

them. Selecting manufacturers or suppliers of parts and components with quality and standards as they specify, with ability to deliver on time and ability to increase production capacity during the peak demand period will need additional procedures and time. This may affect their production procedures and quality risk. Normally, makers in the automotive industry, air-conditioning and cold storage compressor industry and digital cameras industry will select manufacturers or suppliers of parts and components to them in limited number of 1-3 suppliers for any parts, in which the steps and procedure to obtain manufacturers or suppliers of parts and components to supply them will have to be done in 3 months to 2 years. The said period may vary according to the designs and complexity of parts production in each product line. Hence, if a company is selected as a manufacturer of parts to any maker, the risk of termination of manufacturing contract is low, because the maker usually will not change their parts manufacturer until the end of the model of that product, which is on the average 5-7 years or more depending on the product designs and specifications in each industry.

Subsequently, being a company that manufactures and supplies standardized parts results in customers' confidence in APCS operation and products, with the trend to let APCS continue as the manufacturer and supplier of parts and components to the customers, and even continuously offering new products APCS to quote.

3.1.2.5 Risks from automotive manufacturers relocating their production base to other countries

Factors that may drive automotive manufacturers to relocate their production base from Thailand to other countries include:

(1) Formation of the ASEAN Economic Community (AEC)

The formation of the ASEAN Economic Community (AEC) has brought about competition among member countries. Thailand, the first and foremost automobile manufacturer in ASEAN, has been successful in manufacturing 3 automobile models, namely, one-ton pickup trucks, energy-saving or eco cars and high-quality small vehicles.

APCS as a manufacturer of automotive parts and components has to maintain its production standards and apply new modern technology in its production as well as develop products and machinery so that it may manufacture different automotive parts designs. The success of the automotive parts production keeps APCS growing in spite of stronger competition.

(2) Political stability

In 2018, political situations slowed down the nation's overall economy with no exception to the automobile industry. However, the government tried to do things to gain investors' confidence and highlight investment promotion.

3.1.2.6 Risks from being sued by consumers due to product quality problems and liability to compensation for damage in accordance with Liability to Damage from Unsafe Goods Act

Thailand has promulgated the Liability to Damages Caused by Unsafe Goods Act of 2008 (“Liability Act”), which protects consumers injured or damaged from physical health, hygiene, mind or property from unsafe goods. Consumers may sue and claim compensation for damage from manufacturers, hirers or importers of the said unsafe goods.

If goods manufactured by APCS’s customers such as cars, motorcycles, air-conditions, camera are complained by APCS consumers and sue customers that the goods manufactured by the customers of APCS are unsafe, APCS may be required to jointly pay damage compensation in the case the unsafe goods arisen from failure of components, manufactured by APCS.

Parts manufactured by APCS are parts designed by the customer and specifications of raw material used in manufacturing. If the failure is from designs and specification of raw materials used in the production, APCS will not have to be jointly liable to the unsafe products.

However, parts manufactured by APCS are not directly related to safety. If a customer’s product is claimed and the cause of the claim arises from the failure in APCS production, the repercussion of the said claim will not be a serious damage and will not affect consumer safety. Most APCS parts are in the assembly line of the 1st Tier Suppliers, which if there is any failure in the parts manufacturing, they will be found and corrected in the production line of the manufacturer and 1st Tier Suppliers before the goods are completed and delivered to consumers.

APCS therefore faces minimal risk to share the liability. And if it has to be jointly liable, the expense will not be high as the said failure does not directly affect customer safety. In the past, APCS had never been sued by consumers.

Besides, at present no insurance company in Thailand accepts the said type of insurance and insurance expenses on foreign insurance companies are not worth the benefits to be received by APCS. APCS therefore does not take out such insurance.

3.1.2.7 Risks on safety, environment and community

APCS is the manufacturer and supplier of parts used in the automotive industry, air-conditioning and cold storage compressor industry and digital camera industry. APCS has employed machines mainly in its production process, and subsequently generates and discharges little waste and pollution for its production process.

However, since APCS is located in Amata Industrial Estate, supervised by the Industrial Estate Authority of Thailand (“IEAT”), waste discharge is closely inspected to make sure that it meets IEAT standards. In 2018, APCS’s waste discharge successfully met the IEAT standards. (See details of no.1 : Characteristics of Products section Environmental impact)

3.1.2.8 Risks from impact from Government policies

Business enterprises have to comply with the law as well as the authorities’ rules and regulations and the government policies. In those laws, rules, regulations or government policies are changed, it may affect APCS’s competitiveness or business operation. For instance, the change in the

minimal labor wages, minimal monthly salary of fresh graduates in bachelor's degree or the change in interest rate by the Bank of Thailand or the rates of corporate income tax, etc. Such changes by one way or another will definitely affect entrepreneurs.

However, those factors are out of APCS's control. The management has monitored and assessed impact from those changes in order to cut down risks or impact from those changes. APCS has applied automation in its production process since 2010 and will continue to apply additional automation to cope with the problems of labor shortage and rising labor costs. Thus, APCS will consequently be more competitive.

3.1.3 Risks in distribution of raw water business

3.1.3.1 Risks from weather conditions

The subsidiary that is involved with raw water production and distribution faces risks with weather conditions and world climate change – not raining even in the rainy season and El Nino that makes rain less than it should have been.

The risks are mitigated as follows: the volume of raw water collected is double the size of the annual sales for the first 3 years. Water will be sufficient for 3 years though some years may be dry. In the 4th year, the volume of water collected will be increased by 60 percent of the reservoir capacity. Additional reservoirs nearby will be located in case of drought for 2 consecutive years.

3.1.3.2 Risks from chemical contamination in water

The subsidiary that is involved with raw water production and distribution faces risks of chemical contamination in the raw water, thus affecting the quality of ground water due to such upstream activities as wastewater release from industrial plants, livestock farming, chemical application in farm activities, etc.

The risks are mitigated as follows: getting tools to check water quality prepared to check water quality in the stream before releasing to the reservoirs, monitoring community activities and upstream activities that may release wastewater to the stream by coordinating with the people and communities that may cause contamination.

3.1.3.3 Risks from the other contractual party terminating water sales agreements

The subsidiary that is involved with raw water production and distribution faces risks with the clients terminating water sales agreements or failing to comply with the agreements. The subsidiary has come up with such measures as specifying concise terms and conditions, working together to reduce possible disputes or misunderstandings, having a joint meeting to address issues concerned and find a common solution. In addition, the subsidiary will expand its customer base in order to spread risk.

3.1.3.4 Risks as a result of fluctuating microbiological substances in the reservoir

Given that raw water in the reservoir comes from rain flowing through natural water channel, therefore there will be microbiological substances contaminated in the water such as dead plants and animals. These microbiological substances act as food for bacteria and fish in the reservoir. These degraded substances by bacteria can cause high BOD level and low dissolved oxygen level. The growing population of fish that cannot escape the reservoir can cause high Ammonia and Nitrate levels. These may result in raw water being out of specifications.

The risks are mitigated as follows: periodically remove fish from the reservoir or monitor and limit the growth rate of fish, install oxygen filling machine to expedite the substance degrading process, plan and install drainage low quality water during off season period.

3.1.3.5 Risks from reliance on key customers

Risk from reliance on only a few key customers is partially mitigated since the subsidiary has good relationship and received trust from the customers. The subsidiary has plans to expand its customer base in the future to mitigate this risk.

3.2 Management risks

Risks from impact from APCS subsidiaries' operating results and financial status

APCS is required to consolidate operation and financial standing of all 7 subsidiaries in its financial statements. In 2020, all 7 subsidiaries' operating results improved, and the combined total sales of all 7 was equivalent to 69 percent of the Group's total revenue.

APCS has involved in policy setting in its subsidiaries, control and monitor the subsidiaries' operation as well as sending its directors and/or senior managers to serve as directors and/or senior managers in those subsidiaries in order to set policies and protect APCS benefits and that APCS and its subsidiaries may pursue the same operation direction, which will eventually lead to effective cost management and maximal operation efficiency.

3.3 Financial risks

Risks from liquidity

As of December 31, 2020, the consolidated financial statements showed the current ratio at 1.95 times, rose from the previous year (1.87 times in 2019); this increase was due to no major investment by the company or subsidiaries during the year. Current ratio of 1.95 is deemed as appropriate.

4. General Information and other important information (as at 31 December 2020)**4.1 Company Information**

Company Name	:	Asia Precision Public Company Limited
Abbreviation	:	APCS
Listed date	:	September 29, 2011
Type of shares	:	Common shares
Registered Capital	:	Baht 659,999,962.00
Paid-up Capital	:	Baht 659,999,862.00
Paid-up Share Unit	:	659,999,862 shares
Par value	:	1.00 Baht
Type of business	:	<u>Core business</u> <u>- Construction</u> (EPC) Construction, engineering consultation, maintenance of renewable energy power plant. Sales of materials, equipment, spare parts used in power plant and energy construction projects <u>- Metal parts manufacturing</u> . Manufacture and sales of High Precision Machining and Cold Forging metal parts for automotive, air-conditioning and refrigeration compressor and camera industries. <u>- Raw Water</u> – Distribution of raw water
Industry category	:	Construction services
Head Office	:	Amata Nakorn Industrial Estate, 700/331 Moo 6, Donhualor, Muang Chonburi, Chonburi 20000
Company Registration No.	:	0107554000011
Tel No.	:	(660) 38-468-300
Fax No.	:	(660) 38-458-751
Homepage	:	www.apcs.co.th

4.2 Juristic persons which the Company holds at least 10% of their shares**Subsidiaries Company**

- **A2 Technologies Co., Ltd. ("A2")**

Registered Capital	: Baht 600,000,000.00
Paid-up Capital	: Baht 600,000,000.00
Number of paid-up shares	: 60,000,000 common shares.
Par Value (Baht)	: 10.00 per share
Type of Business	: Provide engineering service and automation solution and provides construction and maintenance services of renewable energy power plants
Head Office	: Amata Nakorn Industrial Estate, 700/331 Moo 6, Donhualor, Muang Chonburi, Chonburi 20000
Branch Office	: 223/53, 13th Floor, Country Complex Tower A, Sunphawut Road, Bangna Tai Subdistrict , Bangna, Bangkok 10260.
Company Registration No.	: 0205553022311
Head office Tel No .	: (660) 38-468-300
Branch Tel No .	: (662) 361-5494-5
Fax No.	: (662) 361-5496

- **Asia Precision A.T. Co., Ltd. ("APAT")**

Registered Capital	: Baht 550,000,000.00
Paid-up Capital	: Baht 550,000,000.00
Number of paid-up shares	: 55,000,000 common shares
Par Value (Baht)	: 10.00 per share
Type of Business	: Manufacture and sales of High Precision Machining and Cold Forging metal parts metal parts for automotive, air-conditioning and refrigeration compressor and camera industries.
Head Office	: Amata Nakorn Industrial Estate, 700/331 Moo 6, Donhualor, Muang Chonburi, Chonburi 20000
Branch Office	: Amata Nakorn Industrial Estate 700/102 Moo 1 , Bankro, Phanthong, Chonburi 20160
Company Registration No.	: 0205553022761
Tel No.	: (660) 38- 468-300
Fax No.	: (660) 38-458-751

Change name and address : On February 25, 2019,
P2 Precision Company Limited changed its name to Asia Precision A.T.
Company Limited
Address from 700/102 Moo 1, Bankro, Phanthong, Chonburi 20160
is 700/331 Moo 6, Donhualor, Muang Chonburi, Chonburi 20000

- **Asiaprecisiontech Co., Ltd. ("AST")**

Registered Capital : Baht 1,000,000.00
Paid-up Capital : Baht 1,000,000.00
Number of paid-up shares : 200,000 common shares.
Par Value (Baht) : 5.00 per share
Type of Business : Manufacture sales of metal parts
Head Office : Amata Nakorn Industrial Estate, 700/331 Moo 6, Donhualor,
Muang Chonburi, Chonburi 20000
Company Registration No. : 0205561031706
Tel No. : (660) 38-468-300
Fax No. : (660) 38- 458-751

- **APCS Technology Co., Ltd. ("APT")**

Registered Capital : Baht 10,000,000.00
Paid-up Capital : Baht 10,000,000.00
Number of paid-up shares : 10,000 common shares.
Par Value (Baht) : 1,000.00 per share
Type of Business : Procurement and distribution of equipment for the power generation systems
and alternative energy power production
Head Office : Amata Nakorn Industrial Estate, 700/331 Moo 6, Donhualor, Muang Chonburi,
Chonburi 20000
Branch Office : 223/53, 13th Floor, Country Complex Tower A, Sunphawut Road,
Bangna Tai Subdistrict, Bangna, Bangkok 10260.
Company Registration No. : 0205560020808
Head office Tel No. : (660) 38-468-300
Branch Tel No. : (662) 361-5494-5
Fax No. : (662) 361-5496

- **A2 teeravat joint venture Co., Ltd. (“A2T”)**

	<u>Preferred Shares</u>	<u>Common Shares</u>	<u>Total</u>
Registered Capital	: 36,750,000.00 Baht	38,250,000.00 Baht	75,000,000.00 Baht
Paid up Capital	: 9,187,500.00 Baht	9,562,500.00 Baht	18,750,000.00 Baht
Number of paid up shares	: 3,675,000 shares	3,825,000 shares	
Par value per share	: 10.00 Baht	10.00 Baht	
Paid up par value	: 2.50 Baht	2.50 Baht	
Voting rights	: 10,000 votes per share	1 vote per share	
Type of business	: Construction of buildings, housing, roads, bridges, tunnels, and all other construction types		
Head office	: 223/53, 13th Floor, Country Complex Tower A, Sunphawut Road, Bangna Tai Subdistrict , Bangna, Bangkok 10260		
Company Registration No.	: 0105561082832		
Tel	: (662) 361-5494-5		
Fax	: (662) 361-5496		

- **A2 Technologies Vietnam Co., Ltd. (“A2V”)**

Registered Capital	: Baht 1,000,000.00
Paid-up Capital	: Baht 1,000,000.00
Number of paid-up shares	: 100,000 common shares.
Par Value (Baht)	: 10.00 per share
Type of Business	: Engineering, Procurement, and Construction services for alternative energy power plants
Head Office	: 33 Le Duan, Ben Nghe Ward, District I, Ho Chi Minh City, Vietnam
Company Registration No.	: 0316214921
Head office Tel No .	: -
Fax No.	: -

- **Cholkij Sakol Co.,Ltd. (“CK”)**

Registered Capital	: Baht 120,000,000.00
Paid-up Capital	: Baht 120,000,000.00
Number of paid-up shares	: 1,200,000 common shares.
Par Value (Baht)	: 100.00 per share
Type of Business	: Production and distribution of raw water.
Head Office	: No. 223/53 Country Complex A Building, 13th Floor, Sanphawut Road, Bang Na Tai Sub district, Bang Na District, Bangkok 10260
Company Registration No.	: 0105549083841
Head office Tel No.	: (662) 361-5494-5
Fax No.	: (662) 361-5496

4.3 Other References

- **Registrar**

The Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Din Daeng, Bangkok 10400.
Tel: (662) 009-9000, (662) 009-9999 Fax: (662) 009-9991

- **Auditor**

Karin Audit Co., Ltd.
No. 72 CAT Telecom Building, 24th Floor, Charoenkrung Road, Bangrak Subdistrict, Bangrak District Province of
Bangkok 10500
Tel (662) 105-4661 Fax: (662) 026-3760
Auditor's Name
Miss Kannika Wipanurat Certified Public Accountant Registration Number 7305

5. Shareholding Structure

5.1 Securities Information and Shareholding Structure

5.1.1 Number of Registered Capital and Paid-up capital

As at 31 December 2020	No. of Common shares	Amount of per share (Baht)	Amount (Baht)
Registered Capital	659,999,962	1.00	659,999,962.00
Paid-up Capital	659,999,862	1.00	659,999,862.00

5.1.2 Shareholders of the top-ten major shareholders of the Company according to the latest book closing date on December 30, 2020

Name	No. of Common shares	% of total shares all issued
1. Advance Web Studio Co., Ltd. ¹⁾	146,000,000	22.12
2. Karoonkornsakul Group ²⁾	121,285,157	18.38
3. Mr.Somchai HongRatanavijit	40,000,000	6.06
4. Ms.Daranee Attanand	26,557,131	4.02
5. Mr.Annop Limprasert	21,295,300	3.23
6. Mr.Chanchai Gulthavorakorn	20,200,000	3.06
7. Ms.Janyaporn Valyasevi	12,949,300	1.96
8. Mr.Sirote Sangthawaiporn	10,960,000	1.66
9. Thailand Securities Depository Co., Ltd. (TSD)	9,793,100	1.48
10. Ms.Satinee Chantasasawat	9,271,259	1.40
	418,311,247	63.37

¹⁾ See detail Advance Web Studio Co.,Ltd at no. 5.1.4

²⁾ See detail Karoonkornsakul Group at no. 5.1.5

5.1.3 Portion shareholders of the Company according to the latest book closing date on December 30, 2020.

Name	No. of Shareholders	No. of Common shares	% of total shares all issued
1. Advance Web Studio Co., Ltd ¹⁾	1	146,000,000	22.12
2. Karoonkornsakul Group ²⁾	7	121,285,157	18.38
3. Mr.Somchai HongRatanavijit	1	40,000,000	6.06
4. Minority shareholders	1,180	352,714,705	53.28
	1,189	659,999,862	100.00

Note : No. of Thailand shareholders 1,180 person (Total shares 656,154,176 shares or 99.42%) and
No. of foreign shareholders 9 persons (Total shares 3,845,686 shares or 0.58%)

Remark : ¹⁾ See detail Companies Advance Web Studio at no. 5.1.4

²⁾ See detail Karoonkornsakul Group at no. 5.1.5

5.1.4 Portion shareholders of Advance Web Studio Co., Ltd. as follows (as at 31 December 2020)

	Name	No. of	No. of	% of total shares all issued
		Shareholders	Common shares	
1.	AWS Asset Management Co., Ltd. ³⁾	1	29,998	99.9933
2.	Minority shareholders (2 persons)	2	2	0.0067
		3	30,000	100.0000

หมายเหตุ : ³⁾ See detail AWS Asset Management at no. 5.1.6

5.1.5 Portion shareholders of Karoonkornsakul Group as follows (as at 30 December 2020)

	Name		No. of	% of total shares all issued
			Common shares	
1.	Mr. Apichart	Karoonkornsakul	91,668,398	13.89
2.	Mr. Pete	Karoonkornsakul	13,676,425	2.07
3.	Mrs. Ratana	Karoonkornsakul	2,677,414	0.41
4.	Mr. Pat	Karoonkornsakul	665,913	0.10
5.	Ms. Wachirayan	Karoonkornsakul	254,959	0.04
5.	Mrs. Panee	Karoonkornsakul	6,366	-
6.	Mr. Chairaj*	Vetnaruman	12,335,682	1.87
			121,285,157	18.38

Note : * Mr. Chairaj Vetnaruman is Miss Anchalee Karoonkornsakul's husband.

5.1.6 Portion shareholders of AWS Asset Management Co., Ltd. as follows (as at 31 December 2020)

	Name	No. of	No. of	% of total shares all issued
		Shareholders	Common shares	
1.	Mrs. Pimparuda Pitakteeratham	1	9,998	99.98
2.	Minority shareholders (2 persons)	2	2	0.02
		3	10,000	100.00

5.2 Shareholding Structure of Subsidiaries - Asia Precision A.T. Company Limited**5.2.1 Number of Registered Capital and Paid-up capital**

As at 31 December 2020	No. of Common shares (Shares)	Amount of per share (Baht)	Amount (Baht)
Registered Capital	55,000,000	10.00	550,000,000.00
Paid-up Capital	55,000,000	10.00	550,000,000.00

5.2.2 Shareholders of Asia Precision A.T. Company Limited

Name	No. of Common shares	% of total shares all issued
1. Asia Precision Public Company Limited	54,999,997	99.99999
2. Minority shareholders (3 persons)	3	0.00001
	55,000,000	100.00000

Remark : On February 25, 2019 P2 Precision Company Limited changed the company's name to Asia Precision A.T. Company Limited

5.3 Shareholding Structure of Subsidiaries - Asiaprecisiontech Company Limited**5.3.1 Number of Registered Capital and Paid-up capital**

As at 31 December 2020	No. of Common shares (Shares)	Amount of per share (Baht)	Amount (Baht)
Registered Capital	200,000	5.00	1,000,000.00
Paid-up Capital	200,000	5.00	1,000,000.00

5.3.2 Shareholders of Asiaprecisiontech Company Limited

Name	No. of Common shares	% of total shares all issued
1. Asia Precision A.T. Company Limited	199,997	99.9985
2. Minority shareholders (3 persons)	3	0.0015
	200,000	100.0000

5.4 Shareholding Structure of Subsidiaries - A2 Technologies Company Limited**5.4.1 Number of Registered Capital and Paid-up capital**

As at 31 December 2020	No. of Common shares (Shares)	Amount of per share (Baht)	Amount (Baht)
Registered Capital	60,000,000	10.00	600,000,000.00
Paid-up Capital	60,000,000	10.00	600,000,000.00

5.4.2 Shareholders of A2 Technologies Company Limited

Name	No. of Common shares	% of total shares all issued
1. Asia Precision Public Company Limited	59,999,997	99.99999
2. Minority shareholders (3 persons)	3	0.00001
	60,000,000	100.00000

5.5 Shareholding Structure of Subsidiaries - APCS Technologies Company Limited**5.5.1 Number of Registered Capital and Paid-up capital**

As at 31 December 2020	No. of Common shares (Shares)	Amount of per share (Baht)	Amount (Baht)
Registered Capital	10,000	1,000.00	10,000,000.00
Paid-up Capital	10,000	1,000.00	10,000,000.00

5.5.2 Shareholders of APCS Technologies Company Limited

Name	No. of Common shares	% of total shares all issued
1. A2 Technology Company Limited	9,997	99.97
2. Minority shareholders (3 persons)	3	0.03
	10,000	100.00

5.6 Shareholding Structure of Subsidiaries - A2teeravat joint venture Company Limited**5.6.1 Number of Registered Capital and Paid-up capital**

As at 31 December 2020	No. of Common shares (Shares)	No. of Preferred Shares (Shares)	Amount of per share (Baht)	Amount (Baht)
Registered Capital	3,825,000	3,675,000	10.00	75,000,000.00
Paid-up Capital	3,825,000	3,675,000	2.50	18,750,000.00

5.6.2 Shareholders of A2teeravat joint venture Company Limited

Name	No. of Common shares (Shares)	No. of Preferred Shares (Shares)	% of total shares all issued
1. Teeravat Surin Construction Company Limited	3,825,000	-	51.00000
2. A2 Technology Company Limited	-	3,674,997	48.99997
3. Minority shareholders (3 persons)	-	3	0.00003
	3,825,000	3,675,000	100.00000

5.6.3 Voting rights in shareholders meeting of A2teeravat joint venture Company Limited

Types of shares	Voting rights		
1. Common shares	1 Shares	:	1 vote
2. Preferred Shares	1 Shares	:	10,000 votes

5.7 Shareholding Structure of Subsidiaries - Cholkij Sakol Company Limited**5.7.1 Number of Registered Capital and Paid-up capital**

As at 31 December 2020	No. of shares (Shares)	Amount of per share (Baht)	Amount (Baht)
Registered Capital	1,200,000	100.00	120,000,000.00
Paid-up Capital	1,200,000	100.00	120,000,000.00

5.7.2 Shareholders of Cholkij Sakol Company Limited

Name	No. of shares	% of total shares all issued
1. A2 Technology Company Limited	1,177,497	98.12475
2. Ms.Nobbawan Chantarasiri	22,500	1.87500
3. Minority shareholders (3 person)	3	0.00025
	1,200,00	100.00000

5.8 Shareholding Structure of Subsidiaries - A2 Technologies Vietnam Company Limited**5.8.1 Number of Registered Capital and Paid-up capital**

As at 31 December 2020	No. of shares (Shares)	Amount of per share (Baht)	Amount (Baht)
Registered Capital	100,000	10.00	1,000,000.00
Paid-up Capital	100,000	10.00	1,000,000.00

5.8.2 Shareholders of A2 Technologies Vietnam Company Limited

Name	No. of shares	% of total shares all issued
1. A2 Technologies Company Limited	100,000	100.00
	100,000	100.00

6. Dividend Policy

6.1 Company dividend policy

The Company has a dividend policy to payout no less than 40 percent of net profit after tax in separated financial statements and after Legal Reserves. However, the Company may choose to payout dividend less than the aforementioned rate depending on the operational performance, financial position, cash flow, working capital requirement, business expansion, and other factors that affect business operation; subject to approval of the board of directors and/or shareholders.

Dividend Payout	Separated Financial Statements		
	2018	2019	2020
Par Value (Baht)	1	1	1
Shares (million shares)	660	660	660
Net profit/(loss) (million Baht)	136.77	83.55	176.08
Dividend per share	0.10	0.06	0.06

* The Board of Directors meeting No.1/2021 on February 25, 2021 resolved in dividend payment for operating performance in 2020, which will be proposed in the Annual General Meeting on April 24, 2021 for approval.

6.2 Subsidiaries dividend policy

The Company has a dividend policy to payout no less than 50 percent of net profit after tax in separated financial statements and after Legal Reserves. However, the Company may choose to payout dividend less than the aforementioned rate depending on the operational performance, financial position, cash flow, working capital requirement, business expansion, and other factors that affect business operation; subject to approval of the board of directors and/or shareholders

Dividend payment of A2 Technologies Company Limited

Dividend Payout	Separated Financial Statements		
	2018	2019	2020
Par Value (Baht)	10	10	10
Shares (million shares)	50	50	50
Net profit/(loss) (million Baht)	52.06	134.48	192.07
Dividend per share (Baht)	-	-	2

* The Board of Directors meeting No.5/2020 on August 14, 2020 resolved in interim dividend payment from unappropriated retained earnings as of June 30, 2020. The dividend was paid on September 8, 2020.

Dividend payment of APCS Technologies Company Limited

Dividend Payout	Separated Financial Statements		
	2018	2019	2020
Par Value (Baht)	1,000	1,000	1,000
Shares (million shares)	0.01	0.01	0.01
Net profit/(loss) (million Baht)	25.62	(2.05)	18.59
Dividend per share (Baht)	-	-	1,500

* The Board of Directors meeting No.2/2020 on December 18, 2020 resolved in interim dividend payment from unappropriated retained earnings as of September 30, 2020. The dividend was paid on December 30, 2020.

7. Profile of the Directors and Executives

List of the Director and Executive as of 31 December 2021



1. Prof. Udomsil Srisaengnam, MD (Chairman of the Board / Audit Committee / Chairman of the Recruitment and Compensation Committee / Independent Director)
2. Mr. Narong Varongkriengkrai (Director / Audit Committee Chairman / Recruitment and Compensation Committee / Independent Director)
3. Mr. Wichien Cherdchutrakuntong (Director / Chairman of Risk Management Committee / Audit Committee / Recruitment and Compensation Committee / Independent Director)
4. Mr. Apichart Karoonkornsakul (Director / Risk Management Committee / President / Chairman of Executive Committee / Executive)
5. Mr. Chairroj Vetnaruman (Director / Risk Management Committee / Managing Director / Executive Member Committee / Executive)
6. Sompote Valyasevi (D.B.A.) (Director / Executive Director)
7. Mr. Suriyon Udcharchon (Director)
8. Mr. Anurote Nitipornsri (Director / Chief of Administration / Acting Chief Of Human Resource Management / Executive Director / Secretary of the Board / Executive)

1. Profile of the Directors, Executives and Authorized Persons (as of 25 February 2021)

No.	Name	Position	Age (Year)	Education	Relationship with the Company	Shares Holding (%) ¹	5 Years' Experience Background		
							Years	Position	Company
1.	Prof. Udomsil Srisaengnam, MD	Chairman of the Board / Audit Committee / Chairman of the Recruitment and Compensation Committee / Independent Director	78	- Bachelor of Medicine , Mahidol University. - Doctoral of Certificate in the field of psychiatric medicine (Medicine) FRCP – Fellowship of the Royal College of Physicians (Edinburgh). - Thai Institute of Directors (IDO) (DAP 87/2011).	-	-	Apr 2019 - Present 2006 - Apr 2019 Feb 2019 - Present 2016 - Feb 2019 2015 2014 - Present 1994 - Present 1991 - Present	Chairman of the Board / Independent Director Vice Chairman / Independent Director Audit Committee Chairman of the Audit Committee Audit Committee Chairman of the Recruitment and Compensation Committee Consultant Psychiatrist Chairman of the Board	Asia Precision PLC Theptarin Hospital Chin Huay Co., Ltd.
2.	Mr. Narong Varongkriengkrai	Director / Chairman of the Audit Committee / Recruitment and Compensation Committee / Independent Director	70	- Bachelor of Mechanical Engineering, FACHHOCHSCHULE NIEDERRHEIN , GERMANY. - Master Mechanical Engineering, UNIVERSITAET SIEGEN, GERMANY. - Thai Institute of Directors (DAP 99/2012)	-	-	2011 - Present Feb 2019 - Present 2016 - Feb 2019 2014 - Present 2012 - Present 2016 - Present 2017 - Present 2016 - 2018	Director / Independent Director Chairman of the Audit Committee Audit Committee Recruitment and Compensation Committee Director Director Director-Banknote Management Group Director / Chairman of the Audit Committee	Asia Precision PLC Thai Auto tool and Die Co., Ltd Thai - Germany Institute Bank of Thailand Nippon Kikai Engineering Co.,Ltd.

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No.	Name	Position	Age (Year)	Education	Relationship with the Company	Shares Holding (%) ¹	5 Years' Experience Background		
							Years	Position	Company
5.	Mr. Chairaj Vetnaruman	Director / Risk Management Committee / Managing Director / Executive Member Committee/ Executive	54	- Bachelor of Accounting , Dhurakij Pundit University. - Master of Business Administration, Chulalongkorn University. - Thai Institute of Directors (DAP 50/2006).	- Brother in law of Mr. Apichart Karoonsakul	1.87	1994 - Present 2014 - Present 2010 - Present 2018 - Present 2018 - Present 2010 - Present 2017 - Present	Director /Managing Director / Executive Committee /Acting Chief of Purchasing /Acting Chief of Operations Risk Management Committee Director / Executive Committee / Executive Director / Executive Committee Executive Director / Executive Committee Director / Executive Committee Director / Executive Committee	Asia Precision PLC Asia Precision A.T. Co., Ltd. ²⁾ A2teeravat joint venture Co., Ltd. AsiaPrecisionTech Co., Ltd. A2 Technologies Co., Ltd. APCS Technologies Co., Ltd.
6.	Sompote Valyasevi (D.B.A.) ¹⁾ (Appointed as director on April 25,2020)	Director / Executive Director	54	- Bachelor of Engineering, Kasetsart University. - Master of Business Administration, University of Dallas, USA - Doctor of Business Administration. The Joint Doctoral Program in Business Administration (JDBA) cooperated by Chulalongkorn University, Thammasat University, and National Institute of Development Administration . - Thai Institute of Directors (IDO) (DAP 87/2011).	-	0.03	Apr 2020 - Present 2006 - 28 Feb 2020 2014 - 28 Feb 2020 28 Feb 2020 - Present 2018 - 28 Feb 2020 28 Feb 2020 - Present 2018 - 28 Feb 2020 28 Feb 2020 - Present 2018 - 28 Feb 2020 Mar 2020 - Present 2018 - Feb2020	Director / Executive Director Director / Independent Director /Audit Committee Chairman of the Risk Management Committee / Recruitment and Compensation Committee Director Director / Independent Director Director Director / Independent Director Director Director / Independent Director Chief Executive Officer Audit Committee/ Independent Director Director	Asia Precision PLC A2 Technologies Co., Ltd. A2 Technologies Co., Ltd. APCS Technoloies Co., Ltd APCS Technologies Co., Ltd. A2teeravat joint venture Co., Ltd. A2teeravat joint venture Co., Ltd. Starflex Public Company Limited Starflex Public Company Limited

No.	Name	Position	Age (Year)	Education	Relationship with the Company	Shares Holding (%) ¹	5 Years' Experience Background		
							Years	Position	Company
							2007 - Present	Managing Director	Valavi Co., Ltd.
							2008 - Present	Managing Director	Thai-USA Cooperation Center for Fruit Export Co., Ltd.
							2010 - Present	Managing Director	VIA 564 Co., Ltd.
							2014 - Present	Managing Director	Indoguna (Thailand) Co., Ltd.
							2014 - Present	Consultant for Subcommittee on Human Rights and Consumer Protection	Agri Active Co., Ltd
							2017-Present	Advisor to the Chairperson of the Commission to study the preparation and monitoring of budget management	The National Legislative Assembly
							Oct 2019 - Present	Secretary of the Judicial Law Commission And police affairs Commission committee to consider the establishment of an agency to manage the promotion of small and medium enterprises.	The House of Representatives
							2018 - May 2019		The National Legislative Assembly
							2018 - May 2019		The National Legislative Assembly
7.	Mr.Suriyon Udcharchon	Director	54	- Bachelor of Engineering, Chiang Mai University - Thai Institute of Directors (DAP 162/2019)	-	-	2018 - Present	Director	Asia Precision PLC
							2018 - Present	Director/ Executive Committee/ Executive	A2teeravat joint venture Co., Ltd.
							2017 - Present	Director/ Executive Committee/ Executive	APCS Technologies Co., Ltd.
							2016 - Present	Director/ Executive Committee/ Executive	A2 Technologies Co., Ltd.
							July 2020 - Present	Director	Cholkij Sakol Co., Ltd
							2014 - 2016	Managing Director	Solar EPCF Co., Ltd.
							2014 - 2016	Managing Director	Martilay Solar Co., Ltd.

No.	Name	Position	Age (Year)	Education	Relationship with the Company	Shares Holding (%) ¹	5 Years' Experience Background		
							Years	Position	Company
							2010 - 2014	Managing Director	Pro Solar Group Co., Ltd.
8.	Mr. Anurote Nitipornsri	Director / Chief Of Administration/ Acting Chief Of Human Resource Management / Executive Director / Secretary of the Board / Executive	55	- Bachelor of Accounting, Ramkhamhaeng University. - Thai Institute of Directors (DAP 161/2019)	-	0.07	Apr 2019 - Present 2005 - Present 2012 - Present 2016 - Present 2017 - Present 2018 - Present 2018 - Present 2018 - Present July 2020 - Present 2015 - Present	Director / Executive Committee Chief Of Administration Acting Chief Of Human Resource Management Director Director Director / Executive Committee / Executive Director Director / Executive Committee / Executive Director Director/ Auditor	Asia Precision PLC A2 Technologies Co., Ltd. APCS Technologies Co., Ltd Asia Precision A.T. Co., Ltd. ²⁾ A2teeravat joint venture Co., Ltd. AsiaPrecisionTech Co., Ltd. Cholkij Sakol Co., Ltd 2S Advisor Co.,Ltd

Note :

¹⁾ Shares Held include Spouse and Child (Children) not over 20 years old

²⁾ February 25, 2019 P2 Precision Company Limited changed the company's name to Asia Precision A.T. Company Limited

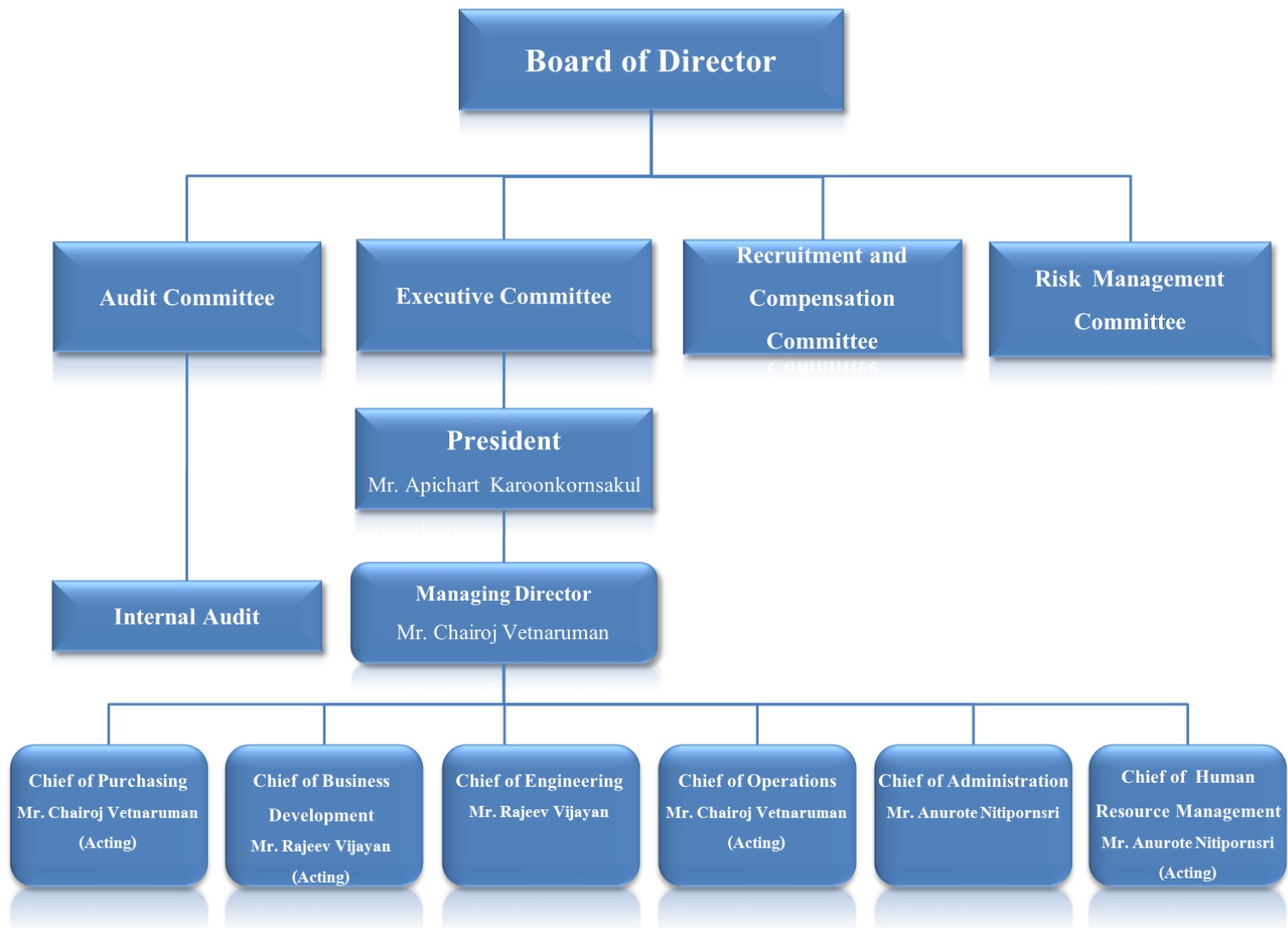
³⁾ Mr. Sompote Valyasevi resignation of director. Board of Directors' Meeting no.1/2020 on February 28, 2020 resolved approval of the appointment of Mr Wichien Cherdchutrakuntong as Director replacing respectively, Who will remain in the office according the period left.

2. Details of position of executives and controlling person of the company and subsidiary (as of 25 February 2021)

	Name	Asia Precision Public Company Limited	Subsidiary						
			Asia Precision A.T. Company Limited	Asia Precision Tech Company Limited	A2 Technologies Company Limited	APCS Technology Company Limited	A2teeravat joint venture Company Limited	Cholkij Sakol Company Limited	A2 Technologies Vietnam Company Limited
1.	Prof. Udomsil Srisaengnam	PD, ID, A, PC							
2.	Mr. Narong Varongkriengkrai	ID, PA, C							
3.	Mr. Wichien Cherdchutrakuntong	ID, A, C, PR							
4.	Mr. Apichart Karoonkornsakul	D, PE, R, M	PD, PE, M	PD, PE, M					
5.	Mr. Chairaj Vetnaruean	D, E, R, M	D, E, M	D, E, M	D, E	D, E	D, E		
6.	Mr. Sompote Valyasevi	D, E			D	D	D		
7.	Mr. Suriyon Udcharchon	D			D, E, M	D, E, M	D, E, M	D	
8.	Mr. Anurote Nitipornsri	D, E, M	D, E, M	D, E, M	D	D	D	D	
9.	Mr. Rajeev Vijayan	E, M	D, E, M						
10.	Mrs. Pimparuda Pitakteeratham				PD, PE, M	PD, PE, M	PD, PE, M	PD, M	D
11.	Mr. Yoshikastu Kurashi		D						

Note :

Position	Board Of Director	Audit Committee	Executive Member Committee	Recruitment and Compensation Committee	Risk Management Committee	Executive
Chairman	PD	PA	PE	PC	PR	-
Vice Chairman	VPD	-	-	-	-	-
Director	D	A	E	C	R	-
Independent Director	ID	-	-	-	-	-
Executive	-	-	-	-	-	M

8. Organization Structure

APCS organization structure consists of the Board of Directors, the Audit Committee, the Recruitment and Compensation Committee, the Risk Management Committee and the Executive Committee. Its executives are qualified as stipulated in Section 68 of the Public Limited Companies Act 1992 and in accordance with the relevant notifications of the Capital Market Supervisory Board. The Company has organized its management structure as follows:

8.1 Board of Directors

As of 31 December 2020, the Board of Directors is composed of eight members below:

No.	Name	Position	No. of Meeting	No. of Meeting attendances
1.	Prof. Udomsil Srisaengnam, MD	Chairman of the Board Director / Independent Director	4	4
2.	Mr. Narong Varongkriengkrai	Vice Chairman / Independent Director	4	4
3.	Mr. Wichien Cherdchutrakuntong	Director / Independent Director	3	3
4.	Mr. Apichart Karoonkornsakul	Director / President	4	4
5.	Mr. Chairoj Vetnaruman	Director / Managing Director	4	4
6.	Mr. Sompote Valyasevi ¹⁾	Director	4	4
7.	Mr. Suriyon Udcharchon	Director	4	4
8.	Mr. Anurote Nitipornsri	Director	4	4

Mr. Anurote Nitipornsri is the Secretary of the Board of Directors.

- 1) Mr. Sompote Valyasevi resigned from the director position on February 28, 2020, and the Board of Directors meeting No.1/2020 on February 28, 2020 resolved in appointing Mr. Wichien Cherdchutrakuntong as the replacement director. The serving term equals to the remaining of original term. On April 25, 2020, AGM resolved in appointing Mr. Sompote Valyasevi as the Company's director.

8.1.1 Authorized Directors

Directors authorized to sign on behalf of the Company are two of the three directors, namely Mr. Apichart Karoonkornsakul, Mr. Chairoj Vetnaruman, and Mr. Anurote Nitipornsri to co-sign documents with the Company seal affixed.

8.1.2 Term of office

Articles of Association of APCS determine, at each annual general meeting of shareholders, one-third of the total directors are due to vacate the office. If the number of directors cannot be divided by three, the closest number to one-third shall apply. The method for vacating directors from office in the first and second year after the Company's registration is by drawing lots. On the following years, the directors who are in office the longest shall retire. The retiring directors may be re-elected as the directors for another term.

8.1.3 Scope of duties and responsibilities of the Board of Directors

The board of director to consider and approve matters relating to the operations of companies such as vision and mission risk strategy, plan and budget as well as supervise the execution of policies and plans are available, efficiency and effectiveness in summary, the powers, duties and responsibilities are as follows;

1. The Board of Directors has authorities, duties and responsibilities in managing the Company in accordance with the laws, Company's objectives and Articles of Association as well as legitimate resolutions of the General Meetings of shareholders with integrity and corporate benefits.
2. To hold an annual general meeting of shareholders in 4 months from the end of the Company's accounting cycle;
3. To hold a Board of Directors' meeting at least once in three months;
4. Prepare an Annual Report and take responsibility for preparation and disclosure of duly audited financial statements to reflect the Company's financial position and operational performance in the previous year, and present them to the annual general meeting of shareholders for their approval;
5. Determine goals, directions, policies, business plans and budget of the Company; monitor and supervise the performance and administration of the Executive Committee to ensure that it is effectively and efficiently in accordance with the policies, plans and budget. The Executive Committee also has the duties to monitor and ensure that the Company has complied with the law on securities and exchange, notifications of the Capital Market Supervisory Board, and the rules and regulations of the SET, such as connected transactions, acquisition and disposal of assets or other laws relevant to the Company's business;
6. To review, check and approve the Company's business expansion plan, large investment projects as well as joint investment with other entrepreneurs, proposed by the management;
7. To monitor corporate performance to ensure compliance with its plans and budget;
8. Consider and have power to determine organization structure, appoint Executive Committee, President and other sub-committee as appropriate, determine the scope of duties of Executive Committee, President and sub-committees;

Such authorization must not be made in the manner that empowers the person to determine and approve transactions that he/she or other person may be involved in conflicts of interest or conflicts of interest in any other nature with the Company or its subsidiary (if any) (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) except the case of approving a transaction according to the policy and criteria earlier considered and approved by the Board;

9. The Board may authorize one or more than one directors or any other person to act on its behalf under supervision of the Board, or may delegate power to the person within a specified timeframe as the Board deems it appropriate. The Committee may revoke, withdraw, change or correct that authorization as appropriate;

Such authorization must not be made in the manner that empowers the person to determine and approve transactions that he/she or other person may be involved in conflicts of interest or conflicts of interest in any other nature with the Company or its subsidiary (if any) (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) except the case of approving a transaction according to the policy and criteria earlier considered and

approved by the Board. Under the criteria, conditions and procedures concerning interrelated transactions and significant asset acquisition or distribution transactions in accordance with the Capital Market Supervisory Board's and/or Stock Exchange of Thailand's or other related organizations' notifications;

In addition, the Board of Directors has authorized subcommittees or the said persons to handle transactions concerning the Company's normal business operation with a specified scope and budget at different levels. There is no authorization without restriction of power or budget;

10. The Board of Directors conducts the Board self-assessment annually to discuss and consider the performance and problem for further improvement

8.1.4 Duties and authorities of the chairman of board director

1. Responsibility as the leader of the Board of Directors in supervising, overseeing and supporting administration by the Executive Committee and other sub-committees to achieve the objectives set forth,
2. Chairing the Board meetings and general meetings of shareholders,
3. Casting a decisive vote in case votes for an issue in the Board are split equally.

8.2 Audit Committee

As of 31 December 2020, There are three Audit Committee members as follows.

No.	Name	Position	No. of meeting attendances 2020
1.	Mr. Narong Varongkriengkrai	Chairman of the Board	4/4
2.	Prof. Udomsil Srisaengnam, MD	Audit Committee	4/4
3.	Mr. Wichien Cherdchutrakuntong	Audit Committee	3/3
4.	Mr. Sompote Valyasevi	Audit Committee	1/1

- Board of Directors meeting No.4/2019 on 12 November 2019 has concluded to appoint audit committee with a 3-year term (from 24 December 2019 to 23 December 2022), with Ms. Duangduan Hirunruk as the secretary of the committee.
- Mr. Sompote Valyasevi resigned from the director position on February 28, 2020, and the Board of Directors meeting No.1/2020 on February 28, 2020 resolved in appointing Mr.Wichien Cherdchutrakuntong as the replacement director. The serving term equals to the remaining of original term.

Mr. Wichien Cherdchutrakuntong is knowledgeable and experienced enough to review the credibility of the financial statements.

8.2.1 Term of office

1. Audit Committee Chairman 3 years
2. Audit Committee Member 3 years

Upon completion of the term of service, the Audit Committee Chairman and members may be re-appointed.

8.2.2 Scope of duties and responsibilities of the Audit Committee

1. Review and ensure the accuracy and adequacy of the Company's financial reporting;
2. Review and make certain that the Company's internal control and internal audit systems are proper and effective, determine the independence of its internal audit unit, and approve the appointment, transfer and dismissal of head of the internal audit unit or any other unit concerned with internal audit function;
3. Review and make sure that the Company complies with the law on securities and exchange, the SET's regulations and the laws relevant to its business;
4. Consider, select, and nominate an independent person to serve as the Company's auditor and propose remuneration for such person, as well as participate in a meeting with the auditor, without presence of the management, at least once a year;
5. Consider any connected transaction or transaction prone to a conflict of interest to ensure that it conforms to the relevant laws and the SET regulations and that it is a reasonable transaction with the utmost benefit to the Company;
6. Prepare a report of the Audit Committee, duly signed by the Audit Committee Chairman, for publishing in the Company's Annual Report, containing at least the following details:
 - (a) Opinion on the accuracy, completeness and reliability of the Company's financial report;
 - (b) Opinion on the adequacy of the Company's internal control system;
 - (c) Opinion on the Company's compliance with the law on securities and exchange, the SET regulations or the laws relevant to its business;
 - (d) Opinion on the suitability of the auditor;
 - (e) Opinion on the transaction with a possible conflict of interest;
 - (f) Number of the Audit Committee meetings held and attendance by individual Audit Committee members;
 - (g) Opinion or observation received by the Audit Committee from its performance of duties in accordance with the Charter; and
 - (h) Other transactions that should be notified to the shareholders and the general investors within the scope of duties and responsibilities designated by the Board of Directors.
7. Perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee;
8. Report the Board of Directors when the Audit Committee discovers or suspects any of the following transactions or acts which might have a material effect on the Company's financial position and business performance, for further rectification within the period of time deemed appropriate by the Audit Committee:
 - (a) A transaction involving a conflict of interest;
 - (b) A fraud or irregular practice or material error in relation to the internal control activities; and
 - (c) A violation of the law on securities and exchange, the SET regulations or the of interest;

8.3 Executive Committee

As of 31 December 2020, there are five Executive Committee members as follows.

No.	Name	Position	No. of meeting attendances 2020
1.	Mr. Apichart Karoonkornsakul	Chairman of Executive Committee	3/3
2.	Mr. Chairroj Vetnaruman	Executive Committee Member	3/3
3.	Mr. Anurote Nitipornsri	Executive Committee Member	3/3
4.	Mr. Rajeev Vijayan	Executive Committee Member	3/3
5.	Mr. Sompote Valyasevi	Executive Committee Member	2/2

Appointed by The of Board of Directors meeting no. 1/2019 on 25 February 2019 of Executive Committee with term period of 3 years (from February 26, 2019 to February 25, 2022), with Miss. Kanjana Thajampee as the Secretary of Executive Committee.

The Board of Directors meeting No.1/2020 on February 28, 2020 resolved in appointing Mr. Sompote Valyasevi as the Company's Executive Committee Member, effective on March 9, 2020, with the serving term equals to all other Executive Committee Members.

8.3.1 Term of office

Executive Committee members have a term of service for three years. The retiring members may be re-elected for another term. The Executive Committee shall report to the Board of Directors and have power, duties and responsibilities as assigned by the Board.

8.3.2 Scope of duties and responsibilities of the Executive Committee:

The Executive Committee has power, duties and responsibilities in managing the day-to-day conduct and administration of company business, setting out policies, business plans, budgets, management structure and managerial powers of the Company, criteria for business conducts in accordance with the economic conditions for submitting to the Board of Directors for consideration and approval and/or endorsement, as well as monitoring the company performance according to the policies of the Board. Scope of duties and responsibilities of the Executive Committee are outlined below.

1. Administer the business of the Company according to the objectives, rules, policies, regulations, requirements, directives and resolutions of the meetings of the Board of Directors and/or the shareholders;
2. Examine and screen the proposals submitted by the management, determine organization structure, policies, directions and strategies for the business operations, business expansion, financial plans, budgets, human resource management, investment in information technology for proposing to the to the Board of Directors for its endorsement;
3. Appoint a sub-committee and/or working group to conduct the operations or manage the Company, assign their powers, duties and responsibilities including oversee their performing of duties in accordance with the goals and policies;
4. Monitor the Company performance and ensure that the operations are efficient, of high quality in compliance with the goals and policies set out by the Board.

5. Consider the annual budget proposals submitted by the management before proposing to the Board of Directors for consideration and approval;
6. Have power to approve the expenditure for normal business conduct but not more than the budget endorsed by the Board of Directors;
7. Approve the expenditure for major investment as stated in the annual budget paper as the Board of Directors may assign, or as the Board may have approved in principle;
8. Have power to approve borrowing, acquisition for credits or any loans in amount not exceeding Bt.100 million per item, but not more than the budget endorsed by the Board of Directors. In the case of using the Company's assets as collateral, approval must be sought from the Board of Directors;
9. To review the Company's profit and loss, interim or annual dividend payment before proposing it to the Board of Directors for approval;
10. Determine organization structure and power in management, including appointment, employment, transfer, termination, wages, remuneration, and bonuses for the directors of department or equivalent and higher except the President;
11. To have power to authorize one or more persons to handle something under the supervision of the Executive Board or authorized the said persons to have authority that the Executive Board feels appropriate and for a period fixed by the Executive Board. The Executive Board may cancel, withdraw, change or alter that authorized person or authorities as the Executive Board may feel appropriate;
12. To have authority to approve a loan and spending for the Company's normal business operation for not more than Bt20 million in case a transaction exceeds the budget approved by the Board of Directors. That should be presented to the Board of Directors for acknowledgement in the following meeting;
13. Perform any other act as assigned by Board of Directors on a case by case basis.

The Executive Committee's authorization of powers and responsibilities must not be made in the manner that empowers the authorized person to approve transactions that he/she or other person may be involved in conflicts of interest (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) or conflicts of interest in any other nature with the Company or its subsidiary and/or associated companies. The Executive Committee has no authority to approve the said matter. Hence, the Committee must propose to the meeting of the Board of Directors and/or shareholders (as the case may be) for its approval, except the case of approving a normal transaction under normal trade conditions in accordance with the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies.

8.4 Recruitment and Compensation Committee

As of 31 December 2020, there are three Recruitment and Compensation Committee members as follows:

No.	Name	Position	No. of meeting attendances 2020
1.	Prof. Udomsil Srisaengnam, MD	Chairman of the Board	2/2
2.	Mr. Sompote Vallyasevi	Director	1/1
3.	Mr. Narong Varongkriengkrai	Director	2/2
4.	Mr. Wichien Cherdchutrakuntong	Director	1/1

Recruitment and Compensation Committee members' term is from March 9, 2018 to March 8, 2020

Mr. Sompote Wallayasew resigned from the director position during the Board of Directors meeting on 28 February 2020

No.1/2020, the Board of Directors appointed Mr. Wichien Cherdchutrakuntong to replace as director.

Appointed by The Board of Director Meeting no.1/2020 on 28 February 2020 of Recruitment and Compensation Committee with term period of 3 years (from March 9, 2020 to March 8, 2022), as follows:

1. Prof. Udomsil Srisaengnam
2. Mr. Wichien Cherdchutrakuntong
3. Mr. Narong Varongkriengkrai

With Mr. Anurote Nitipornsri as the Secretary of Recruitment and Compensation Committee.

8.4.1 Term of office

1. The Term of Office of the Recruitment and Compensation Committee is 3 years. Recruitment and Compensation Directors may be reinstated as the Board may feel appropriate.
2. Recruitment and Compensation Directors will lose their directorship upon:
 - (1) Completing one's term of office,
 - (2) No more serving as Director in the Board,
 - (3) Resignation,
 - (4) Death,
 - (5) Resolution to terminate directorship by the Board.
3. In case a Recruitment and Compensation Director loses his/her directorship prematurely, the Board shall appoint someone qualified in his/her place so that the number of Recruitment and Compensation Directors is sufficient according to the charter. A replacement shall remain in the office according to the period left over by his/her predecessor.

8.4.2 Scope of duties, responsibilities and authorities

The Recruitment and Compensation Committee shall handle activities assigned by the Board. Its duties, responsibilities and authorities are as follows:

- **Recruitment**

1. Figuring out a policy, criteria and procedures to recruit Directors for the Board and other committees as well as managing director, based on the appropriateness, structure and composition of the Board of Directors; setting forth qualifications of Directors to propose to the Board and/or to get approval in the general assembly of shareholders, whichever the case may be.
2. Recruiting, selecting and proposing names of qualified candidates to take up the positions of Directors in the Board or other committees or managing director in place of outgoing directors in accordance with the Articles of Association,
3. Disclosing the recruitment policy and procedures in the annual declaration form (56-1) and Annual Report (56-2),
4. Handling other activities concerning recruitment, assigned by the Board.

- **Compensation**

1. Preparing a policy and criteria for remuneration and other benefits to the Board, committees and managing director to propose to the Board and/or to get approval from the general assembly of shareholders, whichever the case may be,
2. Identifying proper compensation in cash and non-cash to each individual Director each year, based on his/her duties, responsibilities, performance in comparison with the offers by other companies in the same industry as well as contributions from each Director to propose to the Board and/or to get approval from the general assembly of shareholders,
3. Figuring out a framework to evaluate the performance of the Board, committees and managing director in order to come up with an annual remuneration package,
4. Accountable to the Board, being prepared to clarify and answering questions concerning compensation to the Board in a general meeting of shareholders,
5. Reporting the policy, principles/rationale of compensation to Directors and executives according to the SET's requirements in the annual declaration form (56-1) and Annual Report (56-2),
6. Handling other activities concerning the compensation as assigned by the Board,
7. The executives and other organizations shall present related information to the Recruitment and Compensation Committee to support the Committee's operation in order to achieve its goals.

- **Other duties**

1. The Recruitment and Compensation Committee shall hold a committee meeting at least twice a year, and may call additional meetings if necessary.
2. The Recruitment and Compensation Committee may invite someone involved to make clarifications in a committee meeting.
3. The Recruitment and Compensation Committee shall report its performance to the Board of Directors, and prepare a report of its performance in the annual declaration form (56-1) and Annual Report (56-2), signed by the chairperson of the Recruitment and Compensation Committee.
4. The Recruitment and Compensation Committee shall conduct a self-evaluation and report the findings to the Board of Directors at least once a year.
5. The Recruitment and Compensation Committee shall revise the charter each year and propose an amendment, if any, to the Board for approval.

8.5 The Risk Management Committee

As of 31 December 2020, there are three Risk Management Committee members as follows:

No.	Name	Position	No. of Meeting attendances 2020
1.	Mr. Wichien Cherdchutrakuntong	Chairman of the Board	1/1
2.	Mr. Apichart Karoonkornsakul	Director	1/1
3.	Mr. Chairroj Vetnaruman	Director	1/1
4.	Mr. Sompote Valyasevi	Chairman of the Board	0/1

Risk Management Committee members' term is from March 9, 2018 to March 8, 2020.

Mr. Sompote Valyasevi resigned from the director position on February 28, 2020, and the Board of Directors meeting No.1/2020 on February 28, 2020 resolved in appointing Mr. Wichien Cherdchutrakuntong as the replacement director. The serving term equals to the remaining of original term.

Appointed by the Board of Director Meeting no.1/2020 on 28 February 2020 of Risk Management Committee with term period of 3 years (from March 9, 2020 to March 8, 2022), as follows:

1. Mr. Wichien Cherdchutrakuntong
2. Mr. Apichart Karoonkornsakul
3. Mr. Chairroj Vetnaruman

With Mr. Anurote Nitipornsri as the Secretary of Risk Management Committee.

8.5.1 Term of office

1. The Risk Management Committee's term of office is 3 years. Outgoing risk management directors may be reinstated as the Board may deem appropriate.
2. A Risk Management Director may lose his/her directorship upon:

- (1) Completing one's term of office,
 - (2) No more serving as Director in the Board,
 - (3) Resignation,
 - (4) Death,
 - (5) Resolution to terminate directorship by the Board.
3. In case a Risk Management Director loses his/her directorship prematurely, the Board shall appoint someone qualified in his/her place so that the number of Risk Management Directors is sufficient according to the charter. A replacement shall remain in the office according to the period left over by his/her predecessor.

8.5.2 Scope of duties, responsibilities and authorities of the Risk Management Committee

The Risk Management Committee shall handle activities assigned by the Board and the committee's duties, responsibilities and authorities are as follows:

1. Screening a risk management policy and framework before proposing it to the Board for approval,
2. Going through and giving initial approval to risk appetite before proposing it to the Board for their acknowledgement,
3. Acknowledging, considering and offering opinions on risk evaluation, direction and measures to cope with risks as well as operation plan to order to efficiently manage the remaining risks to make sure that APCS has a sufficient and proper risk management plan,
4. Monitoring the risk management policy and framework to make sure that risk management is efficient across the organization under the framework and policy approved by the Board,
5. Coordinating with the Board to monitor significant risks, reviewed by the internal auditor to make sure that APCS has sufficient and proper internal control,
6. Offering advice and consultation to the working groups involved with risk management and reviewing information related to the development of risk management,
7. Regularly reporting risk management operation and status as well as changes and improvements to align with APCS's policies and strategies,
8. Appointing sub-committees or working groups involved with risk management and figuring out their roles and responsibilities in order to achieve the objectives of the appointment,
9. Encouraging a review of the risk management policy and framework at least once a year to ensure that APCS's risk management policy and framework goes in line with the current business operation,
10. The Risk Management Committee shall hold a committee meeting at least twice a year, and may call additional meetings as the committee feels appropriate.
11. The Risk Management Committee shall have a joint meeting with the Audit Committee at least once a year.

12. Handling other activities involved with risk management as assigned by the Board. The executives and other organizations shall provide information to the Risk Management Committee in support of the committee's operation and achievement of its objectives.

Management and other department to report or present relevant information and documents. Risk management committee to support the work of the committee to achieve risk management duties as assigned.

8.6 Executives

As of 31 December 2020, there are four Executive members as follows.

No.	Name	Position
1.	Mr. Apichart Karoonkornsakul	President
2.	Mr. Chairaj Vetnaruman	Managing Director / Acting Chief of Operations / Acting Chief of Purchasing
3.	Mr. Rajeev Vijayan	Chief of Engineering/ Acting Chief of Business Development
4.	Mr. Anurote Nitipornsri	Chief of Administration * / Acting Chief of Human Resource Management

* Administration Department are as follows: Accounting, Financial, Information Technology, and BOI

8.6.1 Scope of duties and responsibilities of the President

1. Supervise, manage and perform the duties of normal business conducts for the Company's interest in accordance with the objectives and the Articles of Association, rules, regulations, resolutions, policies, work plans and budgets endorsed by the Board's and/or the shareholders' meeting under relevant laws and/or scope of authority designated by the Board of Directors.
2. Control and oversee the business operations and/or daily administration of the Company.
3. Determine and propose the Company's business policies, business plans, targets, operational plans, business strategies, annual budgets for the Company's operations, budgets shown in annual report, management authority to the Executive Committee and Board of Directors for approval.
4. Implement the policies of Board of Directors by translating them into directions, guidelines, strategies and business targets (mission) which will be assigned to the management team for further action.
5. Oversee and follow up the performance of the executives; give advice on rectifications of problems and obstacles to ensure that the executives and management team act in accordance with the strategies and business plan and in line with the Company's policy.
6. Monitor and evaluate performances of duties of the management team; report the results of operations, management and progress of the operations to the Executive Committee, the Audit Committee and the Board of Directors on a regular basis.

7. To issue an order, regulation, notification and memorandum to ensure that the Company's business operation goes in line with the Company's policy and benefits as well as organizational discipline.
8. To specify an organizational structure, management methodology covering such details as selection, training, employment and termination of the staff, and specify wages, salary, remuneration, bonus and other welfare benefits for the staff.
9. To have authority to appoint or remove an officer holding a position lower than the President.
10. To have authority to approve spending for the Company's normal business operation, for instance, an asset purchase, significant investment for corporate benefits and other beneficial transactions. The said approval authority is applicable to normal business transactions with a maximal spending of not more than Bt100 million/transaction but not exceeding the budget already approved by the Board of Directors.
11. Perform any other duties as assigned by the Executive Committee or the Board.

In undertaking any matter that the President or his authorized person or other person that may have conflicts of interest (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) or conflicts of interest in any other nature with the Company or its subsidiary and/or associated companies, the President has no authority to approve the said matter. Hence, he must propose to the meeting of the Board of Directors and/or shareholders (as the case may be) for its approval, except the case of approving a normal transaction under normal trade conditions in accordance with the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies.

8.7 Company Secretary

At the 1/2011 meeting of the Board of Directors on 19 January 2011, the meeting appointed Mr. Anurote Nitipornsri as the Company Secretary. Also Mr. Anurote Nitipornsri is knowledgeable and have sufficient experience to accounting.

In accordance with Section 15/89 of the Securities and Exchange Act 1992 as amended by the Securities and Exchange Act No.4, 2008 with the following scope of duties and responsibilities.

1. Provide basic advice to the Board of Directors concerning compliance with the laws, rules, regulations and the Company's Articles of Association, and monitor correct practices regularly;
2. Be responsible for disclosing Company information in line with the regulations and requirements of the SET and the Office of Securities and Exchange Commission;
3. Prepare and maintain the following documents;
 - a. Registration of the Company's directors;
 - b. Invitation letters to the Directors meeting and minutes of the meetings;
 - c. Invitation letters to shareholders for meeting and minutes of the shareholders' meeting;
 - d. Company's annual reports;
 - e. Reports of conflicts of interest of Directors and executives.

8.8 Remuneration of the Board of Directors and Executives**A. Monetary remuneration**

- Directors

In the past, the Company paid meeting allowances and remuneration to Directors who did not serve as the management. Directors who received meeting allowances in 2020 are as follows:

No.	Name	Position	Company's Directors				Audit Committee			Recruitment and Compensation Committee			The Risk Management Committee			Total
			No.	Meeting Fees	Remuneration	Reward	No.	Meeting Fees	Remuneration	No.	Meeting Fees	Remuneration	No.	Meeting Fees	Remuneration	
1.	Prof. Udomsil Srisaengnam, MD	Chairman of the Board Director / Chairman of the Recruitment and Compensation Committee / Audit Committee	4/4	100,000	120,000	120,000	4/4	20,000	60,000	2/2	20,000	-	-	-	-	440,000
2.	Mr. Narong Varongkriengkrai	Vice Chairman / Audit Committee / Chairman Recruitment and Compensation Committee	4/4	60,000	120,000	96,000	4/4	40,000	120,000	2/2	10,000	-	-	-	-	446,000
3.	Mr. Sompote Valyasevi	Director	4/4	60,000	10,000	-	1/1	5,000	10,000	1/1	5,000	-				90,000
4.	Mr. Wichien Cherdchutrakuntong	Director / Audit Committee / Recruitment and Compensation Committee / Chairman of Risk Management	3/3	45,000	50,000	96,000	3/3	15,000	50,000	1/1	5,000		1/1	10,000		271,000
5.	Mr. Apichart Karoonkornsakul	Director / Risk Management Committee / President	4/4	60,000	-	-	-	-	-	-	-	-	1/1	5,000	-	65,000
6.	Mr. Chairaj Vetnaruman	Director / Risk Management Committee / Managing Director	4/4	60,000	-	-	-	-	-	-	-	-	1/1	5,000	-	65,000
7.	Mr. Suriyon Udcharchon	Director	4/4	60,000	-	-	-	-	-	-	-	-	-	-	-	60,000
8.	Mr. Anurote Nitipornsri	Director	4/4	60,000	-	-	-	-	-	-	-	-	-	-	-	60,000
		Total		505,000	300,000	312,000		80,000	240,000		40,000			20,000		1,497,000

The meeting in the 2020 Annual General Meeting of shareholders on April 25, 2020 resolved to specify monetary remuneration and make payment accordingly to the Board of Directors and Audit Committee as follows

Directors	Company’s Directors			Audit Committee			Recruitment and Compensation Committee		The Risk Management Committee		Meeting Allowance	Remuneration	Total (Year)
	Meeting Allowance		Remuneration	Meeting Allowance		Remuneration	Meeting Allowance		Meeting Allowance				
	No.	Amount		No.	Amount		No.	Amount	No.	Amount			
Chairman	6	150,000	120,000	4	40,000	120,000	2	20,000	2	20,000	230,000	240,000	470,000
Vice Chairman	6	90,000	120,000		-	-		-		-	90,000	120,000	210,000
Director	6	90,000	60,000	4	40,000	120,000	2	20,000		-	150,000	180,000	330,000
Director (Management)	6	360,000	-		-	-		-	2	20,000	380,000	-	380,000
Total		690,000	300,000		80,000	240,000		40,000		40,000	850,000	540,000	1,390,000
Commission for directors (allocation based on operating results)													610,000
Total remuneration for directors for the year 2020 of no more than													2,000,000

- Executive

In 2020, the Company paid remuneration executives as salary and bonus total amount of THB 29,861,181.39

B. Other Remuneration

- None -

8.9 Changes in APCS shares Held by Director and Executives

Detail as of 30 December 2020						
No.	Name	Position	No. of shares ¹⁾ As of 31 December		Increase in APCS shares held in 2020	Percentage of shares held (%)
			2019	2020	Net Buy (Sell)	2020
1.	Prof. Udomsil Srisaengnam, MD	Chairman of the Board Director / Chairman of the Recruitment and Compensation Committee / Audit Committee	-	-	-	-
2.	Mr. Narong Varongkriengkrai	Vice Chairman / Recruitment and Compensation Committee / Chairman of the Audit Committee	-	-	-	-
3.	Mr. Sompote Valyasevi	Director	208,800	208,800	-	0.03
4.	Mr. Wichien Cherdchutrakuntong	Director / Recruitment and Compensation Committee / Audit Committee / Chairman of Risk Management	-	-	-	-
5.	Mr. Apichart Karoonkornsakul	Director / Risk Management Committee / President	94,345,812	94,345,812	-	14.29
6.	Mr. Chairroj Vetnaruman	Director / Risk Management Committee / Managing Director	12,335,682	12,335,682	-	1.87
7.	Mr. Suriyon Udcharchon	Director	-	-	-	-
8.	Mr. Anurote Nitipornsri	Director / Company Secretary / Executive	441,663	441,663	-	0.07
9.	Mr. Rajeev Vijayan	Director / Executive	-	-	-	-

Note :

1) Shares Held include Spouse and Child (Children) not over 20 years old

8.10 Human Resources

As of December 31, 2020 APCS and its subsidiaries had 720 employees (executives not included) in the following business lines:

Department	No. of Staffs of the subsidiaries
Business Development	13
Supply Chain Development	11
Technical Development	120
Operation	510
Human Resource	13
Administration	53
Total	720

- **Staff compensation**

In 2020, APCS and its subsidiaries paid an average of 720 employees, totaling THB 241.44 million in the forms of monthly salary, cost of living, brokerage, provident fund, social security, staff benefits and others.

- **Provident Fund**

APCS set up a Provident Fund on January 1, 2006 with Bangkok Bank Public Co., Ltd. with an objective of boosting employees' moral and encouragement as well as motivation for the employees to work for the Company for a long time.

- **Other compensations**

- None -

- **Human resource development policy**

APCS has in place a human resource development policy for every level in order to increase their knowledge and for the Company to have efficient manpower for better corporate productivity. An annual training plan includes in-house and outsourced training to increase employees' skills. In 2020, APCS facilitated staff training at the total 9,748.45 hours or average 13.77 hours/person/year.

9. Good Corporate Governance

9.1 Good Corporate Governance

Realizing the significance of efficient, transparent and traceable administration for every party concerned to be confident in sustainable growth under proper code of conduct and related legal provisions, Asia Precision Public Co., Ltd., (APCS) has come up with a good corporate governance policy to ensure better administration and compliance by every employee at any levels, thus reinforcing the culture of good governance. APCS has adopted the Stock Exchange of Thailand's good corporate governance framework for listed companies in 2012 as its policy. The Board of Directors has put that good corporate governance policy in writing and reviewed that policy every year. Through different communication channels, APCS has conveyed that policy to everyone in the organization so that they may have correct understanding of the corporate governance and comply with that framework.

The good corporate governance policy of the company covers 5 sections as follow:

Chapter 1 Rights of Shareholders

The Company realizes the importance of fundamental rights of its shareholders as company owners and investors, such as right to buy, sell or transfer the securities they hold, right to profit sharing from the Company, right to adequately access the Company's information, rights at a shareholders' meeting, right to express opinions, and right to make joint decisions on such critical matters as profit appropriation for dividend payment, appointment or removal of a director, appointment of the auditor, approval of transactions with impact on its business framework, amendment to the Company's memorandum of association, and articles of association, etc.

In addition to the fundamental rights above, the Company has taken several measures to facilitate the exercise of rights by the shareholders as follows:

1. The Board of Directors, executives, relevant work units, and the auditor are encouraged to attend the shareholders' meeting.
2. APCS usually sends out a notification for a general meeting with sufficient information for each agenda for shareholders to learn in advance. For the 2020 Annual General Meeting, APCS disseminated the notification of the general meeting on March 25, 2020, more than 30 days before the meeting date and advertised that notification in a newspaper for 3 consecutive days. At each agenda, the Board's opinions have been published. Such information will be displayed in the Company's website (www.asiaprecision.com) so that shareholders may have a chance to study it before the meeting. APCS will not unnecessarily add any agendas without prior notice, especially significant agendas which shareholders may need time to study before making decision.
3. If a shareholder is unable to attend the meeting, he/she may appoint one of the independent directors or any other person as proxy to attend the meeting on his/her behalf using any one type of the forms delivered together with the notice.

4. Before the Annual General Meeting, APCS declares that shareholders have the following rights:

4.1 APCS also allows one or more shareholders holding combined shares of at least 5 percent of the number of shares entitled to votes to propose an agenda in advance and nominate candidates to run for directorship. In 2020, APCS notified the shareholders through the SET's system and APCS's website on October 1, 2020 (For AGM 2021 details, APCS notified the shareholders through the SET's system and APCS's website on October 1, 2020), more than 3 months before the end of the accounting cycle. Shareholders' rights were explicitly displayed in the Company's website. The Audit Committee would screen those agendas, proposed by shareholders before putting them forward to the Board of Directors

In case of tabling an agenda or nominating candidates to for directorship by shareholders, APCS will notify shareholders in the notification for the AGM that the agendas or candidates have been proposed by shareholders. In case the Board declines to table shareholders' proposals in the agendas, APCS will clarify its reasons in the AGM.

During the period open to shareholders, no shareholders propose an agenda or nominate anyone as a candidate for directorship in advance.

4.2 Allow shareholders to send in their opinions, suggestions or questions concerning the agendas of the AGM one month before the meeting date. APCS has publicized the said information in the website of the Stock Exchange of Thailand and APCS website : www.asiaprecision.com

5. In the AGM, APCS sponsored registration through a barcode system, showing each shareholder's registration number according to the registration form each shareholder has received along with the notification for the AGM in order to facilitate the shareholders to register before the meeting.

6. At the meeting, shareholders are given opportunities to raise questions, give suggestions, or express their opinions to the meeting on various issues independently and equally. A shareholder meeting will be attended by relevant directors and executives to answer to any questions raised at the meeting. Record of the questions and opinions expressed at the meeting shall be made available for the shareholders' inspection and information

7. At the meeting to elect a director, shareholders are given opportunities to vote for a director one by one. They shall have the right to nominate a qualified person from various backgrounds to represent them and protect their interests.

8. To count votes, APCS has applied an e-Voting tool to ensure accuracy and promptness in which vote counting is completed soon after each agenda. After the meeting, shareholders can check vote details.

9. After the general meeting, minutes of the meeting will be prepared, featuring correct and complete information for shareholders to review. The minutes will be published in the Company's website in 14 days after the meeting.

Chapter 2 Equitable Treatment of Shareholders

The Company has a policy to ensure equitable treatment of all shareholders, particularly the minor shareholders by allowing them to propose agenda items for the annual general meeting and nominate qualified persons as directors ahead of time, plus detailed information and/or qualifications. The Company will screen and contain only beneficial agenda items and select only qualified persons through the Audit Committee before proposing to the Board of Directors for consideration and placing on the agenda of the meeting.

At each general meeting, the Company has a policy of treating all shareholders on an equitable basis. Before commencing a meeting, the Chairman will explain to the attendees about their right to vote, details on how to cast ballots are announced for each agenda and votes are tallied for each resolution. Sufficient time will be allocated for the shareholders to express their views, offer advice, and ask questions at each agenda item. The Chairman will proceed according to the meeting agenda as outlined in the invitation notice. No additional agenda items that have not been indicated in the invitation notice will be raised without notifying the shareholders in advance. Thus each shareholder should have time to study the information before making any decisions

The Company has set disciplinary penalty in case of violation of using internal information for personal benefits, or disclosing the information that may cause damage to the Company. The penalty is imposed according to the severity beginning from verbal warning, written warning, temporary suspension without pay, termination of employment, dismissal, removal, and discontinuation of employment, as the case may be.

Directors and executives are informed of their obligation to report their securities holding in the Company and of the penal clause pursuant to the Securities and Exchange Act B.E. 2535 (1992) and the SET requirement. In the event of Company shares trading by directors or executives, they are required to report to the SEC within 3 business days in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) on their shareholding in the Company, including those of their spouses and under-aged children, for further disclosure to the public

In addition, the Company has adhered to the equitable treatment principle for the benefits of all shareholders and set out guidance for managing conflicts of interest in a transparent and accountable manner, in particular transactions between the Company and interested or concerned parties. In the event that there is such a case, the concerned persons must promptly report to the Company and refrain from taking part in the consideration of or voting on that matter. Guidelines are also set to prohibit the directors or executives who may have benefits from joining in decision making on respective transaction. At the Board of Directors' meeting, the directors who have been involved in any conflicts of interest must not vote on the matter.

Chapter 3 Role of Stakeholders

The Company has given importance to the rights of all groups of stakeholders, consisting of such internal ones as shareholders, employees and executives and such external ones as creditors, customers, suppliers, competitors, government agencies, society and community, etc. Realizing that supports and comments from all groups of stakeholders benefit the Company's operation and business development, the Company will comply with the applicable laws and requirements to ensure that the rights of such people are well maintained. Besides, the Company promotes the rights of all stakeholders, political and universal human and non-infringement of intellectual property and realizes important environmental and social responsibility based on the following guidelines

Shareholders : Treat all shareholders equally; protect shareholders' benefits; will not violate the shareholders' right or deprive them of their right; build maximum satisfaction with due regards to the Company's sustainable growth; ensure regular and suitable earnings; and uphold the principles of good corporate governance in doing business.

Employees : Ensure that every employee is fairly and equally treated in terms of opportunities, rewards, welfare and potential development; recognize that all employees are valuable resources and are the key to the success of the organization; encourage employees to develop their knowledge along with moral and ethics in line with the Company's wish "building good citizens in gratitude for the homeland." The Company is determined to develop the organization into a learning organization, enhance cultural and working environment, promote teamwork, increase employees' knowledge and competency for their advancement and career stability and realized safety and environment, assure them of quality of life and safety at work, maintain occupational health and environment; fairly and equally pay attention to opinions and suggestions from employees at all levels.

Customers : Enhance satisfaction and confidence among the customers; be attentive and responsible for the customers; deliver premium products/services of high quality and safety at reasonable prices, in compliance with the standards; strictly follow the conditions and agreements with the customers; upgrade standards of products/services on a continual basis; regularly maintain good and sustainable relationship with the customers; use the customers' information for the benefits of the Company and concerned parties.

Suppliers : Have due regards to equality, equity, fairness and honesty in doing business; protect the interests of the partners and creditors by earnestly observing the laws and rules; have code of ethics in doing business, not asking, taking or offering any bribes when doing business with the partners; respectfully follow the agreed conditions; have fair treatment of the creditors including punctual debt settlement; ensure that collateral assets and other conditions under contracts are correct, complete and meet the principles of good corporate governance; report to the business partners and creditors in advance if the Company is not able to follow the obligations stated in the contracts and collaborate in making a solution.

- Competitors : Treatment of business competitors shall be in compliance with international principles under the law on trade competition practice; uphold the rule on fair competition; not discriminate against others in entering the business; not tarnish competitor's reputation by accusation or giving false information or act in any manner that is an unfair treatment in competition.
- Public Sector : Give importance to transparency and take into account honesty when making transactions with government agencies and the officials alike to avoid any acts that may lead to improper undertaking and conflicting with the good governance principles; deny any forms of bribing the state officials for the Company's convenience or business interests.
- Community, Society and Environment Have a policy to conduct the business with responsibility toward the community, society and environment with due regards to safety, quality of life, and natural resource conservation; promote efficient use of energy; be aware of quality of life of the community and society as well as the impacts from the manufacturing sector on the environment; ensure that any actions or decisions of the Company relating to its production and business conduct are lawful and comply with the rules and regulations or standards; encourage the employees to have sense of responsibility toward the community, society and environment, and cooperate in the activities arranged by the community where the Company is located.

Stakeholders can communicate their opinions, complaints or notifications of irregularities or anything that may affect APCS through the following channels:

1. www.asiaprecision.com ;
2. email address : audit_committee@asiaprecision.com ;
3. email address : ind_dir@asiaprecision.com ;
4. sent to : ASIA PRECISION PUBLIC COMPANY LIMITED

Company Secretary / Administrative Department

700/331 Moo 6, Donhualor Sub-district, Muang Chonburi District, Chonburi 20000.

Related organizations will handle those opinions, complaints or notifications of irregularities and pass them to the Audit Committee and eventually Board of Directors for final decision.

Chapter 4 Disclosure and Transparency

The Company gives importance to accurate, complete, timely and transparent disclosure of both financial and general information in accordance with the rules of the SEC and the SET, as well as such other information as essentially affecting Company share price, all of which can influence the decision process of its investors and stakeholders. Accordingly, company information is disseminated to its shareholders, investors and the public through several channels including information channels of the SET.

In terms of investors' relationship, APCS has not yet set up a specific organization as activities in such area are not many. However, Mr. Apichart Karoonkornsakul and Mr. Anurote Nitipornsri, have been assigned to communicate with institutional investors, shareholders as well as analysts and related public organizations.

The Board of Directors is responsible for financial statements and financial information appearing in the annual report. The financial statements have been prepared pursuant to the generally accepted accounting standard for Thailand, with accounting policy appropriately selected and regularly used throughout the operation, including adequate disclosures in the financial statements. In this regard, the quality of the financial statements and internal control, as well as adequate disclosures in the notes to financial statements, will be reviewed by the Audit Committee.

Chapter 5 Responsibilities of the Board of Directors

1. Structure of Board of Directors

The Board of Directors is composed of the persons who are knowledgeable, competent and have experience in the areas that support the development of the Company's business. The Board plays an important role in supervising, inspecting and evaluating the results of operations of the Company in compliance with the set plan, as well as running the business in compliance with the law, regulations and resolutions of the shareholders' meeting. The Board is obligated to ensure honesty and morality under the code of conduct of the business, and to oversee the administration conducted by the management according to the set goals and directions for the Company's and shareholders' maximum benefits.

(List of Directors and other information about the Board have been displayed under Section 8.1)

One-third of the Board of Directors is represented by independent directors with the purpose of check and balance for voting on matters for consideration. The Audit Committee has been instituted consisting of three independent directors.

On December 31, 2020, the Board features 8 Director :-

- 3 independent directors
- 2 executive directors (whom represent major shareholders)
- 2 executive directors (not in the major shareholder group)
- 1 directors (Not a shareholder)

Under the Company's Articles of Association, at least one-third of the directors must vacate their office by rotation at each annual general meeting of shareholders, and if the number of directors is not a multiple of three, the nearest number of one-third must retire by rotation. There must be a drawing by lots to determine the directors retiring on the first and second years following the registration of the Company. In each subsequent year, the directors who occupy the position for the longest period must retire. A retired director may be re-appointed.

The Board of Directors has the policy that the person appointed as Chairman of the Board and the President must not be the same person in order to clearly delineate the responsibilities in supervisory policies and daily management. Therefore, duties and responsibilities between the Board of Directors and executives are clearly separated and balanced. The Board of Directors has the duty to determine policies and supervise the performance of policy level executives, while the executives are responsible for managing the Company's operations in compliance with the set policy. Accordingly, the Chairman of the Board and the President are different persons.

The Board of Directors has appointed Company Secretary having the duties and responsibilities in accordance with the Securities and Exchange Act (name of the company secretary and duties and responsibilities are provided in Content of Organization Structure. disclosure no. 8.7)

- Delineating of Duties between the Policy Setting and Daily Wok Management

The Board of Directors has clearly delineated the roles and responsibilities of the policy level and the daily management. The Chairman and the President will be elected by the Board of Directors. The Chairman must not be assigned as the Chief Executive Officer. But he will be the leader and take key role in making policy decisions resulting from the Board of Directors' meeting at which business targets will be considered and defined together with the management team. The Chairman shall efficiently and effectively lead the Board of Directors' meetings, support all directors' active and independent involvement in the meeting. He will also chair the shareholders' meetings. The Chairman of the Board does not get involve in daily management, but he should support and advise the management team concerning the business through the Chief Executive Officer. The President shall be responsible for managing the Company within the scope of powers assigned by the Board of Directors (See details of Scope of duties and responsibilities of the President no.8.6.1)

- The term of office

The term of office for each Director is in line with the Articles of Association without age limit or number of terms served.

The term of office or period of service of independent directors is not limited. According to the SET's good governance principles, the Board should specify that independent directors can serve in the Board maximal 9 years from the date of first appointment. The Company's independent directors consisted of 3 directors with serving term as follows:

Independent directors	Number of years served as current position	Number of years if reappointed	Total number of years serving as Independent director
Prof. Udomsil Srisaengnam, MD	11	-	11
Mr. Narong Varongkriengkrai	11	2	13
Mr. Wichien Cherdchutrakuntong	1	2	3

The two independent directors that have served for 9 consecutive years have knowledge and expertise to provide useful advice and guidance throughout the term. Both also served to audit the Company to protect the interests of minority shareholders, and expressed opinions independently from the management team.

- Holding directorship in other companies

According to the SET's good governance principles, the Board should allow its directors to serve in maximal 5 other listed companies, operating proper nature of business.

Today, APCS has not yet limited the number of companies each Director may serve. However, the Board has separated the policy-making personnel from those handling day-to-day operation.

- Self evaluation by the Board of Directors

The Board has set a policy of evaluation of the Board performance each year with an objective for each Director to review his/her performance in the past year and to improve the Board's overall performance. Evaluation criteria are in percentage points for each heading as follows:

- 1) More than 85% = Excellent,
- 2) More than 75% = Very Good,
- 3) More than 65% = Good,
- 4) More than 50% = Fair,
- 5) Less than 50% = Improvement is required.

The Board of Directors performs self-evaluation on a yearly basis for the Board to review their performance and problems for further development. Topics of evaluation have been clearly specified to use as norms for performance evaluation.

The Board's self-evaluation form features 6 topics, namely, Board structures and qualifications, roles, duties and responsibilities, Board meeting, duty performance, relationship with the management and self-development and development of the management.

The Board's evaluation of the 6 topics shows that their performance exceeds 98 percent or excellent.

- Audit Committee's Report

The Board of Directors is responsible for the Company's financial statements. It assigns the Audit Committee to review the financial report and make sure that the report is correct and has the quality in compliance with the generally accepted accounting standards. Disclosure of important information must be adequate and transparent. The accounting department and/or the auditor will participate in the meeting and submit the report to the Board of Directors on a quarterly basis. The Board of Directors is responsible for Company consolidated financial statements and financial information (Report on the Responsibility of the Board of Directors for the Financial Report) as appeared in the annual report. The financial statements are produced based on the generally-accepted accounting standards and audited by the auditor. Disclosure of essential information, including financial and non-financial information, is based on complete and regular facts. (Details Audit Committee's Report are in the enclosure no. 3)

- Conflict of interest

A conflict of interest policy was defined on the basis that any decision made in the course of business activity should inure to the best interests of the Company and to avoid any action leading to conflicts of interest. Directors, executives and employees must review and inform the Company of their relation or linkage with such transaction. The person relating or linked to the transaction being considered must not participate in the consideration and approval of such transaction. Connected transactions and transactions in conflicts of interest must be carefully considered in terms of appropriateness based on the price and same conditions as conducted with outsiders.

Connected transactions and transactions in conflicts of interest carefully considered by the Audit Committee in terms of appropriateness and in accordance with the rules of the SET will be proposed to the Board of Directors.

The directors and the executives including their spouse and minors are required to report on any change to their shareholding to the Company and the Office of the SEC in accordance with Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) within 3 working days following the date of buying, selling, transferring or having been transferred. The directors, executives, and employees who have known about significant internal information must not disclose internal information to outsiders or unauthorized persons and must refrain from buying and selling the Company's shares for at least one month before the financial statements or internal information are released to the public, and at least three days after disclosure to the public in order to prevent the abuse of internal information.

- Internal Control

The Board of Director Company gives importance to efficient supervision and internal control at both executive and operational levels. Internal control system is the key mechanism to assure the management in mitigating business risks. It enables efficient business operations by appropriately allocating resources to achieve the set targets, guards against asset loss due to corruption, ensures accuracy and creditability of financial statements, guides the employees toward compliance with the relevant laws and regulations, and protects the shareholders' capital. Therefore, the obligations, duties and authority for operatives and executives have been clearly defined in writing. The use of Company assets in meaningful ways is put under control. Delineating of duties among the operatives, supervisors and evaluators is clear-cut to ensure appropriate check and balance

The Board of Directors has assigned the Audit Committee to review appropriateness and efficiency of the internal control system, introduced by the management and to prepare and review the control system covering operation, financial reports, compliance with related legal provisions and regulations, risk management and special attention to any alerts or abnormal transactions.

APCS has an internal audit unit to handle internal control to make sure that APCS has a proper and adequate internal control. The internal audit unit is quite independent and to keep checks and balance in proper conditions. The internal audit unit will come up with an annual audit plan based on risks identified, particularly those affecting APCS and its financial reports. The Audit Committee will review and approve that annual audit plan. Anything done according that audit plan shall be reported to the Audit Committee on a quarterly basis.

APCS regularly evaluates adequacy of the control system at least once a year to make sure that the system set forth may work efficiently. (See details of Scope of Internal Audit in part 2 no.11)

- Risk Management

The Board during its 1/2020 meeting on February 28, 2020 resolved in appointing the new Risk Management Committee, with serving term of 3 years (March 9, 2020 – March 8, 2022), responsible for mapping out APCS's overall risk management policy, assessing risks and managing those risks as well as administering those risks to an acceptable level and reporting its performance to the Board of Directors. Before the establishment of the Risk Management Committee, the Board was responsible for risk management by itself and risks were kept at an acceptable level.

The risk management policy is prepared to put risks under an acceptable level and to ensure efficient risk management. APCS has a principle that if risks may obstruct business operation, hard to achieve its business plan, APCS will have to come up with measures to control those risks and encourage every employee to be aware of risks, understand the cause of those risks and find a way to cope with those risks. For example, improving work procedures, properly consuming resources, finding tools to prevent and cut down those risks in order to put those risks under control. On the contrary, a systematic approach will allow APCS to benefit from new business opportunities, thus producing additional value to the organization.

- Board Meeting

Board meeting is convened every 3 months and additional special meetings may be held as necessary. The Company will issue invitation letters to the Board, complete with the agenda and related documents before the meeting so the directors have sufficient time to study the information before attending the meetings except in urgent case. The minutes of the meeting will be recorded and all adopted reports will be kept for reference and examination. The Company will report its performance to the Board of Directors every month to allow the Board to oversee the management's performance regularly in a timely manner.

The Chairman of the Board of Directors and the President will jointly define meeting agenda and consider which matters should be included in the agenda of a Board meeting. Each director is given an opportunity to suggest matters for such inclusion.

The Chairman of the Board of Directors as the chairman of the meeting will allow all directors to discuss and express their opinions openly. The high level executives, as concerned parties, may join the meeting to provide additional, useful information as well as to directly acknowledge the policy for further action. In voting at a meeting, the Board of Directors adheres to majority of votes. One director has one vote. The director having conflicts of interest should not join the meeting and/or vote for the matter thereof. In the event of tie, the meeting chairman should have another casting vote.

All directors have the right to examine the agenda and other important documents. If independent directors or members of the Audit Committee have any queries, other directors and the executives must answer to the queries without delay and as much complete as possible.

In the case that a director disagrees with the meeting resolution, he/she may either ask the company secretary to record his/her objections, or lodge an objection letter to the Chairman of the Board of Directors.

At each meeting of the Board of Directors, the company secretary will join the meeting and record the minutes of the meeting and submit it to the Chairman of the Board of Directors for his signature. This record of the meeting will be proposed to the next meeting for adoption. The company secretary is also responsible for keeping information or documents for ease of reference. Normally, all members of the Board of Directors will attend the meeting. Except in case of necessity that they are unable to attend, a notice must be lodged in advance. In addition, the Board of Directors would encourage non-management directors to have meeting among themselves as necessary to discuss issues relating to management and to report the results of discussion to the Chief Executive Officer. Details of each director's for 2020, attendance are shown no.8.8 remuneration of the board of directors and executives.

- **Remuneration**

The Company has put in place an appropriate remuneration policy for the Board of Directors and its executives taking into account the Company's performance and compatibility with other companies in the same industry, as well as at a level suitable for each director's duties and responsibilities. Remuneration is in the form of allowance, and/or salaries and bonuses.

Remuneration to Directors and subcommittee members

The meeting in the 2020 Annual General Meeting approved remuneration to the Board of Directors and Audit Committee. Details of the remuneration and payment conditions are shown in 8.8 Remuneration to Directors and management

Remuneration to Managing Director and executives

APCS is careful about proper remuneration to their executives, a competitive rate with other organizations in the same industry in order to retain quality executives with APCS. Executives assigned with additional duties and responsibilities will receive additional remuneration in compliant with the additional duties and responsibilities.

- **Director and Executive Development**

The Board of Directors has a policy to provide training and knowledge to the directors involved in the Company's corporate governance system, consisting of directors, Audit Committee members and Company executives, etc. in order for continued development and visitation company's factory at least 1 time per year and collaboration altogether with the Directors and Executives . In the event of changing a director or appointing a new director, the Company will prepare documents and information useful for his/her works, as well as introduction the Company's profile, nature of business and business framework to the new director.

9.2 Committees

The Board of Directors has set up the following committees: Audit Committee, Executive Committee, Risk Management Committee and Compensation and Recruitment Committee.

As the Board has set in place 4 committees to share the Board's load:

1. Audit Committee
2. Recruitment and Compensation Committee
3. Risk Management Committee
4. Executive Committee

The four committees have been set up to handle each particular matter for the Board. Each committee's roles, duties and responsibilities are elaborated in Part 2, Section 8: Organizational Structure.

9.3 Selection of Directors and Executives

- **Board of Directors and President**

In 2020 the Company has no Nomination and Remuneration Committee. In the selection of qualified persons to take office as directors or executives as follow:-

1. Shareholders and / or major shareholder of each group. Qualified according to the relevant committee of independent directors and executive officers of the Company jointly nominate a qualified, experienced and will consider the potential importance to the skills. Experience is essential to the business of the company.
2. Shareholders of the Company Nominate to the Nominating Committee For election as directors of the company. The company is scheduled to report to the shareholders for at least 3 months before the end of the period.
3. Database of the Institute of Directors of Thailand.
4. The external consultants.

The directors who have been nominated. The Nominating Committee will consider the following;

- 1) Have qualifications in accordance with the Public Limited Companies Act, the Securities and Exchange Act, regulations of the Securities and Exchange Commission and SET, and the Company's corporate governance policies;
- 2) Have knowledge, expertise, and experience in various fields that will benefit and add value to the Company's operations.
- 3) Have characteristics that will support and promote the corporate governance in order to add value to the Company; perform duties with accountability, care and loyalty and fully committed to the work.

The selection and appointment of directors shall be in accordance with the Articles of Association of the Company. The appointed directors must be endorsed by the meeting of the shareholders. The resolution of the meeting shall be made by majority votes of the shareholders who are present and have voting right which Articles of association as follows;

1. The Board of Directors is composed of not less than five directors appointed by the meeting of the shareholders. Not less than half of the total directors shall have residence in the Kingdom.
2. The meeting of the shareholders shall elect directors according to the following criteria and methods:
 - (1) Each shareholder has the number of votes equal to the number of shares held;
 - (2) Each shareholder may use his or her votes to elect one or more directors. If many directors are to be elected, he or she must use all of his or her votes. He or she may not divide his or her votes among more than one candidate at any one time.
 - (3) Candidates with the greatest number of votes and all runners up are elected directors, based on the number of directors needed at that time. In the event that the last director position to be filled is met with more than one qualified candidate winning equal numbers of votes, the Chairman of the meeting is the final arbiter.

3. At each annual general meeting of shareholders, one-third of the total directors are due to vacate the office. If the number of directors cannot be divided by three, the closest number to one-third shall apply.

The method for vacating directors from office in the first and second year after the Company's registration is by drawing lots. In the following years, the directors who are in office the longest shall retire. The retiring directors may be re-elected as the directors for another term.

4. Any director desiring to resign shall submit his/her resignation letter to the Company. The resignation shall take effect on the date of submission.

The director who resigned under paragraph one may inform the Registrar under the law on public company of his/her resignation.

5. In the case where the directors retire due to reasons other than a retirement by rotation, the Board may select and propose names of qualified persons not having prohibited qualifications according to the law on public company limited and the securities and exchange law as a replacement at the next Board meeting. Except when the remaining terms of the directors are less than two months, the person appointed as replacing director may take office for the remaining period of the director he replaces.

The Board's resolution under paragraph one must consist of votes made by not less than three-fourths of the existing directors.

6. The annual general meeting of shareholders has the right to terminate directorship of any director before his completion of term of service by not less than three-fourths votes of the shareholders who attend the meeting in person and have the rights to vote, and hold total shares of not less than half of the shares held by the shareholders who are present at the meeting and have the rights to vote.

- **Independent director**

At least one-third of the members of the Board of Directors shall be independent directors. The Board of Directors or the meeting of shareholders (as the case may be) shall appoint independent directors as members of the Board of Directors. The Company has the policy to appoint at least one-third of the members of the Board of Directors from independent directors and there shall be three independent directors sitting in the Board.

The criteria and procedures for appointing independent directors are according to the criteria and procedures for appointing the Board of Directors. General qualifications of the persons nominated as independent director shall be considered from qualifications and prohibitive characteristics as prescribed in the Public Limited Companies Act and the Securities and Exchange Act, including relevant notifications, rules and/or regulations. The independent directors must hold education degree, expertise, working experience and other suitable qualifications for consideration and appointment by the meeting of the shareholders. In the case that any independent director has vacated the office before his completion of term of service, the Board of Directors may appoint qualified independent director in replacement. The person appointed as replacing director may take office for the remaining period of the director he replaces.

The Board of Directors set out qualifications of independent directors as follows;

- 1) Not own shares exceeding 1% of total shares with voting right in the Company, the parent company, the Company's subsidiaries, associated companies, major shareholders or persons with controlling power including shareholding of that independent director's related persons;
- 2) Not get involved in management as a director, either in the past or at present, not be an employee or corporate advisor receiving a regular salary, or having controlling power of the Company, subsidiaries, associated or related companies, or a major shareholders or persons with controlling power, except having retired from such work for not less two years before being appointed as an independent director;
- 3) Not relate by blood or by law such as being parents, spouse, siblings and children, including children's spouse of the executives or a major shareholder of the Company, person with controlling power, or person who will be nominated as an executive or person with controlling power of the Company or its subsidiaries;
- 4) Have no business relationship with the Company, subsidiaries, associated, a major shareholder of the Company, person with controlling power, in the manner that may obstruct the exercise of independent judgment; not being, either in the past or at present, a major shareholder, or person with controlling power of the person who has business relationship with the Company, subsidiaries, associated, or a major shareholder, or person with controlling power of the Company, except having retired from such work for not less two years before being appointed as an independent director;
- 5) Not be, either in the past or at present, an auditor of the Company, subsidiaries, associated, or a major shareholder, or person with controlling power of the Company; not being a major shareholder, person with controlling power or partner of an audit company to which the auditor of the Company, subsidiaries, associated, or a major shareholder, or person with controlling power of the Company is attached, except having retired from such work for not less two years before being appointed as an independent director;
- 6) Not be, either in the past or at present, a provider of professional services which shall include legal advisory service or financial adviser whose service fees are more than Bt. two million per year obtainable from the Company, subsidiaries, associated, a major shareholder, or person with controlling power of the Company. It shall include the major shareholder, person with controlling power or partner of that provider of professional service, except having not involved in such manner for not less than two years before being appointed as an independent director;
- 7) Not be a director appointed to represent the director of the Company, major shareholder, or shareholders having related with the Company's major shareholders;
- 8) Not operate the same business which is competitive with the businesses of the Company or its subsidiaries, or not be a major partner in partnership company, or a director involved in management, an employee or corporate advisor receiving a regular salary, or holds more than 1.0% shares of total shares with voting right in other company which operate the same business which is competitive with the businesses of the Company or its subsidiaries;
- 9) Not employ any other characteristics which make him incapable of expressing views independently concerning the Company's business operations.

Independent directors shall examine and declare their independency at least once a year, which will be attached to the Directors Profile Report at year-end in line with the submission of Annual Disclosure Statement Form (Form 56-1) and the Annual Report of the Company.

- **Audit Committee Members**

The Board of Directors or the shareholders' meeting (as the case may be) shall appoint at least three members of the Audit Committee to perform the duties of the Company's Audit Committee. Each member must be an independent director and not be a director assigned by the Board of Directors to make decisions in business operations of the Company, subsidiaries, associated, a major shareholder, or person with controlling power of the Company. He/she shall not be a director of the Company, parent company, subsidiaries and subsidiaries of the same level in particular a listed company. Members of the Audit Committee must be qualified in accordance with the law on securities and exchange including notifications, rules and/or regulations of the SET that set out qualifications and scope of work of the Audit Committee.

There shall be at least one member of the Audit Committee who has knowledge and experience in accounting and/or finance in order to review and judge the reliability of the financial statements and the ability to perform other duties as member of the Audit Committee. Mr. Wichien Cherdchutrakuntong is knowledgeable and experienced enough to review the credibility of the financial statements.

- **President**

The Board of Directors is empowered to select a President. Appointment of the President must be approved by the Board. The President is empowered to recruit and appoint persons who possess knowledge, ability and experience relevant to the business as the Company's employees. However, an appointment of the chief or responsible person for internal audit and control must receive prior endorsement from the Audit Committee.

- **Executives**

The Company has the policy to select its executives from persons who possess knowledge, ability and experience relevant to the business. Selection shall be in accordance with the human resource management regulation. Approval must be sought from the Board of Directors/or the Board's authorized persons.

9.4 Supervision of subsidiary and affiliate companies

On December 31, 2020, APCS has a total of 7 subsidiaries; 6 local subsidiaries and 1 oversea subsidiary, with 6 executive committee members.

APCS has a policy of sending its representatives to serve as directors according to the shareholding proportion and attend shareholders' meeting as well as casting votes according to the direction, set forth by the APCS's Board.

9.5 Treatment of Insider Information

The Company has set rules and regulations enforcing directors, executives, employees and contract employees to keep the Company's secret and internal information confidential. They are prohibited from disclosing the Company's secret or internal information for their own or other persons' benefits, either directly or indirectly, and

whether or not any benefits will be given to them. They are also prohibited from trading or transferring the Company's securities using the secret and/or insider information, and/or conducting any juristic act, by using the secret and/or insider information that may cause damage to the Company either directly or indirectly. Directors, executives, employees and contract employees who have access to the Company's insider information must not make use of that information that has not yet been disclosed to the public. All persons concerned are also prohibited from trading the Company's shares within one month before quarterly and annual financial statements are publicly disclosed. These rules are also applicable to the spouse and under-aged children of the directors, executives and employees.

Besides, the Company has notified the directors and executives about the duty to report their holding of PJW shares, and the holding of PJW shares by their spouse and under-aged children, as well as any changes thereof, to the Office of the Securities and Exchange Commission pursuant to Section 59 and the penalties under Section 275 of the Securities and Exchange Act, B.E. 2535 (1992).

The Company has set disciplinary penalty in case of any person's use of internal information for personal benefits, or disclosure thereof that may cause damage to the Company. The penalty for violation of or failure to comply with the regulations may range from verbal warning, written warning, probation, or termination of employment by dismissal, removal or discontinuation of employment, as the case may be.

9.6 Auditor's remuneration for the 2018 – 2020

Detail	2018	2019	2020
1. Audit Fee	1,134,000	1,134,000	757,000
2. Non-Audit Fee			
- Fee for reviewing the compliance with condition of the BOI promotion certificate (The Group Company)	30,000		
Total	1,164,000	1,134,000	757,000

Audit fee was paid in 2020 in the amount of 360,000 Baht, and in 2021 in the amount of 397,000.

In 2020, Miss Kannika Wipanurat, Certified Public Accountant Registration No.7305 from Karin Audit Co., Ltd. Miss Kannika Wipanurat was the APCS auditor. He served as APCS's auditor for just two year.

The auditor or persons or business enterprises related to the auditor or audit office in which the auditor is working for is no relations with APCS* and its subsidiaries, executives, major shareholders or persons involved with those personnel.

* Persons or business enterprises related to the auditor or audit office in which the auditor is working for refer to:

- 1) The auditor's spouse or children still depending on the auditor,
- 2) Enterprises under the audit office's control, or controlled by the audit office and enterprises under control of the same audit office, directly or indirectly,
- 3) Enterprises under significant influence of the audit office,
- 4) Partners or equivalent of the audit office,
- 5) Spouse and children still depending on the persons in 4),
- 6) Enterprises that the auditor, persons in 1), 4) or 5) has control authority or significant influence, directly or indirectly.

9.7 Compliance with good governance principles in other aspects

- **Code of Conduct**

The Board of Directors is committed to correct and fair business operation, having mapped out Code of Conduct in writing, sharing with every employee for them to comply with. The Code of Conduct is aimed to ensure transparency, fairness, responsibility towards stakeholders, social and environmental responsibility, which have been trained and communicated to employees in the organization. The Code of Conduct reflects value and direction to which every employee is led: respect and compliance with the law, conflict of interest, use of inside information, keeping certain information confidential, internal control and audit, receiving from and giving presents, properties or benefits to someone, intellectual property, information technology and communication, political rights and neutrality, treatment to employees, accountability to stakeholders and channels of complaints in case of violation against the Code of Conduct. APCS has made known its Code of Conduct among employees for them to comply with. (See such information in www.asiaprecision.com)

In 2020, there was no complaint about violation against the Code of Conduct to the Audit Committee.

10. Corporate Social Responsibility (CSR)

10.1 Overall Policy

The Company has operated its business by focusing on sustain profits or certain value continuously for more than 27 years based on the corporate motto “Aiming at creating good citizens and gratitude to their homeland”. Such determination is not only an idea, wish, or requirement of the Company, but also includes implantation of “goodness” to all personal. The 5 required qualifications of good persons, then, has been determined; comprised of discipline, unity, sacrifice, moral and gratitude. They have been implemented among the owner, management, and employees by conducting many activities during working hours and overtime to optimize time value and budget. In addition to build up good persons pursuant to the Company’s determination, these activities can also support society simultaneously. According to the Company’s code of conduct, the missions are determined as follows;

1. Determination of Business Operation

1.1 Trust in goodness of people as their quality

The Company is aware that all employees are valuable resource with high competency and goodness for society. Thus the Company focuses on integral human resource development according to the Royal speech of His Majesty King Bhumibol Adulyadej of Thailand, and the corporate motto is:

“Aiming at creating good citizens and gratitude to their homeland”.

The Company is committed not to be only an organization where requires for economic benefits and living but also a value and efficient organization to support Thailand’s wealth and happiness.

The Company focuses on human resource development under the belief that “efficient performance comes from the employees who are happy and have high royalty to the Company”. Thus, it attempts to create employees’ awareness on level up their skills for successfulness in career path, including taking care of health, safety, environment, and development of work life quality continuously.

If the most of organizations nationwide concern in implanting and supporting of people’s goodness, they can invest only sincerity and best wish to get invaluable benefits for society and organization.

1.2 Sustainable development to step up to the world class

The Company is committed to develop itself along with society to grow up sustainably. We plan to learn for development of human resource management and development system by enhancing organization’s strength, including development of society and community in dynamic trend and technology by sharing knowledge and technology with them.

1.3 Engagement in code of conduct

The Company shall treat all stakeholders fairly and equitably by respecting on human rights and benefits of all stakeholders without selective action, including enhancing all employees to engage in goodness for benefits of society and the nation.

1.4 Transparency and verifiability

The Company's business is operated based on integrity and fairness with efficient and verifiable management system under international standard, including the systems of risk management, environmental management, work-life quality and safety management. All processes will be done transparently and verifiably at any time.

10.2 Social and Environment Contribution Activities

The Company uses the above determination as a framework for conducting social responsibility activity. The following activities were done in 2020.

1. Fair Operating Practices

The Company engages in taking carefulness on operation, management, and action based on the concept of fairness, code of conduct, discipline, unity, sacrifice, moral and gratitude. Thus, it encourages the employees to have integrity and reliability on others during performing work. The guidelines are set fairly for the employees in all levels to perform accordingly and present in the code of conduct in the topic of fair operation. For more details, please visit our website at www.asiaprecision.com.

The Company determines the code of conducts for the Company, the Chairman of Executive Committee, the Executive Committee, and the management, including the employees' practices based on the business ethics. In the past, the Company has never subjected to any case caused by lack of business ethics.

2. Anti-Corruption

The Company gives importance to and is aware of any troubles caused by corruption. The Board of Directors, thus, has conducted the anti-corruption policy according to the resolution of the Company's Board of Directors' Meeting No. 5/2013 dated November 13, 2013. and revised that anti-corruption policy at least once a year so that APCS and its subsidiaries may have the same understanding and practices, as well as announced common intention of anti-corruption in all types. The anti-corruption policy can be summarized as follows;

- Anti-corruption policy

The Company's directors, management, officers, and employees as well as middlemen, agents, advisors or sub-contractors are prohibited from performing any actions that are related to dishonesty and/or corruption in all types for either direct or indirect benefits of themselves, their family, their friends, and any related persons; whether they are in the capacity of a receiver, provider, or persons who offer a bribery, both cash or non-cash, to public authorities or private organizations, with which the Company contacts or has business. In addition, the Company is committed to strictly complying with the anti-corruption policy.

- Notification of clue or corruption can be done through various channels as follows;
 - The Audit Committee's e-mail address: audit_committee@asiaprecision.com; or
 - The Company's website www.asiaprecision.com ("receipt of complaints" tab)
- Measures to protect and maintain confidentiality of a complainant

The Company will keep confidential the name, address or any information indicative of the complainant or the person giving information as well as the information provided by the complainant or the person giving

information. Access to the said information will be limited to only the persons responsible for investigating complaints, who have no conflicts of interest in such issues.

In addition, the Company publishes anti-corruption policy on various channels such as the Company's website, the Company's information board, etc. In 2020, there was not any notification to the Audit Committee regarding corruption action or any action that caused some disadvantage to the Company. For more details, please visit our website at www.asiaprecision.com.

Furthermore, in 2015 the Company jointly with other private organizations formed a Collective Action Coalition (CAC) and certified as a member of CAC on November 5, 2019. This is a project against corruption and irregularities, initiated by the government and the Office of the National Anti-Corruption Commission jointly with 8 other organizations, namely, Thai Chamber of Commerce, Thai Institution of Directors (IOD), International Chambers of Commerce, Association of Thai Registered Companies, Thai Bankers' Association, Federation of Thai Capital Market Organizations, Federation of Thai Industries, and Tourism Council of Thailand. In addition, APCS conducted a self-evaluation of its anti-corruption measures.

3. Respect for human rights

The Company conducts its business based on awareness of respecting for human rights, thus the Company's Board of Directors includes this topic in the code of conduct by categorizing as follows;

- Privacy

The Company is aware of personal right and freedom protection to avoid disclosing or transferring of personal data; such as biography, employee profile, work experience, health information, or other privacy information; to other irrelevant persons which may cause some damage to information's owner. Infringement of other's information is subjected to disciplinary action, except in the case that such action is done for responsibility, comply with law, or public benefits. Guidelines for privacy protection are as follows;

1. The Company shall protect personal data that are in possession or under preservation of the Company;
2. Disclosure or transferring of employees' personal data publicly can be done only after receipt the employee's approval;
3. The Company shall limit disclosure and usage of employees' and relevant persons' information.

- Equitable Treatment

The Company is aware of equity in human rights. It provides fair treatment to all relevant persons and avoids selective treatment caused by similarity or difference; whether in physical, mind, nationality, region, gender, age, education, or other issues. The following practices are set as guidelines for the employees;

1. The employees must treat on another with respect and give honor.
2. Recruitment and performance appraisal must be done correctly and fairly.

While being on duty, please avoid giving opinion in relation with difference in physical or mind, race, nationality, region, gender, age, education, or other topics that can bring to some conflict.

All people should help monitoring to prevent other from oppressing and unfair action. The Company has to provide some communication channel or consultation for any employee who receives unfair treatment.

Give honor and respect on other's opinion.

Political Activities

The Company is politically neutral and will not take any action in concentrating or supporting any political party or person who has political power.

The Company is aware of employee's rights and freedom, including supports them to exercise their political rights such as election or being political party membership without limitation, enforcement, or guide. The following practices are set as guidelines for the employees;

1. Avoid being a member or representative of political party; or a member of local government such as provincial administration, sub-district administration; or not perform any action which can make other misunderstand that the Company relates, supports, or concentrates in political activity or political party.

2. Avoid giving opinion on other's political opinion in workplace or during working hour which can generate some conflict.

3. Be careful for receipt of money or operate its business with politician or any person who has relationship with a politician.

4. Avoid wearing the Company's uniform or wearing any dress which can cause misunderstand that the Company's employees perform duty in relation to politic or political party.

In addition to political action specified in the code of conduct, this content is also included in anti-corruption policy. The Company defined the meaning of "political support" as follow;

Political support means providing of cash, properties, or any other privileges, including places (accommodation, resting area, meeting place, or venue) for the purpose to facilitate political party, politician, or any person who relates with politic; to support a policy of any political party, default action, or any action that conflict to law, constitution which can have bad effect on community, society, nation; including to support conflict in society, directly or indirectly.

The anti-corruption policy determines good practices for the Company's directors, management, officers, and employees as well as middlemen, agents, advisers or sub-contractors as follow;

"8 companies does not support any political parties, directly or indirectly. Subsequently, directors, management, staff or employees as well as middlemen, agents, advisers or sub-contractors shall not get involved with political activities inside the Company and not use the Company's resources to perform such action. The Company is politically neutral, thus we support people to comply with law and democracy. (Payment or reimbursement has to followed well-established procedures. If not following those procedures, payment won't be made."

Hence, all people in our organization will be informed clearly about political action and political support rules which are parts of anti-corruption policy. For more details, please visit our website at www.asiaprecision.com.

4. Fair treatment for labor

The Company is aware that all employees are valuable resource for business operation and driving business to achieve the target. Thus the Company is committed to develop quality of life for employees, including provide

compensation and non-finance allowance fairly and equitable. Key concerns to perform fair treatment for labor are as follows;

1. Respect for human rights during work

The Company has conducted the policy regarding respect for human rights containing in the Company's code of conduct and publish in various communication channel. In addition, the Company has established "Good life with happiness" project that composes of the committee elected by employees. The committee of this project has responsibilities as follows;

1. Consult with employer to set up employee's allowance;
2. Provide consultancy and suggestion to employee regarding employee's allowance;
3. Monitor, control, review an arrangement of employee's allowance;
4. Propose some useful opinion and guideline for an arrangement of employee's allowance to the Welfare Committee.

The committee of this project has 2 year working term.

The Company realized and focuses on fair labor treatment, which contributes to success factors that will increase the value of the Company, competitive advantage, and sustainable growth. The Company's policies are as follows:

1. Respect the rights of employees according to human rights principles and abide by labor laws.
2. Arrange for a hiring process and fair employment conditions, including the determination of compensation and performance consideration under a fair performance appraisal process.
3. Promote human resource development by organizing training seminars including send employees to attend seminars and academic training in relevant fields, to develop knowledge and potential of employees, and cultivating a positive attitude, morality, ethics and teamwork
4. Provide various welfare for employees as required by law, such as social security, as well as those not required by law such as health insurance, accident insurance, and various funds to help employees
5. Provide an annual health check-up service to all employees of the Company, based on risk factors according to age, gender and work environment of each individual.
6. Promote workplace safety hygiene by providing measures to prevent accidents and strengthen employees' awareness of safety including training, and promote employees to have good hygiene and take care of the workplace in a hygienic manner.
7. Give employees the opportunity to express their opinions, complaints about unfair practices, or misconduct in the company, as well as providing protection to employees who report such matters.

2. Provide protection in social and working condition for employees

The Company has established work regulations in accordance with the Labor Act B.E. 2562 (2019). The Company's work regulation is reference to the following practices;

- Employee's recruitment and placement;
- Normal working days and working hour/ holidays and regulations of absent;

- Overtime work and holiday work;
- Leave day, regulations of taking leave, and authorization;
- Discipline and disciplinary action;
- Complaint;
- Safety, health, and fire protection;
- Get harmful or sick from work;
- Unemployment and compensation payment.

Human resource department of the Company is subjected to inform all work rules and regulations to new employees before employment.

3. Protect for occupational health and safety

To enhance employees to work with safety and good health, the Company has conducted the policy regarding safety, health, and fire as a guideline for employees' performance and a framework for related organizations. The contents of this policy can be categorized as follows;

1. Regulations of health & safety and fire protection, which are contained in the work regulations, will be used as a guideline for employees' performance.
 1. Safety at work: it is referred to employee's responsibilities to be performed during work to reduce the chance of accidents; such as keeping equipment, machine, and workplace clean; clearing any obstruction out of working area; and wearing of safety equipment or harm protection equipment.
 2. Health support and health care: such as keep things, appliance, and place clean according to the Company's regulations; including join body checkup program as per the schedule.
 3. Fire protection: all employees are required to attend training course about using of fire extinguisher and first aid equipment as provided by the Company.
2. Regulations on safety promotion policy: those can be used as the Company's framework to enhance safety, such as to reduce lost time injury to be zero, to reduce working risk to be in acceptable level, encourage employees to join some activity and training course to develop their knowledge and increase work-life quality.

In 2020, there was lost time injury of 2 employees and no lost time injury of 4 employees from total working day 275 days, or about 5,775 hours.

In addition, the Company reiterated with its staff to always bear in mind safety. Throughout the year, 2020, the Company held the following activities to promote safety:

- A Morning Talk Program, in which the Safety and Environment Section offered knowledge about safety, occupational health and environmental management to the employees every morning for about 15 minutes. The safety and environment staff scheduled a monthly meeting with every division, at least once a quarter to highlight safety concerns. The contents were adjusted according requirements for each division.

- A monthly Safety Promotion Program, conducted quarterly, was initiated to provide knowledge, understanding and awareness to employees at every level so that they might realize the significance of safety, prevention of an accident and occupational health. By that way, employees would be more confident at work. Activities in the programs included, getting employees to answer questions related to safety, occupational health and environment.
- A Traveling Safety Program was introduced to promote safety for employees' traveling through such activities as a safety motorcycle riding, wearing a safety helmet; traveling safely during the New Year's holidays to cut down the accident rates. In addition, employees who travelled in a bus, provided by the factory were ensured with safety as the buses were under a proper monthly preventive maintenance program.
- "Asia Zero Accident" is a campaign to implant awareness and attitude towards safety, promoting employees to participate in activities to learn and be careful about safety, starting from each and every employee at their workplace, encouraging them to strictly comply with safety regulations and instructions and to learn to protect themselves from possible dangers and risks and to encourage employees to join hands in keeping their workplace clean in order to avoid an accident or make it zero accident.
- "Completely Check Completely Find-out" or CCCF is an activity to encourage every employee to find where in their workplace is dangerous. It's the duty of every employee to find out and correct it in order to prevent an accident. By this way, employees are kept alert of possible dangers and they have to try to prevent an accident – figuring out the cause to prevent a bad result.

Companies in EPC business have given great importance to safety and hygiene at work. Therefore, they have developed and announced a management system for occupational safety, health and working environment in accordance with international standards laws and other requirements. In addition, a Occupational Safety, Health and Environment Committee has been appointed, responsible for reviewing workplace safety policies and plans to prevent and reduce accidents as well as promoting and supporting activities on the safety of the work of the company. The Committee also performs regularly checking the statistics of occupational hazards in both construction and office areas, as well as a promoting a campaign to raise awareness of the importance of safety and hygiene working environment, regularly through various channels. Channels include reporting at various levels of meetings and communicating through Morning Talk, JSA: Job Safety Analysis activities, risk analysis before work for safety according to principles Plan – Do – Check – Act (PDCA). The Company continuously reinforces these principles.

The Company has appointed managers of each unit to be safety officers in the workplace, a total of 3 training classes. The Company appointed a total of 9 safety officers in the executive level. All supervisors with level higher than foreman engineer, 2 training classes – 42 employees, were appointed as safety officer at supervisor level. The Company appointed 2 safety officers at basic level and professional level to take care of the occupational health and safety of employees within the unit.

The Company engaged in “Drug Prevention in Workplace Project” to educate the dangers of drugs, its economic impact, and society born from drugs. This is to create immunity for employees not to get involved with drugs, both directly and indirectly

In 2020, the Company recorded 2 accident occurrences at work which resulted in employees having to stop working. The total work days were 334 days, equivalent to 8,016 hours.

5. Consumer Responsibility

The Company is committed in customer’s satisfaction and confidence by taking good care and responsible for customers and providing good quality and safe products in reasonable price according to defined standard. In addition, the Company will also comply with terms and condition of the agreement entered into by the Company and customer, along with developing higher standard of products and services continuously, keep good and sustainable relationship with customers seriously and regularly, including not use customers’ information for the Company’s or alliance’s benefits.

6. Environmental Conservation

The Company operates its business based on the corporate motto "Quality brings honor Unity raise productivity Be friendly with environment". Thus, the Company realizes environmental impact in every production process, then, hire outsource company to measure the levels of air quality, water quality, and noise level annually (For more information, please see in Section 2 Clause: environmental impact)

The Company has a proper waste management system, aiming to minimize waste discharge out of the factory premises and comply with environmental management standards and related laws, such as water quality and air quality standards of Industrial Estate Authority of Thailand. In the past, the Company has operated its business by complying with rules and regulations of relevant party. In addition, the Company has sponsored environmental management until achieving the certification of environmental management standards, ISO 14001:2015.

The Company has set an energy and resource conservation policy to encourage employees to be aware of energy conservation and resource saving, including sharing some idea about energy saving or increase productivity so that the Company can reduce manufacturing cost in term of energy. In 2020, the Company continued with energy-saving activities from the previous years in 2 main aspects as follows.

1. Energy conservation and reasonable use of natural resources in the production process:

- The Company introduced the Reverse Osmosis System (RO) to filter some water for drinking. The RO system generated brine, deemed to be clean but couldn't be drunk. The Company, then, reused the brine for filling fan fogger instead of tap water.
- APCS joined a Clean Technology (CT) campaign, which was introduced by the Department of Industrial Promotion. The Clean Technology means the way to improve or modify production process or products to efficient use of raw materials, energy, and natural resource, including minimize waste or no waste to reduce pollution at source. This also includes change of raw material type, reuse, and recycle which can conserve environment along with reduce production cost. APCS has improved its wastewater management system to an aeration system for better treatment efficiency. By this way, chemical usage and wastewater treatment charges have been cut down.
- In terms of energy saving, APCS set the air compressor appropriate to the application for power saving and reduction of carbon dioxide release.

2. Energy reduction on general operations:

- APCS implanted in its employees about reasonable use of water to reduce water consumption. APCS installed water meters in many areas in addition to the production line, for metering water consumption. The target was set and notified to responsible persons in each area so that they could jointly discuss to reduce water consumption to meet the Company's target or even less than the target.
- APCS has been campaigning to reduce power consumption among employees. For example, all the air-conditioners are turned off 10 minutes before the lunch break (11.50 hrs.) or office closing time (17.50 hrs.) Temperature is set at 25-26 degrees Celsius and fans off if nobody is there.
- All the T8, T5 fluorescent tubes in the factory have been replaced with LED lamps to increase lighting, have longer service hours and of course save energy in addition to reduce release of carbon dioxide to the atmosphere.
- In addition, the Company determined that all staff sorted waste by category so that it could be reused or processed a correct method of waste disposal.

APCS was conferred with an Industrial Certificate for Green System, Level 3 from the Ministry of Industry for the period between May 28, 2019 and May 27, 2022 – an environmental administration and operation standard to ensure that APCS takes good care of its pollution prevention in its production process.

Companies in EPC business are aware of the importance towards impact on the environment, and have established strict operations in accordance with the rules and regulations in environmental conservation. The Company established measures to cope with the environmental impacts that may arise from the Company's operations, in order to minimize impact on the environment and community as possible; as well as additional measures in

accordance with the recommendations of experts and relevant government agencies to ensure that the operation is truly effective.

The Company also focuses on the environment by organizing activities to encourage employees and related parties to be aware of the environment-conscious business operation, through continuous employee meetings, training seminars, and various media of the Companies.

There is a process for storing materials, equipment, chemical storage, including waste sorting resulting from construction and work such as general waste, recyclable waste, hazardous chemical waste, and many more. These will be sorted and disposed of in a systematic manner.

The Company provides a measurement of the working environment and the environment, for example, checking the dust generated from work, the amount of dust generated from the runway, traffic, speed regulation of the vehicle, steps to prevent water discharge, waste water resulting from operation, and managing odor problems arising from operation.

7. Society or Community Development

APCS realizes the significance of society, environment and employees by regularly conducting activities related to human resource development, environmental conservation, and social repayment.

In 2020, APCS held the following social responsibility activities:

- **Society**

APCS also initiated a “Volunteer Project” to encourage employees to participate in social engagements or community development, for instance, supporting budget for educational development to students in Baan Song Mueng School, in Karnchanaburi, renovate sport facilities for Sri Pracharam School in Chonburi with total 30 volunteers, blood donation with Thai Red Cross Chonburi with total of 40 volunteers.

- **Employees**

The Company has supported and encouraged its staff to learn and gain additional skills along with virtue and moral standards in line with the corporate motto “Aiming at creating good citizens and gratitude to their homeland,” to implant in them the sense of “discipline, unity, sacrifice, moral and gratitude,” foundations for staff development for happiness and efficiency, which will lead to strong organization foundation. The Company has promoted capable and good personnel through the following activities:

A. Unity...Sacrifice: The Company has encouraged its employees to make some social contributions to the public and sponsored them to have a sense of happiness for offering some returns to their birthplace.

- **“Homeland Development Fund”** This is the project in which APCS has encouraged its staff to be grateful to their homeland. APCS would prepare a bag filled with consumer products, a blanket and other things required in daily life for the staff to carry to their birthplace during the New Year’s or Songkran’s holidays to present to the poor and needy in their birthplace, approximately 240 employees have joined this program. In 2020, due to the COVID-19 outbreak, which resulted in

employees unable to return to their birthplace following the government policy, total number of volunteers decreased.

- “Sports Meet” is another project in which employees are encouraged to have social and recreational activities together to strengthen their relationship. APCS sponsors such sports competitions as football, and volleyball. In 2020, due to the COVID-19 outbreak, the Company was unable to conduct these recreational activities, following the government policy.

B. Goodness : To instill goodness and develop behavior in daily life requires nurture, repeated instructions and constant motivation. The Company has therefore encouraged the staff at all levels as well as senior executives to study “HM the King’s speeches and instructions. In 2020, as many as 12 employees attended a session to hear the King’s speeches and instructions. In addition, APCS had the staff line up and sing the national anthem before the Thai flag before work once a week. Employees were encouraged to meditate some 5 minutes and hear HM the King’s speeches.

They are some of the activities to implant goodness and ethics to employees. Another program was merit-making in the month each employee’s birthday fell. APCS provided alms and foods for the employees to offer to the monks in the month of their birthday. In 2020, due to the COVID-19 outbreak, the Company was unable to conduct these recreational activities, following the government policy. A total of 80 employees attended this program. On Buddhist holidays, the Company invited monks to give lecture for employees who are interested.

C. Gratitude : The Company has implanted in employees moral awareness in several forms such as happy family project, children love employees (on Children’s Day), The love child scholarships for the children of employees with good grades. The staff of the child’s academic performance. Participants were 207 people, promotion of gratitude on Father’s and Mother’s days, aiming to promote gratefulness and good wishes to one another. In addition, APCS regularly holds public contribution activities, such as blood donations, catering lunch and organizing friendly activities to disabled children in various institutions, reforestation, bicycle repairs for students in poor schools, etc.

APCS valued in promoting disables to have good working careers, and therefore hired 6 disables for various roles including 3 production line operator positions, 1 store operator positions, 1 data input position, and 1 information counter position. This is in line with Article 33.

Companies in EPC business have clear human resource policies: provide thorough care of employees, provide compensation for work, and provide welfare for all employees in line with the competition and labor market. The Company treats employees with fairness and equality within the framework of company regulations, labor laws and good traditions in society, ensuring employees have good quality of life and health, have safe working conditions create a good working environment and promote teamwork. This includes the development of employees to have the knowledge and abilities both individually and in groups according to their career, with the objective of developing the potential of employees for increasing efficiency and productivity in work along with support to become a learning organization.

The Company has a goal of learning and human development through training and development of employees at all levels to meet the needs of each job. This is to provide employees with knowledge, abilities, skills and work experience, able to work effectively in accordance with the business plan of the organization, both now and ready to compete sustainably in the future. The development focuses on 3 dimensions:

Dimension 1: Individual and Group Training & Development – focuses on Competency, Personal Skill, Technical Knowledge & Technology to improve work efficiency. Each job position has a specific job position training and development plan according to the long-term Training Road Map.

Dimension 2: Career Path - The Company has created a career plan for its employees, both in operating unit and support unit, as a guideline in formulating human resource development plans for improving skills and knowledge to suit future positions.

Dimension 3: Organizational Development - The goals important to the growth of the company are development of the organization to become a Learning Organization, to create operational excellence and create a culture of company personnel, a constant pursuit of knowledge and knowledge transfers between each other, including systematic Knowledge Management to convey the experience and skills that are essential to the success of the organization through to the following generation of employees.

- **Safety Promotion And the environment**

The Company has been serious in promoting safety and quality of life to employees, communities or people concerned and is committed to instilling consciousness of safety to employees and people involved while performing their duties. The Company has the following policies:

1. To focus on compliance to laws and regulations related to environment, safety and quality of life as well as labor law and working regulations;
2. To communicate to every employee as well as outsiders, contractors, customers and the public to learn the safety, quality of life at work and environment policies;
3. To continuously assess effects from activities and business processes that may affect safety, quality of life and environment;
4. To set objectives, goals and action plans to continuously reduce impact to safety, quality of life at work and environment and keep them updated;
5. To reduce lost time injury to zero, and reduce the rate of injury and sickness from work to the target;
6. To improve working environment, reduce risks at work to an acceptable level to ensure safety, hygiene, proper working environment and quality of life;
7. To support employees to work happily, focusing on staff engagement with activities and training and development projects for better quality of life at work.
8. To monitor, protect and correct impact to employees' safety, quality of life, pollution prevention, waste and water quality control, proper resource consumption to reduce environmental impact;
9. To control and manage chemicals used in the production process so that they may cause impact to the environment and safety;

10. To evaluate impact from chemical usage in products that may have impact to the environment and safety;
11. APCS considers complying with safety, quality of life at work and environmental policies is the duty of every employee at every level.

According to promotion of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) requesting all listed companies to submit the sustainability report based on SET's procedures or any other international standard, now the Company is studying some information to use as a guideline for completing the Company's sustainability report in the future.

11. Internal Control and Risk Management

11.1 A summary of the Board of Directors' opinions

In the 1/2020 Board meeting on 25 February, 2021, the Board of Directors assessed APCS's internal control from the assessment report, prepared by the Audit Committee, and came to the conclusion that all the 5 aspects of the internal control as follows:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information & Communication
- (5) Monitoring Activities

The Board of Directors is of the opinion that the Company has sufficient and appropriate internal control systems, including follow-up and operation supervising systems which can protect properties of the company and its subsidiaries from the management misuse them or without authorization, inclusive of sufficient internal control on business transaction with major shareholders, directors, managers or persons connected to the said persons. In terms of other aspects, the Board felt that APCS had proper and sufficient internal control and there was nothing to concern.

In 2020, the Board itself was responsible for risk management under APCS's risk management framework and policy as well as analysis of other related risk factors. The Board reviewed the internal audit report, prepared by the Audit Committee and found that the risks were under an acceptable level. However, the Board closely monitored risk management.

The Board meeting resolved to set up a Risk Management Committee, responsible for formulating risk management policy for the overall organization, assessing risks and managing risks as well as keeping risks at an acceptable level. The Risk Management Committee reported directly to the Board of Directors.

For in the financial statements for the year ended December 31, 2020, the auditors of the Company not found Note the significant to report to management.

In terms of internal control in subsidiary companies, APCS required all its subsidiaries to have an internal control similar to their mother company. All its subsidiaries had sufficient internal control similar to APCS.

11.2 Internal Control

The Board of Directors has assigned the Audit Committee to supervise and review the internal control system to make sure that APCS has proper and efficient control system as well as compliance with related legal provisions and regulations, prevention of conflict of interest, proper interrelated transactions and prevention of APCS's assets and properties from losing or exploiting, preventing APCS's intellectual property from being violated, introducing auditing mechanisms, checks and balance. An internal audit department is under direct supervision of the Audit Committee. The Audit Committee will make sure that APCS has proper and efficient internal control and internal audit and consider independency of the internal audit department as well as appoint, remove or terminate internal audit supervisor or heads of other departments, responsible for internal audit.

The appointment of a chief or responsible for the monitoring and control. Must be approved by the Board of Directors approval.

In 2012, the Board of Directors set up an Internal Audit Department, responsible for auditing and assessing sufficiency of APCS's internal control to make sure that APCS had had in place a policy and framework for proper working procedures and systems. Internal auditors prepared regular reports to the Audit Committee to ensure proper good corporate governance. The Audit Committee would review to make sure that APCS had proper and adequate internal control. The Audit Committee had a meeting at least once a quarter to review the financial statements to make sure that APCS had prepared correct and adequate financial reports, disclosing adequate information including interrelated transactions or transactions that might cause a conflict of interest in line with the law and requirements by the Stock Market of Thailand and Securities and Exchange Commission.

In the 1/2012 meeting on February 28, 2012, the Audit Committee appointed Mrs. Duangduan Hirunruk as chief of the internal audit as she had direct internal audit experience and had a good understanding of APCS's business operation and activities. She had attended several internal control courses. The Audit Committee felt that she was well qualified and capable enough to handle the internal control.

The internal auditors of the Company from 2017-2021 were as follows:

Year	Internal audit Unit	Internal Audit Supervisor*
2017	Internal Audit Department	Mrs. Duangduan Hirunruk
2018	Internal Audit Department	Mrs. Duangduan Hirunruk
2019	Internal Audit Department	Mrs. Duangduan Hirunruk
2020	Internal Audit Department	Mrs. Duangduan Hirunruk
2021	Internal Audit Department	Mrs. Duangduan Hirunruk

* Details about the Internal Audit Supervisor are in the enclosure.

12. Interrelated transactions

12.1 Summary of Interrelated Transactions between APCS and its subsidiaries and other persons who may have a conflict of interest, made in 2020

APCS made the following transactions with persons who may have a conflict of interest, whose relationship may be summarized as at 31 December 2020, follows:

Person which/who may have a potential conflict.	Asia Precision ("APCS")	Asia Precision A.T. ¹⁾ ("APAT")	Asiaprecisiontech ("AST")	A2 Technologies ("A2")	APCS Technologies ("APT")	A2teeravat joint venture ("A2T")	Cholkij Sakol ("CK")	A2 Technologies Vietnam ("A2V")	Advance Web Studio	AWS Asset Management
Registered Capital	659,999,962	550,000,000	1,000,000	600,000,000	10,000,000	75,000,000	120,000,000	1,000,000	3,000,000	1,000,000
Par Value at Baht	1	10	5	10	1,000	10	100	10	100	100
Asia Precision Plc.		Holding 99.99999%		Holding 99.99999%						
Asia Precision A.T. ¹⁾			Holding 99.9985%							
A2 Technology Co., Ltd.					Holding 99.97%	Holding 98.12%	Holding 53.33%	Holding 100.00%		
Mr. Apichart Karoonkornsakul	Director/Executive and Holding 13.89%	Director/Executive and Holding stock 1 share	Director/Executive and Holding stock 1 share	Holding stock 1 share						
Mr. Chairaj Vetnaruman	Director/Executive and Holding 1.87%	Director/Executive and Holding stock 1 share	Director/Executive and Holding stock 1 share	Director and Holding stock 1 share	Director and Holding stock 1 share	Director and Holding preferred stock 1 share				
Mr. Rajeev Vijayan	Executive	Director/Executive								
Mr. Yoshikastu Kurashi		Director								
Miss Chittima Karoonkornsakul			Holding stock 1 share							
Mr. Anurote Nitipornsri	Director/Executive and Holding 0.07%	Director/Executive	Director/Executive	Director	Director	Director and Holding preferred stock 1 share				
Mrs. Pimparuda Pitakteeratham				Director/Executive	Director/Executive and Holding stock 1 share	Director/Executive	Director/Executive	Director	Director/Executive Holding stock 1 share	Director/Executive Holding 99.98%
Mr. Suriyon Udcharchon	Director			Director/Executive	Director/Executive and Holding stock 1 share	Director/Executive and Holding preferred stock 1 share				
Mr. Sompote Wallayasewi	Independent Director and			Director	Director	Director				
Advance Web Studio Co., Ltd.	Holding 22.12%									
AWS Asset Management Co., Ltd.									Holding 99.9933 %	

1) February 25, 2019 P2 Precision Company Limited changed the company's name to Asia Precision A.T. Company Limited

12.2 Type of transaction

Details of connected transactions between the Asia Precision Public Company Limited and a company or a person which/who may have a potential conflict.

Type of transaction	Currency	Amount as at 31 December 2020 (Million Baht)						Necessity and Appropriateness of Interrelated Transactions
		APAT	AST	A2	APT	A2T	CK	
Short-term loans	Baht							Promissory notes, due at call. Short term loan used for working capital. Interest rate of commercial bank.
Beginning balance		-		150.00	-			
Increase		169.00		147.30	15.00			
Decrease		(169.00)		-	-			
Ending balance		-		297.30	15.00			Promissory notes, due at call. Short term loan used for working capital. Interest rate of commercial bank.
Accrued interest income	Baht							
Beginning balance		-		-	-			
Increase		0.51		13.41	0.02			
Decrease		(0.51)		(13.41)	-			Promissory notes, due at call. Short term loan used for working capital. Interest rate of commercial bank.
Ending balance		-		-	0.02			
Short-term loans	Baht							
Beginning balance		100.00						
Increase		-						Promissory notes, due at call. Short term loan used for working capital. Interest rate of commercial bank.
Decrease		(100.00)						
Ending balance		-						
Accrued interest income	Baht							
Beginning balance								Promissory notes, due at call. Short term loan used for working capital. Interest rate of commercial bank.
Increase		0.01						
Decrease		-						
Ending balance		(0.01)						
Short-term loans		-						

Details of connected transactions between the Asia Precision Public Company Limited and a company or a person which/who may have a potential conflict.

Type of transaction	Currency	Amount as at 31 December 2020 (Million Baht)						Necessity and Appropriateness of Interrelated Transactions
		APAT	AST	A2	APT	A2T	CK	
Guarantees with financial institutions (Joint guarantees with companies in the group)								Because the Company is the major shareholders and to satisfy conditions demanded by financial institution. Also extends to promoting and supporting financially to the subsidiaries, and increase business strength to follow business plan. No guarantee fees.
Guarantee Loans	Baht			345.90		27.91		
Guarantee Loans	US Dollar			0.31				
Revolving credit with credit line	Baht			450.00				
Protecting against risk	Baht			20.00				
Revolving credit - Bills	Baht			9.25				
Revolving credit - Overdraft	Baht			10.00				
Revolving credit - Fleet Card	Baht			1.00				

Details of connected transactions between the A2 Technologies Co., Ltd. and a company or a person which/who may have a potential conflict.

Type of transaction	Currency	Amount as at 31 December 2020 (Million Baht)						Necessity and Appropriateness of Interrelated Transactions
		APAT	A2T	CK	A2V	Advance Web Studio	Shareholder	
Receivables	Baht		38.18		41.31			Inter transactions-Construction revenues Pricing policy is market price close to the general market price. The area used for operations. Pricing policy is market price close to the general market price.
Contract revenues	Baht		34.54		226.61			
Current receivables	Baht	0.01		0.01	226.68			
Rental Income	Baht	0.08		0.07				
Service income	Baht				42.96			
Short-term loans	Baht							
Beginning balance		6.00		3.10	-			
Increase		2.70		4.00	219.54			
Decrease		-		(3.10)	-			
Ending balance		8.70		4.00	219.54			
Accrued interest income								Promissory notes, due at call. Short term loan used for working capital.
Beginning balance		-		2.05	-			
Increase		0.07		0.01	4.62			
Decrease		-		(0.01)	-			
Ending balance		0.07		2.05	4.62			

Type of transaction	Currency	Amount as at 31 December 2020 (Million Baht)						Necessity and Appropriateness of Interrelated Transactions
		APCS	APT	A2T	A2V	Advance Web Studio	Director	
Trade payable	Baht			3.18	181.84			Inter transactions-Construction revenues Pricing policy is market price close to the general market price.
Purchase	Baht							
Short-term loans	Baht							Promissory notes, due at call. Short term loan used for working capital. Interest rate of commercial bank.
Beginning balance		150.00		18.10		0.19		
Increase		147.30		-		-		
Decrease		-		-		(0.19)		
Ending balance		297.30		18.10		-		
Accrued interest income	Baht							
Beginning balance		-		1.23		0.00		
Increase		13.41		1.22		0.00		
Decrease		(13.41)		-		(0.00)		
Ending balance		-		2.45		-		

Details of connected transactions between the Cholkij Sakol Co., Ltd. and a company or a person which/who may have potential conflicts.

Type of transaction	Currency	Amount as at 31 December 2020 (Million Baht)		Necessity and Appropriateness of Interrelated Transactions
		Shareholder	At Peak	
Short-term loans	Baht			Mr. Tarathip Tharathammarat* offered a loan to Cholkij Sakol Co., Ltd. by making a short-term loan agreement at the interest rate of 0.375-7.750%% per annum and payback upon request. It's the loan made when Mr. Tarathip Tharathammarat was a Director and executive of Cholkij Sakol for Cholkij Sakol to have working capital and continue with its business operation. Lower interest rate of commercial bank
Beginning balance		44.93		
Increase		-		
Decrease		-		
Ending balance		44.96		
Accrued interest income	Baht			
Beginning balance		24.40		
Increase		2.77		
Decrease		-		
Ending balance		27.17		
Short-term loans	Baht			At Peak Co., Ltd.** offered a loan to Cholkij Sakol Co., Ltd. by making a short-term loan agreement at the interest rate of 0.375-7.750% per annum and payback upon request. It's the loan made when Mr. Tarathip Tharathammarat was a Director and executive of Cholkij Sakol for Cholkij Sakol to have working capital and continue with its business operation Interest rate of commercial bank.
Beginning balance			3.10	
Increase			-	
Decrease			-	
Ending balance			3.10	
Accrued interest income	Baht			
Beginning balance			1.36	
Increase			0.21	
Decrease			-	
Ending balance	Baht		1.57	

* Mr. Tarathip Tharathammarat is no longer a shareholder of the company from July 20, 2020.

** At Peak Co., Ltd is no longer a shareholder of the company from July 20, 2020.

12.3 Necessity and appropriateness of interrelated transactions

Interrelated transactions made are quite necessary and reasonable. Product and services purchased from subsidiaries are normal business practice. Purchases from companies in the group go in line with trading conditions with other companies. Loans to subsidiaries are aimed for the subsidiaries to have liquidity and sufficient working capital to manage their businesses but the interest charged is lower than loans from financial institutions. Machinery purchase among companies in the group is made because APCS and its subsidiaries manufacture similar products. The purchase is made according to the market price.

The Audit Committee has inspected and reviewed those interrelated transactions and felt that they are necessary and reasonable, and most important of all, beneficial to APCS. (See each interrelated transaction in the Table 12.1)

12.4 Measures or procedures in approving interrelated transactions

APCS appointed an Audit Committee on December 23, 2010, and the Board of Directors in their meeting on January 19, 2011 set measures and procedures in approving interrelated transactions and interrelated transaction policy, which requires the Audit Committee's prior approval, primarily based on APCS benefits. The Audit Committee has found that the past interrelated transactions had been made in accordance with those measures and procedures.

In terms of future interrelated transactions with persons who may have a conflict of interest, APCS will ask the Audit Committee to view and opine on their necessity and appropriateness. In case, the Audit Committee is not specialized in those interrelated transactions, APCS will get independent experts or certified auditor to give opinions on those interrelated transactions, which will help in decision making by the Board of Directors and/or Audit Committee and/or shareholders as the case may be. Persons who may have a conflict of interest or benefits from those transactions have no right to vote on those interrelated transactions. Disclosure of interrelated transactions in the Annual Report has come from Notes to the Financial Statements certified by the APCS auditor.

12.5 Policy or trend of interrelated transactions

APCS has a policy to set trade terms for interrelated transactions in line with normal business operation. Selling prices shall be set at competitive levels with other sellers. In the future, in case of sale transaction or guarantees by APCS Directors to apply for financial support from a financial institution, and other transactions with a person having a conflict of interest in accordance with normal business operation or normal business support, those interrelated transactions will be made based on necessity and for APCS's business operation efficiency, having clear-cut pricing policy for interrelated transactions according to appropriate market prices and terms, fair, not siphoning but mainly based on APCS interest. The Audit Committee will double-check and provide opinions on interrelated transactions that are normal business transactions or to support normal business, on a quarterly basis.

However, the interrelated transactions which may cause a conflict of interest in the future, the APCS Board of Directors shall proceed according to the laws pertaining to securities and stock market as well as the Stock Exchange of Thailand's rules, regulations, notification, orders or requirements as well as compliant with the regulations on disclosure of interrelated transactions, acquisition and distribution of assets of APCS and its subsidiaries and compliant with the accounting standards, specified by the Federation of Accounting Professions. However, APCS will disclose interrelated transactions in the Notes to the Financial Statements, certified by APCS's auditor.

13. Financial Information

13.1 Statement of Financial

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31,	Separate financial statement						Consolidated financial statement					
	2018		2019		2020		2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Assets												
Current assets												
Cash and cash equivalents	274.71	16.84	201.32	11.54	94.54	6.00	437.10	15.19	606.29	19.34	537.95	16.99
Trade and other current receivables	167.86	10.29	221.38	12.69	0.73	0.05	1,286.86	44.73	1,441.90	46.00	1,562.36	49.33
Short-term loans	-	-	150.00	8.60	312.32	19.83	-	-	-	-	-	-
Inventories	82.85	5.08	4.66	0.27	-	-	98.42	3.42	79.56	2.54	74.41	2.35
Other current assets	-	-	344.85	19.77	-	-	-	-	-	-	-	-
Total current assets	525.42	32.22	922.21	52.86	407.59	25.88	1,822.38	63.34	2,127.75	67.88	2,174.72	68.67
Non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments in subsidiaries	650.00	39.86	800.00	45.85	1,150.00	73.01	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	2.48	0.08
Property, plant and equipment	454.47	27.87	5.60	0.32	5.54	0.35	876.32	30.46	791.29	25.24	729.49	23.03
Right – of – use assets	-	-	-	-	-	-	-	-	-	-	33.24	1.05
Right under the raw water distribution contract	-	-	-	-	-	-	148.24	5.15	142.58	4.55	136.91	4.32
Other intangible assets	0.02	0.00	-	-	-	-	0.44	0.02	1.22	0.04	4.09	0.13
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	1.91	0.06
Other non-current assets	0.94	0.06	16.84	0.97	11.97	0.76	29.79	1.04	71.89	2.29	84.11	2.66
Total non-current assets	1,105.43	67.78	822.44	47.14	1,167.51	74.12	1,054.79	36.66	1,006.98	32.12	992.23	31.33
Total assets	1,630.85	100.00	1,744.65	100.00	1,575.10	100.00	2,877.17	100.00	3,134.73	100.00	3,166.95	100.00
Liabilities and shareholders' equity												
Current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
financial institution	-	-	-	-	-	-	4.94	0.17	278.02	8.87	145.18	4.58
Trade and other current payables	193.08	11.84	205.62	11.79	0.41	0.03	962.68	33.46	775.69	24.75	805.09	25.42
Current portion of long-term liabilities Within one year	-	-	-	-	-	-	9.23	0.32	8.10	0.26	13.52	0.43
Current portion of lease liabilities Within one year	-	-	-	-	-	-	-	-	1.15	0.04	62.70	1.98
Short-term borrowings	-	-	100.01	5.73	-	-	71.32	2.48	73.99	2.36	76.78	2.42
Current income tax payable	8.84	0.54	-	-	-	-	12.73	0.44	-	-	12.80	0.40
Total current liabilities	201.92	12.38	305.63	17.52	0.41	0.03	1,060.90	36.87	1,136.95	36.27	1,116.07	35.24
Non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Long-term borrowings	-	-	-	-	-	-	71.59	2.49	61.40	1.96	47.90	1.51
Lease liabilities	-	-	-	-	-	-	-	-	0.95	0.03	125.04	3.95
Deferred tax liabilities	-	-	-	-	-	-	37.05	1.29	35.87	1.14	34.69	1.10
Non-current provisions for employee benefit	13.20	0.81	5.44	0.31	5.21	0.33	15.78	0.55	24.06	0.77	24.97	0.79
Other non-current liabilities	0.01	0.00	-	-	-	-	0.01	0.00	0.01	0.00	27.78	0.88
Total non-current liabilities	13.21	0.81	5.44	0.31	5.21	0.33	124.43	4.32	122.29	3.90	260.38	8.22
Total liabilities	215.13	13.19	311.07	17.83	5.62	0.36	1,185.33	41.20	1,259.24	40.17	1,376.45	43.46
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-
Issued and paid-up share capital	660.00	40.47	660.00	37.83	660.00	41.90	660.00	22.94	660.00	21.05	660.00	20.84
Share premium on ordinary shares	369.18	22.64	369.18	21.16	369.18	23.44	369.18	12.83	369.18	11.78	369.18	11.66
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	54.30	3.33	66.00	3.78	66.00	4.19	54.30	1.89	66.00	2.11	66.00	2.08
Unappropriated	332.24	20.37	338.40	19.40	474.30	30.11	455.27	15.82	613.75	19.58	588.11	18.57
Other components of shareholders' equity	-	-	-	-	-	-	-	-	-	-	100.78	3.18
Total shareholders' equity of the parent company	1,415.72	86.81	1,433.58	82.17	1,569.48	99.64	1,538.75	53.48	1,708.93	54.52	1,784.07	56.33
Non-controlling interests	-	-	-	-	-	-	153.09	5.32	166.56	5.31	6.43	0.20
Total shareholders' equity	1,415.72	86.81	1,433.58	82.17	1,569.48	99.64	1,691.84	58.80	1,875.49	59.83	1,790.50	56.54
Total liabilities and shareholders' equity	1,630.85	100.00	1,744.65	100.00	1,575.10	100.00	2,877.17	100.00	3,134.73	100.00	3,166.95	100.00

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31,	Separate financial statement						Consolidated financial statement					
	2018		2019		2020		2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenues												
Revenues from sales and services	990.71	100.00	918.52	100.00	8.92	100.00	1,035.17	41.79	1,138.15	40.82	952.26	44.65
Contract revenues	-	-	-	-	-	-	1,441.65	58.21	1,650.00	59.18	1,180.54	55.35
Other income	2.70	0.27	10.04	1.09	220.92	2,476.68	3.67	0.15	22.52	0.81	5.29	0.25
Total revenues	993.41	100.27	928.56	101.09	229.84	2,576.68	2,480.49	100.15	2,810.67	100.81	2,138.09	100.25
Expenses												
Costs of sales and costs of services	760.83	76.80	728.68	79.33	7.44	83.41	770.16	31.09	837.39	30.03	779.84	36.56
Contract Costs	-	-	-	-	-	-	1,276.88	51.55	1,478.20	53.02	1,064.33	49.90
Distribution costs	5.33	0.54	5.33	0.58	-	-	5.34	0.22	5.33	0.19	5.20	0.24
Administrative expenses	78.06	7.88	83.70	9.11	26.69	299.22	161.90	6.54	173.37	6.22	221.48	10.38
Other expenses	-	-	9.01	0.98	-	-	0.12	0.00	1.24	0.04	13.08	0.61
Finance costs	0.04	0.00	0.01	0.00	-	-	8.55	0.35	8.18	0.29	18.08	0.85
Total expenses	844.26	85.22	826.73	90.01	34.13	382.62	2,222.95	89.75	2,503.71	89.80	2,102.01	98.56
Profit (loss) before income tax expense	149.15	15.05	101.83	11.09	195.71	2,194.06	257.54	10.40	306.96	11.01	36.08	1.69
Tax (expense) income	(12.38)	(1.25)	(17.97)	(1.96)	(19.63)	(220.07)	(32.97)	(1.33)	(54.65)	(1.96)	(27.25)	(1.28)
Profit (loss) for the year	136.77	13.81	83.86	9.13	176.08	1,973.99	224.57	9.07	252.31	9.05	8.83	0.41
Other comprehensive income (expense): to be reclassified to profit or loss in subsequent period:												
Exchange differences on translating of financial statement in foreign currency	-	-	-	-	-	-	-	-	-	-	(0.36)	(0.02)
Items that will not be reclassified to profit or loss <input type="checkbox"/>												
Gains(losses) on remeasurements of defined benefit plans	(3.35)	(0.34)	-	-	(0.59)	(6.61)	(3.35)	(0.14)	(2.65)	(0.10)	(0.11)	(0.01)
Total comprehensive income (expense) for the year	133.42	13.47	83.86	9.13	175.49	1,967.38	221.22	8.93	249.66	8.95	8.36	0.39
Profit (loss) attributable to												
Owners of parent	136.77	13.81	83.86	9.13	176.08	1,973.99	221.42	8.94	238.74	8.56	14.07	0.66
Non-controlling interests	-	-	-	-	-	-	3.15	0.13	13.57	0.49	(5.24)	(0.25)
	136.77	13.81	83.86	9.13	176.08	1,973.99	224.57	9.07	252.31	9.05	8.83	0.41
Total Comprehensive income (expense) attributable to:												
Owners of parent	133.42	13.47	83.86	9.13	175.49	1,967.38	218.05	8.80	236.19	8.47	13.59	0.64
Non-controlling interests	-	-	-	-	-	-	3.17	0.13	13.47	0.48	(5.23)	(0.25)
	133.42	13.47	83.86	9.13	175.49	1,967.38	221.22	8.93	249.66	8.95	8.36	0.39
Basic earnings(loss) per share	0.21		0.13		0.27		0.34		0.36		0.02	
Issued and paid-up share capital (Million : share)	660.00		660.00		660.00		660.00		660.00		660.00	
Par value (Baht)	1.00		1.00		1.00		1.00		1.00		1.00	

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31,	Separate financial statement			Consolidated financial statement		
	2018	2019	2020	2018	2019	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit (loss) before income tax expense	149.15	101.83	195.70	257.54	306.96	36.08
Adjusted financial costs	0.04	0.01	-	8.55	8.18	18.08
Adjusted interest received	(0.40)	(8.75)	(14.26)	(1.50)	(1.35)	(0.74)
Adjusted dividends income	-	-	(100.00)	-	-	-
Adjusted trade receivables and other receivables (increase) decrease	5.24	(53.99)	220.66	(977.63)	(155.66)	(102.64)
Adjusted inventories (increase) decrease	21.92	81.40	4.82	16.40	22.11	2.05
Adjusted other assets (increase) decrease	0.12	0.05	0.11	(1.53)	(22.43)	(29.77)
Adjustments trade payables and other payables increased (decreased)	76.12	12.53	(205.20)	789.85	(159.74)	39.56
Depreciation and amortization	102.44	84.37	2.50	116.39	100.62	103.76
Adjusted unrealized loss (gain) on foreign exchange	0.40	0.48	-	0.40	(26.77)	17.82
Adjustment with bad debts	-	-	-	-	0.05	-
Adjusted loss on value of goods (reversed)	(16.87)	(3.20)	(0.16)	(16.80)	(3.26)	3.11
Adjusted other provisions for employee benefits	1.74	4.98	0.57	2.84	6.52	15.31
Adjusted loss (gain) from assets disposals	(0.62)	1.15	(98.44)	0.12	1.25	1.65
Adjustment by the expenses of business transformation	-	-	-	-	-	9.29
Total adjust from reconciliation of gain (loss)	190.13	119.03	(189.40)	(62.91)	(230.48)	77.48
Net Cash Provided by (Used in) Operating	339.28	220.86	6.30	194.63	76.48	113.56
Cash received from dividends	-	-	100.00	-	-	-
Interest expense	(0.05)	-	(0.01)	(5.41)	(5.08)	(15.09)
Interest received	0.40	8.75	14.24	1.50	1.44	0.75
Income tax refund (pay out)	(3.55)	(26.80)	(19.63)	(20.36)	(67.38)	(16.08)
Cash paid for transfer to employee benefit plans for subsidiaries	-	(12.06)	-	-	-	-
Other cash received (paid) from operating activities	(0.91)	(0.69)	(1.39)	(1.09)	(0.91)	(14.51)
Net Cash Provided by (Used in) Operating Activities	335.17	190.06	99.51	169.27	4.55	68.63
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash paid for non – controlling interests	-	-	-	-	-	(53.75)
Restricted short-term deposit with financial institutionn (increase) decrease	10.00	-	-	0.42	(0.21)	(5.24)
Cash paid for investment in subsidiary net from received cash	(180.00)	(150.00)	(350.00)	-	-	-
Cash received from the sale of property, plant and equipment	1.46	3.96	445.61	2.05	4.06	0.75
Cash paid to purchase property, plant and equipment	(19.74)	(1.41)	-	(24.84)	(32.81)	(21.18)
Cash paid to purchase intangible assets	(0.02)	-	-	(0.34)	(1.10)	(4.02)
Cash received from loans to related parties	10.00	-	-	-	(2.75)	-
Cash paid for loans to related parties	(10.00)	100.00	169.00	-	-	-
Cash payment for purchase of general investments	-	(250.00)	(331.30)	-	-	-
Cash paid for expenses of business transformation	-	-	-	-	-	(9.29)
Net Cash Provided by (Used in) Investing Activities	(188.30)	(297.45)	(66.69)	(22.71)	(32.81)	(92.73)
CASH FLOWS FROM FINANCING ACTIVITIES						
Bank overdrafts and Short-term loans from financial institution increase (decrease)	-	-	-	(0.03)	226.75	(163.79)
Cash received from borrowings from the financial institutions	-	-	-	-	98.20	194.77
Cash received from borrowings from other company	-	-	-	3.00	-	-
Cash received from borrowings from person and related parties	238.75	200.00	-	10.50	0.19	-
Cash paid to pay the financial institutions borrowings	(15.00)	-	-	(23.10)	(59.97)	(171.97)
Cash paid to pay the person and related parties borrowings	(238.75)	(100.00)	(100.00)	(15.00)	(0.50)	(0.19)
Cash paid to pay the other company borrowings	-	-	-	(3.00)	-	-
Cash paid by the lessee to reduce the amount for liability contract financial lease	-	-	-	(1.76)	(1.22)	(62.89)
Dividend payment	-	(66.00)	(39.60)	-	(66.00)	(39.60)
Cash received from sale and lease back	-	-	-	-	-	255.00
Cash paid for deposit for sale and lease back	-	-	-	-	-	(55.00)
Net Cash Provided by (Used in) Financing Activities	(15.00)	34.00	(139.60)	(29.39)	197.45	(43.67)
Net Increase (Decrease) In Cash And Cash Equivalents						
Before Effects Of Exchange Rates	131.87	(73.39)	(106.78)	117.17	169.19	(67.77)
Effects Of Exchange Rates On Cash And Cash Equivalents	0.01	-	-	-	-	(0.56)
Net Increase (Decrease) In Cash And Cash Equivalents	131.88	(73.39)	(106.78)	117.17	169.19	(68.33)
Cash and cash equivalents at beginning of year	142.83	274.71	201.32	319.93	437.10	606.29
CASH AND CASH EQUIVALENTS END OF YEAR	274.71	201.32	94.54	437.10	606.29	537.96

13.2 New financial reporting standards

13.2.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarized below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

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

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

The Group recognized the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated

The cumulative effect of the change is described in Note 4.2

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

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

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

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

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

13.2.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

13.3 AUDITOR

Year	Name of Auditor	Certified Public Accountant	Name of Company
		Registration Number	
2018	Mr.Jadesada Hungsapurk	3759	Karin Audit Co., Ltd.
2019	Ms. Kannika Wipanurat	7305	Karin Audit Co., Ltd.
2020	Ms. Kannika Wipanurat	7305	Karin Audit Co., Ltd.

AUDITOR'S REPORT**A) FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

The Company : Certified Public Accountant Basis for Unqualified Opinion

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Asia Precision Public Company Limited and its subsidiaries and Asia Precision Public Company Limited as at December 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibility is stated in the paragraph in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters	Audit procedures respond risk
Allowance for doubtful debt The Group have account receivable from sales and services and unbilled receivable total amount of Baht 1,286.86 million. The Group have considered that it's able to receive money from sales and services and unbilled receivable. I focused on these because allowance for doubtful debt has to subjective on evaluate on receivable repayment ability, also other information describe on note to finance statement no.7 and significant accounting policy.	I have evaluated reasonable of the management's estimating, understanding on approval process of receivable credit line, testing the aging report, interviewing the officer responsibility on receivable repayment and delivery completion work by period, consider the long outstanding receivable, and ask for policy of allowance for doubtful debt to ensure that enough and not over. I also focused on disclosure of allowance for doubtful debt in note to financial statement.
Revenue recognition by percentage of work completion, valuation of work, and service cost estimated The Group have service revenue recognition by percentage of completion which estimated by physical check of the Group's engineer, pararell with percentage of actual cost to	I have to understanding and evaluating for percentage of completion, physical check work in progress in term of nearly ending accounting period, check the physical report of engineer, check the evident of

Key audit matters	Audit procedures respond risk
total estimate cost. I focus on these because cost estimated has to subjective on discretion and work environment factors, economic and raw material and labor market in future. The actual cost might be different from estimating, which effected to revenue recognition as described in note to financial statement no. 28 and significant accounting policy.	estimated cost and actual cost, moreover I considered the percentage of work completion calculated by actual cost and estimated cost compared with the percentage of work completion by physical.

B) FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

The Company : Certified Public Accountant Basis for Unqualified Opinion

Opinion

I have audited the financial statements of Asia Precision Public Company Limited and its subsidiaries (the Group), which comprise the consolidated and separate statements of financial position and as at December 31, 2019, the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Asia Precision Public Company Limited and its subsidiaries and Asia Precision Public Company Limited as at December 31, 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibility is stated in the paragraph in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters	Audit procedures respond risk
<p>Allowance for doubtful debt</p> <p>The Group have account receivable from sales and services and unbilled receivable total amount of Baht 1,441.90 million. The Group have considered that it's able to receive money from sales and services and unbilled receivable. I focused on these because allowance for doubtful debt has to subjective on evaluate on receivable repayment ability, also other information describe on note to finance statement no.7 and significant accounting policy.</p>	<p>I have evaluated resonable of the management's estimating, understanding on approval process of receivable credit line, testing the aging report, interviewing the officer responsibility on receivable repayment and delivery completion work by period, consider the long outstanding receivable, and ask for policy of allowance for doubtful debt to ensure that enough and not over. I also focused on disclosure of allowance for doubtful debt in note to financial statement.</p>
<p>Revenue recognition by percentage of work completion, valuation of work, and service cost estimated</p> <p>The Group have service revenue recognition by percentage of completion which estimated by physical check of the Group's engineer, parallel with percentage of actual cost to total estimate cost. I focus on these because cost estimated has to subjective on discretion and work environment factors, economic and raw material and labor market in future. The actual cost might be different from estimating, which effected to revenue recognition as described in note to financial statement no. 29 and significant accounting policy.</p>	<p>I have to understanding and evaluating for percentage of completion, physical check work in progress in term of nearly ending accounting period, check the physical report of engineer, check the evident of estimated cost and actual cost, moreover I considered the percentage of work completion calculated by actual cost and estimated cost compared with the percentage of work completion by physical.</p>

C) FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

The Company : Certified Public Accountant Basis for Unqualified Opinion

Opinion

I have audited the financial statements of Asia Precision Public Company Limited and its subsidiaries (the Group), which comprise the consolidated and separate statements of financial position and as at December 31, 2020, the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Asia Precision Public Company Limited and its subsidiaries and Asia Precision Public Company Limited as at December 31, 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibility is stated in the paragraph in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters	Audit procedures respond risk
<p>Revenue recognition by percentage of work completion, valuation of work, and service cost estimated</p> <p>The Group have service revenue recognition by percentage of completion which estimated by physical check of the Group's engineer, parallel with percentage of actual cost to total estimate cost. I focus on these because cost estimated has to subjective on discretion and work environment factors, economic and raw material and labor market in future. The actual cost might be different from estimating, which effected to revenue recognition as described in note to financial statement no. 34 and significant accounting policy.</p>	<p>I have to understanding and evaluating for percentage of completion, physical check work in progress in term of nearly ending accounting period, check the physical report of engineer, check the evident of estimated cost and actual cost, moreover I considered the percentage of work completion calculated by actual cost and estimated cost compared with the percentage of work completion by physical.</p>

13.4 Financial Ratio

Ratio	Separate financial statement			Consolidated financial statement		
	2018	2019	2020	2018	2019	2020
<u>Liquidity Ratio</u>						
Current ratio (times)	2.60	3.02	988.92	1.72	1.87	1.95
A/R turnover (times)	5.88	5.87	0.12	3.59	2.32	2.16
Inventory turnover ratio (times)	13.37	16.65	3.20	20.84	26.02	23.96
A/P turnover (times)	9.28	12.45	0.32	3.88	3.21	3.66
<u>Profitability Ratio</u>						
Gross margin (%)	23.20	20.67	16.49	17.35	16.95	13.53
Net profit margin ratio (%)	13.77	9.03	76.61	8.93	8.49	0.66
Return on equity (%)	10.14	5.89	11.73	15.49	14.70	0.81
<u>Efficiency Ratio</u>						
Return on asset (%)	8.96	4.97	10.61	9.32	7.94	0.45
Return on fixed asset (%)	48.23	73.13	3,206.25	36.77	40.70	15.50
<u>Financial Policy Ratio</u>						
Debt to equity ration (times)	0.15	0.22	0.00	0.77	0.74	0.77
Time interest earned ration (times)	7,295.75	N/A	13,702.63	38.42	12.64	7.35

14. Management's Analysis and Explanation

1. Overall operating results

From 2020 onwards, Asia Precision Public Company Limited operates as a Holding Company, which primarily engages in investment other companies, following the business restructuring plan approved by shareholders during the 2019 Annual General Meeting, dated on 20 April 2019. The whole of precision metal parts manufacturing division was transferred to Asia Precision A.T. Co., Ltd. ("APAT"); APAT was previously named P2 Precision Co., Ltd, and got changed on 25 February 2019, and APAT is a wholly owned subsidiary of the Company. The purposes of this restructuring are to clearly separate companies into proper division for more effective management and to facilitate future expansion of the group. The new group structure is divided into 3 divisions as follows:

- 1.Engineering, Procurement, and Construction (EPC) – A2 Technologies Co., Ltd., APCS Technologies Co., Ltd, and A2 Teeravat Joint Venture Co., Ltd.
- 2.Precision Metal Parts Manufacturing – operates under Asia Precision A.T. Co., Ltd. and Asia Precision Tech Co., Ltd.
- 3.Distribution of Raw Water – Cholkij Sakol Co., Ltd.

Separated financial statements

Revenue from operation as a holding company: Dividend revenue for year 2020 was Bt 100m. Revenue from sales and services for year 2020 and 2019 were Bt 8.92m and Bt 918.52m respectively, a reduction of Bt 909.6m or equivalent to 99.03%. Cost of sales for year 2020 and 2019 were Bt 7.44m and Bt 728.68m respectively, a reduction of Bt 721.23m or equivalent to 98.98%. The drastic changes were due to business restructuring, in which the Company becomes was transformed into a holding company.

Consolidated financial statements

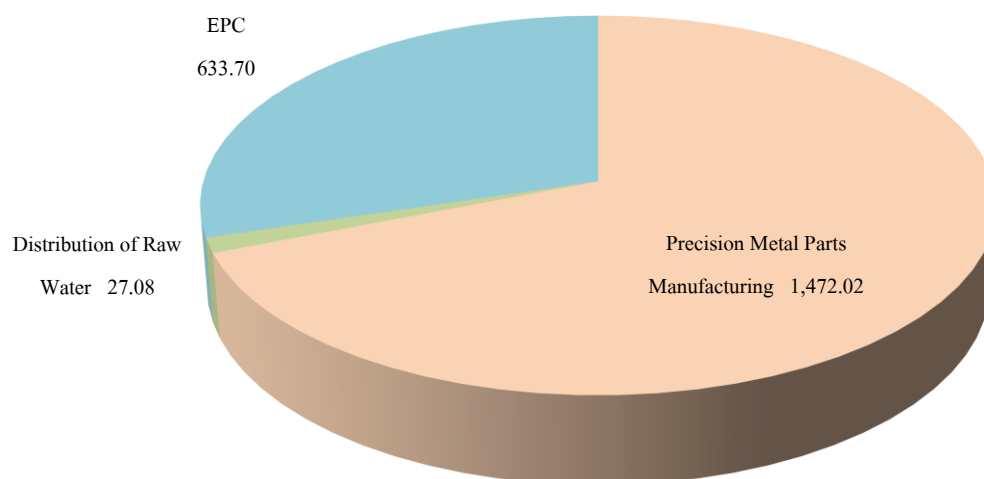
Primary income and costs according to consolidated financial statements is divided into 2 parts as follows:

1. Revenue from sales and services for year 2020 and 2019 were Bt 952.26m and Bt 1,138.15m respectively, a reduction of Bt 185.89m or equivalent to 16.33%. Cost of sales for year 2020 and 2019 were Bt 779.84m and Bt 837.39m respectively, a reduction of Bt 57.55m or equivalent to 6.87%.
2. Revenue from construction for year 2020 and 2019 were Bt 1,180.54 m and Bt 1,650.00m respectively, a reduction of Bt 469.46m or equivalent to 28.45%. Cost of sales for year 2020 and 2019 were Bt 1,064.33m and Bt 1,478.20m respectively, a reduction of Bt 413.87m or equivalent to 28.00%.

Gross profit from operation 2020 and 2019 were Bt 288.63m and Bt 472.56m respectively, a reduction of Bt 183.93m or equivalent to 38.92%. Profit from operation for year 2020 and 2019 were Bt 14.07m and Bt 238.74m respectively, a reduction of Bt 224.67m or equivalent to 94.11%. Earning per share for the year 2020 and 2019 were 0.81 and 14.71 respective.

Analysis on operating performance of consolidated financial statements**Revenues 2020**

(Unit :Million Baht)



In the consolidated financial statements, the main revenue for 2020 decreased from that of 2019 due to:

1. Revenue from Engineering, Procurement, and Construction (EPC) business decreased due to the outbreak of COVID-19, which delay some clients' decisions to move forward with the projects in pipeline; although, the proportion of clients in this category is not high. Nevertheless, the Company had adjusted target revenue recognition to reflect the current situation.
2. Revenue from Precision Metal Parts Manufacturing (AUTO) business decreased due to the outbreak of COVID-19, which caused the economic slowdown and directly impacted the global supply chain
3. Revenue from Distribution of Raw Water (WATER) business decreased due to the outbreak of COVID-19 and draught situation. Nevertheless, the company prepared sufficient water to deliver to meet the contract. The increase in cost was due to higher wages and depreciation.

Separated financial statements: Revenue, cost of sales and gross profit

In 2020, the main revenue of the Company came from investment in other business as follows:

Structure of revenue

Revenue	Separate financial statement					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues for sale (Precision Metal Parts Manufacturing)	990.71	99.73	918.52	98.92	8.92	3.88
Dividend revenue	0	0	0	0	100.00	43.51
Other Revenues	2.70	0.27	10.04	1.08	120.93	52.61
Total Revenues	993.41	100.00	928.56	100.00	229.85	100.00

Cost of sales for year 2020 was Bt 7.44m, equivalent to 83.51% of sales revenue (from Precision Metal Parts business)

Consolidated financial statements: Revenue, cost of sales and gross profit

Revenue consisted of several types of businesses as follows:

	Consolidated financial statement					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Consulting and Construction	1,450.40	58.47	1,870.79	66.56	1,472.02	68.85
2. Manufactures high precision parts and components made from metals						
1.1 Automotive industry	690.22	27.82	586.47	20.87	440.08	20.58
1.2 Air-conditioning compressor and refrigeration industry	167.56	6.76	130.77	4.65	135.34	6.33
1.3 Digital camera industry	84.32	3.40	79.72	2.84	38.36	1.79
1.4 Other industries	48.61	1.96	56.68	2.02	19.92	0.93
Total Manufactures high precision parts and components made from metals	990.71	39.94	853.64	30.37	633.70	29.64
3. Production and sale row water	35.71	1.44	63.72	2.27	27.08	1.26
Total Revenues for sale	2,476.82	99.85	2,788.15	99.20	2,132.80	99.75
Other Revenues	3.67	0.15	22.52	0.80	5.29	0.25
Total Revenues	2,480.49	100	2,810.67	100	2,138.09	100.00

Overall consolidated financial statements for 2020 compared to that of 2019: Revenue decreased Bt 672.58m or equivalent to 23.93% as a result of economic slowdown and impact from COVID-19 outbreak.

1. Construction and consultation business group (EPC)

In the consolidated financial statements, the subsidiary earned, in 2020 and 2019, Bt 1,472.02 million and Bt 1,870.79 million respectively; an decrease of Bt 398.77 million (21.32 percent) year on year. The subsidiary engages in civil engineering and electrical engineering services, designing and providing consultation on project construction and maintenances of every kind of alternative-energy power plants such as solar cell power plants, waste-fuelled power plants, wind-energy power plants at every installed capacity.

The subsidiary received construction projects in the area of power plant with fuel derived from communal waste, solar power plant, electricity substation, and etc. The subsidiary has a full team of engineers and specialists with high potentials to provide services for construction of power plants powered by alternative and renewable energies, which the government has been supporting the private sector and communities to go for alternative and renewable energies to reduce greenhouse effects, a starting point for Thailand to move into a low-carbon society. Consequently, the subsidiary earned additional revenues and contributed to the better performance of the entire Group. Most costs went construction expenses, salary and wages of engineers and specialists.

2. Precision metal parts group

2.1) Revenue from automotive industry in consolidated financial statements decreased from 2019 by Bt 146.39m, or equivalent to 24.96%.

2.2) Revenue from compressor industry in consolidated financial statements increased from 2019 by Bt 4.57m, or equivalent to 3.49%. In 2020, the Company received higher order volume from oversea customers.

2.3) Revenue from camera industry in consolidated financial statements decreased from 2019 by Bt 41.36m, or equivalent to 3.49%.

2.4) Revenue from other industries in consolidated financial statements decreased from 2019 by Bt 36.76m, or equivalent to 64.86%. Other industries include medical, aerospace, and machinery spare parts.

3. Raw water group

Revenue from sales of raw water in consolidated financial statements in 2020 and 2019 were Bt 27.08m and Bt 63.72m respectively, a decrease of Bt 36.64m or equivalent to 57.50. This is in line with the contracts from customers.

Consolidated financial statements: Revenue, cost of sales and gross profit

For EPC business, the ratio of cost of sales to revenue for 2020 and 2019 were 88.20% and 87.89% respectively. Cost of sales includes supervisor engineer cost, construction cost, construction labor cost, consultant hiring fee, and etc. The ratio was at about the same level as last year.

For precision metal parts business, the ratio of cost of sales to revenue for 2020 and 2019 were 24.42% and 23.42% respectively. The ratio was at about the same level as last year.

For raw water business, the ratio of cost of sales to revenue for 2020 and 2019 were 92.04% and 28.97% respectively. The sharp increase was due to lower revenue from economic slowdown as a result of COVID-10 outbreak and drought situation. Nevertheless, the Company prepared enough water to cover the contracts. The cost of raw water increased from labor cost and depreciation.

Sales and administration expenses

(Unit : Million Baht)

	Separate financial statement			Consolidated financial statement		
	2018	2019	2020	2018	2019	2020
Selling expenses	5.33	5.33	-	5.33	5.33	5.20
Administrative expenses	78.06	83.70	26.69	161.90	173.37	221.48
Other Expenses	-	9.01	-	0.12	1.25	13.08
Total	83.39	98.04	26.69	167.35	179.94	239.76

Sales and administration expenses included sales expenses, exchange rate loss, administration expenses and other expenses.

Most administration expenses went to the staff's monthly salary and welfare benefits, bonus, remuneration to directors, professional fees and depreciation.

Separate financial statements: Sales and administration expense for 2020 was Bt 26.69, consisted of salary, benefits and bonuses to employees, directors' remuneration, and professional fees.

Consolidated financial statements: Sales and administration expense for 2020 was Bt 239.76m, as compared to Bt 179.94m in 2019. The increase was due to the rapid expansion of subsidiaries.

Financial cost

The financial cost in separated financial statements for 2020 and 2019 were negligible.

The financial cost in consolidated financial statements for 2020 and 2019 were Bt 18.08m and Bt 8.18m respectively. The increase of Bt 9.90m was due to increase in capital required for expansion in subsidiaries.

2. Analysis of financial status

Assets

The separate financial statements showed totals assets in 2020 and 2019 at Bt 1,575.10 million and Bt 1,744.65 million respectively. In 2020, the total assets featured 25.88% current assets and 74.12% non-current assets, 0.35% of the non-current assets were land, buildings and equipment and 73.01% long-term loans to related parties

The consolidated financial statements showed totals assets in 2020 and 2019 at Bt 3,166.95 million and Bt 3,134.73million respectively. In 2020, the total assets featured 68.67% current assets and 31.33% non-current assets. Some 23.03 % of the non-current assets were land, buildings and equipment.

In all, in The separate financial statements and the consolidated financial statements, additional assets were as follows:

Consisted of	Separate financial statement						Consolidated financial statement					
	2018		2019		2020		2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Trade receivables	165.98	98.88%	147.15	66.47%	-	-	272.35	21.16%	809.74	56.16%	914.43	58.53%
Trade receivables-Related Parties	-	-	69.64	31.46%	-	-	-	-	-	-	-	-
Less allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-
Total trade receivables	165.98	98.88%	216.79	97.93%	-	-	272.35	21.16%	809.74	56.16%	914.43	58.53%
Unbilled construction revenues	-	-	-	-	-	-	830.75	64.56%	494.13	34.27%	341.16	21.84%
Trade receivables – related parties	0.01	0.01%	0.01	0.00%	-	-	-	-	-	-	-	-
Prepaid for contractor	1.13	0.67%	0.80	0.36%	0.10	13.70%	10.92	0.85%	5.24	0.36%	4.49	0.29%
Withholding tax	-	-	3.40	1.54%	0.02	2.74%	4.52	0.35%	22.99	1.59%	14.26	0.91%
Accrued income	-	-	-	-	-	-	0.09	0.01%	5.89	0.41%	57.65	3.69%
Revenue Department receivable	-	-	-	-	0.24	32.88%	11.89	0.92%	32.77	2.27%	16.70	1.07%
Prepaid for contractor	-	-	-	-	-	-	146.05	11.35%	55.19	3.83%	153.31	9.81%
Others	0.74	0.44%	0.38	0.17%	0.37	50.68%	10.29	0.80%	15.95	1.11%	60.36	3.86%
Total	167.86	100%	221.38	100%	0.73	100%	1,286.86	100%	1,441.90	100%	1,562.36	100%

Trade account receivables and other receivables-other businesses for separate financial statement as of the year ended 2020 and 2019 were Bt 0.73 million and Bt 221.38 million respectively, or 0.05% and 12.69% of total asset respectively. In 2020, it decreased from 2019 for Bt 220.65 million.

Trade and other receivables-other third parties for consolidated financial statement as of the year ended 2020 and 2019 were Bt 1,562.36 million and Bt1,441.90 million or 49.33% and 46.00 % of total assets respectively, increasing from 2018 for Bt155.04 million.

Trade receivables in separate financial statements decreased from last year since from 2020 going forward, Asia Precision PLC has operated as a holding company, which invested in other businesses, following the restructuring plan.

The increase in trade receivables in consolidated financial statements was mainly from receivables from consultant and construction of subsidiaries.

Trade receivables at the end of the year are classified by aging as follows:

	<u>Separate financial statement</u>					
	<u>2018</u>		<u>2019</u>		<u>2020</u>	
	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>
Within credit term	124.46	74.98%	170.85	78.81%	-	-
Overdue 1 month to 3 month	41.10	24.76%	41.05	18.94%	-	-
Overdue over 3 month	0.42	0.25%	4.89	2.26%	-	-
Total	165.98	100.00%	216.79	100.00%	-	-
Retention receivables to agreement	-	-	-	-	-	-
Total	165.98	100.00%	216.79	100.00%	-	-
Less Allowance doubtful accounts	-	-	-	-	-	-
Unbilled construction revenues	-	-	-	-	-	-
Net	165.98	100.00%	216.79	100.00%	-	-

	<u>Consolidated financial statement</u>					
	<u>2018</u>		<u>2019</u>		<u>2020</u>	
	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>
Within credit term	160.56	14.56%	215.87	16.56%	135.94	10.83%
Overdue 1 month to 3 month	47.31	4.29%	180.58	13.85%	281.14	22.39%
Overdue over 3 month	0.42	0.04%	190.75	14.63%	249.40	19.86%
Total	208.29	18.88%	587.20	45.04%	666.48	53.08%
Retention receivables to agreement	64.06	5.81%	222.54	17.07%	247.95	19.75%
Total	272.35	24.69%	809.74	62.10%	914.43	72.83%
Less Allowance doubtful accounts	-	-	-	-	-	-
Unbilled construction revenues	830.75	75.31%	494.13	37.90%	341.16	27.17%
Net	1,103.10	100.00%	1,303.87	100.00%	1,255.59	100.00%

The credit term policy for customers according to the consolidated financial statements is between 30 - 60 days, most of which is 30 days. When considering the age of trade receivables at the end of 2020, trade receivables that were 1-3 months overdue, most of which were due to the billing period of the company is different from the payment period of

the customer. As a result, the average collection period of the company exceeds the credit term that the company gives to the customer.

Average collection periods for 2020 and 2019 169 days and 158 days respectively, as per consolidated financial

Trade and other receivable are shown at their invoice value less allowance for doubtful accounts. The Group has provided the allowance for doubtful accounts for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection history, the current financial status of accounts receivable and analysis of debt aging.

Inventories

There was no inventory for 2020 in the separate financial statements.

The inventories in consolidated financial statements for 2020 and 2019 were Bt 74.41m and Bt 79.56m respectively.

Separate financial statement

	<u>2018</u>		<u>2019</u>		<u>2020</u>	
	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>
Finished goods	18.32	22.11%	4.82	103.43%	-	-
Work in process	35.33	42.64%	-	-	-	-
Raw materials	30.19	36.44%	-	-	-	-
Goods in transit	2.37	2.86%	-	-	-	-
Total	86.21	104.06%	4.82	103.43%	-	-
Allowance for diminution in value of inventories:	(3.36)	(4.06%)	(0.16)	(3.43%)	-	-
Net	82.85	100.00%	4.66	100.00%	-	-

Consolidated financial statement

	<u>2018</u>		<u>2019</u>		<u>2020</u>	
	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>	<u>Million Baht</u>	<u>%</u>
Finished goods	25.19	25.60%	36.86	46.33%	23.38	31.42%
Work in process	39.56	40.20%	-	-	26.79	36.00%
Raw materials	35.61	36.19%	42.94	53.97%	27.57	37.05%
Goods in transit	2.37	2.40%	0.82	1.03%	0.84	1.13%
Total	102.73	104.39%	80.62	101.33%	78.58	105.60%
Allowance for diminution in value of inventories:	(4.32)	(4.39%)	(1.06)	(1.33%)	(4.17)	(5.60%)
Net	98.41	100.00%	79.56	100.00%	74.41	100.00%

Most of the inventory or 90 percent were raw materials and materials under production process as APAT produced mainly according to clients' purchase order rather than producing general products and waiting for a purchase order. Most clients would notify APAT of their purchase plan at each period of the year. APAT consequently could efficiently set a production plan accordingly.

Most of the parts and components APAT manufactured were supplied to the automobile, air-compressor and chiller industries, in which technologies were not changing fast by nature. That's why APAT parts and components could be sold continuously, not easily outdated.

The Company has set the allowance for slow moving products mostly occurred in the period that the existing customer products were going to be changed into new models, affecting the remainder of the remaining parts that have not yet been entirely sold. Normally, few quantity has been available since the customers will notify the Company in advance. In addition, most of the Company's inventories were in the forms of raw materials and work in process such as steel and aluminum that the Company could store and apply for use with the works of other parts, affecting the Company's setting of just small allowance for slow moving products when compared with total inventory.

The Company's policy in setting of allowance for diminution in value of inventories of slow moving products has been in the rate of 100% for non-moving over than 1 year finished products, the rate of 10% for non-moving between 6-12 months raw materials, and in the rate of 20-80% between 1-5 years and in the rate of 100% from 5 years and over.

Other current assets

There were no other current assets in both the consolidated and separated financial statements as at end of 2019.

Investment in subsidiaries

Investment in subsidiaries as follows (please see the details of the subsidiaries in Part 1, Item of Business Operation).

Name of company	Paid-up capital	Investment portion (%)			Cost method (Unit : Million Baht)		
		2018	2019	2020	2018	2019	2020
Asia Precision A.T. Co., Ltd	550	100	100	100	150	300	550
A2 Technologies Co., Ltd.	600	100	100	100	500	500	600
Total					650	850	1,150
<u>Less</u> Allowance for impairment investments						-	-
Total					650	850	1,150

In the course of 2020, a subsidiary registered its capital increase. APAT increased its registered capital from Bt250 million to Bt550 million. A2 increased its registered capital from Bt500 million to Bt600 million. The Objectives of capital increase to support business restructuring plan and future expansion.

Property, plant and equipment (PP&E)

PP&E in the separate financial statements for 2020 and 2019 were Bt 5.54m and Bt 5.60m respectively.

PP&E in the consolidated financial statements for 2020 and 2019 were Bt 729.49m and Bt 791.29m respectively.

Depreciation in separate financial statements for 2020 was Bt 0.06m, and depreciation in consolidated financial statements for 2020 was Bt 82.26m respectively.

Right of the raw water distribution contract

In the consolidated financial statements, the raw water sales contract in 2020 and 2019 were Bt 136.91m and Bt142.57m respectively. The contract arose from A2 Technologies, a subsidiary, invested in CK at 98.12% shareholding percentage. CK therefore is a subsidiary of the Company.

To book investment in CK in line with the accounting standards, the Management appointed an independent appraiser to assess a fair price for the assets and liabilities acquired.

The fair value of the property, plant and equipment was based on the appraisal of the independent appraiser, based on the market approach or cost replacement approach, and the net value of the rights in the raw water sales contract according to the independent appraiser's report. The appraisal was based on the revenue approach, with the assumption of minimal quantity of water, specified in the raw water sales contract according to the remaining period of the contract or about 27 years, after deducting the fair value of property, plant and equipment.

The Management calculated the period in which the subsidiary would benefit from the rights in the raw water sales contract starting from the time the subsidiary had supervisory authority to the end of the raw water sales contract or about 350 months.

	(Unit: Million Baht)
Balance as at January 1, 2019	148.24
Increase from investment in subsidiary company	(5.67)
Balance as at December 31, 2019	142.57
Amortized during the year	(5.66)
Balance as at December 31, 2020	136.91

Other non-current assets

In the APCS's financial statements, other non-current assets as of 2020 and 2019 were Bt 11.97 million and Bt16.84 million respectively, most of which were a guarantee for rent and guarantee for other assets in line with normal business operation.

In the consolidated financial statements, other non-current assets as of 2020 and 2019 were Bt84.11 million and Bt71.89 million respectively; the majority was from subsidiaries.

Liabilities

APCS's separate financial statement showed total liabilities as of the end of 2020 and 2019 at Bt5.62 million and Bt311.07 million respectively, In 2020, they were classified into current liabilities for 0.03% and non-current liabilities for 0.33%.

The consolidated financial statements showed total liabilities as of the end of 2020 and 2019 at Bt 1,376.45 million and Bt 1,259.24 million respectively, In 2020, they were classified into current liabilities for 35.24% and non-current liabilities for 8.22%.

Most amount of total liabilities according to separate financial statement and consolidated statement as following;

Bank overdrafts and Short-term loans from financial institution

	Rate interest			Separate			Consolidate		
	(%)			Financial Statement			Financial Statement		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Bank overdrafts	MOR	MOR	-	-	-	-	4.94	4.90	6.83
Promise Note	-	3.40	-	-	-	-	-	46.32	77.28
Trust Receipt and Letter of Credit				-	-	-	-	226.79	61.07
Total				-	-	-	4.94	278.01	145.18

In the separate financial statements for 2020 and 2019, there was no overdraft or loans from financial institutions.

The consolidated financial statements showed as of the end of 2020 and 2019 at Bt145.18 million and Bt278.01 million respectively. Objective loan is necessitated by the business operation for the purpose of working capital and maintaining the company and subsidiaries liquidity.

Trade and other payable - third parties

As follows	Separate Financial Statement						Consolidated Financial Statement					
	2018		2019		2020		2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Trade payable – Relate parties	70.18	36.35%	46.85	22.78%	-	-	767.08	79.68%	526.44	67.87%	482.39	59.92%
Trade payable – Other parties	14.30	7.41%	24.10	11.72%	-	-	-	-	-	-	-	-
Retention payables	-	-	-	-	-	-	61.02	6.34%	127.28	16.41%	122.44	15.21%
Advance Payment	-	-	-	-	-	-	7.12	0.74%	5.85	0.75%	27.27	3.39%
Assets payable-Other parties	0.40	0.21%	-	-	-	-	0.40	0.04%	-	-	-	-
Unearned revenue from construction	-	-	-	-	-	-	13.25	1.38%	-	-	0.04	-
Cash advance received of contract	-	-	-	-	-	-	75.47	7.84%	24.08	3.10%	95.45	11.86%
Other current payable	-	-	-	-	-	-	-	-	0.57	0.07%	-	-
Advance received from goods	-	-	-	-	-	-	-	-	14.66	1.89%	-	-
Other payable – Relate parties	80.00	41.43%	-	-	-	-	-	-	-	-	-	-
Deposit of land – Relate parties	-	-	100.00	48.63%	-	-	-	-	-	-	0.08	0.01%
Other payable – Other parties	3.24	1.68%	2.81	1.37%	0.03	7.32%	4.96	0.52%	5.24	0.68%	6.48	0.80%
Withholding Tax payables	0.61	0.32%	-	-	-	-	0.67	0.07%	-	-	-	-
Revenue department payables	1.96	1.02%	12.96	6.30%	0.08	19.51%	3.96	0.41%	48.59	6.26%	62.69	7.79%
Undue output tax	-	-	-	-	-	-	2.24	0.23%	-	-	-	-
Short-term employee benefits	18.80	9.74%	17.32	8.42%	0.03	7.32%	22.12	2.30%	20.06	2.59%	2.43	0.30%
Accrued expenses	2.78	1.44%	1.58	0.77%	0.27	65.85%	3.57	0.37%	2.92	0.38%	4.91	0.61%
Other	0.81	0.42%	-	-	-	-	0.82	0.08%	-	-	0.91	0.11%
Total	193.08	100%	205.62	100%	0.41	100%	962.68	100%	775.69	100%	805.09	100%

Trade payable – other parties in the separate financial statements in 2020 and 2019 were none and Bt 46.85m respectively.

Trade payable – other parties in the separate financial statements in 2020 and 2019 were Bt 482.39m and Bt 526.44m respectively. The average repayment period is 100 days and 114 days respectively, which were still within the credit term received from the trade creditor.

Short-term borrowings

The consolidated financial statements showed short-term borrowings and accrued interest from related persons of Bt76.78 million and Bt73.99 million as of the end of 2020 and 2019, respectively. (See more details in Part 2, Clause 12, Connected Transaction, and Item 12.2, Characteristics of the Connected Transaction)

Long-term loan from financial institution

Movement for the year

(Unit : Million Baht)

	Separate financial statement			Consolidated financial statement		
	2018	2019	2020	2018	2019	2020
Balance at beginning	-	-	-	85.70	77.60	69.50
<u>Additional</u> Borrow during the year	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	0.02
<u>Less</u> Repayment during the year	-	-	-	(8.10)	(8.10)	(8.10)
Total	-	-	-	77.60	69.50	61.42
<u>Less</u> Current portion of long-term liabilities	-	-	-	-	-	-
Long-term	-	-	-	(8.10)	(8.10)	(13.52)
Total Current portion of long-term loans	-	-	-	(8.10)	(8.10)	(13.52)
Balance at year end	-	-	-	69.50	61.40	47.90

Separate financial statements 2019 – the Company did not have any long term loan.

Long term loan in consolidated financial statements for 2020 and 2019 were Bt 47.90m and Bt 61.40m, a decrease of Bt 13.50m

In the consolidated financial statements, long-term loans in 2020 went up because A2 invested in CK, involved with raw water production and distribution and held 98.12 percent stake in CK, thus CK become one of the group's subsidiaries. CK had borrowed an amount of money from a financial institution to invest in the construction of water pipelines from the reservoirs and a pump house. In 2016, CK asked the financial institution to restructure its debts by paying back the loan to the financial institution for 8 years. The long-term loan in 2016 was then categorized as long-term debts which would be due in one year. Later, in 2020, the financial institution approved the restructuring plan as CK had requested. CK had to pay back the principle from January 2018 to December 2024 at the MLR interest rate and A2 had to guarantee that loan without charging fees from each other. (See further details in Part 2, Section 12, interrelated transactions, 12.2 interrelated transaction features, Section 2) in the consolidated financial statements, long-terms loans which were due in one year dropped.

The debt to equity ratio in the APCS's financial statements as of 2020 and 2019 was 0.00 times and 0.22 times respectively, in the consolidated financial statements in 2020 and 2019, they were 0.77 times and 0.74 times, a just a slight increase.

Deferred tax liabilities

The consolidated financial statements showed Deferred tax liabilities of Bt 34.69 million and Bt 35.87 million as of the end of 2020 and 2019, respectively. (See details in the Note to Financial Statements).

Employee benefit obligation

In 2020 and 2019, employee benefits were Bt 5.21 million and Bt 5.44 million respectively, in the separate financial statements and Bt24.97 million and Bt 24.06 million respectively, in the consolidated financial statements. (See details in the Note to Financial Statements).

Shareholders' equity

The APCS's separate financial statements, the shareholders' equity as of the end of 2020 and 2019 at Bt 1,569.48 million and Bt 1,433.58 million, respectively.

The consolidated financial statements, the shareholders' equity as of the end of 2020 and 2019 at Bt 1,790.50 million and Bt1,875.49 million, respectively.

Legal Reserve

The Company has to allocate at least 5 percent of net profit as legal reserve each year until this legal reserve reaches at least 10 percent of registered capital, following Public Company Limited Act, B.E. 1992. This reserve cannot be used for paying dividends.

รายละเอียดการจ่ายเงินปันผลในปี 2561– 2563 สรุปดังนี้

Opreating for year	Approval by	Total Share (Million share)	Par value (Baht per share)	Dividend Paid (Million Baht)	Dividend Paid per share (per share)	Paid date
2018	Board of Directors Meeting No.4/2019 On November 12, 2019	660	1	66.00	0.10	December 6 ,2019
2019	AGM of 2020 On April 25,2020	660	1	39.60	0.06	May 22, 2020

Liquidity*Cash flows :*

(Unit : Million Baht)	Separate financial statement			Consolidated financial statement		
	2018	2019	2020	2018	2019	2020
Profit from operations before Tax(expense)	149.15	101.83	195.70	257.54	306.96	36.08
Total Adjusted to reconcile profit (loss)	190.13	119.03	(189.40)	(62.91)	(230.48)	77.48
Change of operating assets and liabilities	(4.11)	(30.80)	93.21	(25.36)	(71.93)	(44.93)
Net cash flow provided by (used in) operating activities	335.17	190.06	99.51	169.27	4.55	68.63
Net cash flow provided by (used in) investing activities	(188.30)	(297.45)	(66.69)	(22.71)	(32.81)	(92.73)
Net cash flow provided by (used in) financing activities	(15.00)	34.00	(139.60)	(29.39)	197.45	(43.67)
Effects Of Exchange Rates On Cash And Cash Equivalents	0.01	-	-	-	-	(0.56)
Net Increase(decrease) in cash and cash equivalents	131.88	(73.39)	(106.78)	117.17	169.19	(68.33)
Cash and cash equivalents at beginning of year	142.83	274.71	201.32	319.93	437.10	606.29
Cash and cash equivalents of the subsidiary at the acquisition date	-	-	-	-	-	-
Cash and cash equivalents at ending of period	274.71	201.32	94.54	437.10	606.29	537.96

In the APCS's financial statements, in 2020 APCS had net cash of Bt 99.51 million from its operation as the Company managed

The net cash injected as investment was Bt 66 million as a result of a subsidiary increased their registered capital in 2020. APAT increased its registered capital from 300 million Baht to 550 million Baht. A2 increased its registered capital from 500 million Baht to 600 million Baht.

The net cash from financing activities in 2020 was Bt 139.60 million; in 2020, the Company repaid the promissory note.

Putting into consideration all the three net cash transactions, APCS had cash or cash equivalence as of the end of 2020 at Bt 94.54 million, sufficient for APCS's business operation.

In the consolidated financial statements, the Group had net cash from operations at Bt 68.63 million, a decrease from 2019 due to rapid expansion of subsidiaries in construction business, which required large working capital. Nevertheless, the Group had sufficient liquidity for its business operation.

Net cash used in investing activities was Bt 92.73m; most of the cash was used to buy assets and improve property for use in operations. The company used the cash to maintain machines, tools, appliances, old assets that have deteriorated according to usage, and improve and develop automatic machinery for higher potential and efficiency. In addition, a subsidiary that operates in EPC business invested in assets necessary to operate as it is in the process of expanding business.

The net cash from fund raising was Bt 43.67 million as in subsidiaries paid back an loan with a financial institution and cash paid to pay the director borrowings and cash paid by the lessee to reduce the amount for liability contract financial lease.

Putting into consideration all the three net cash transactions, APCS Group had cash or cash equivalence as of the end of 2020, sufficient for APCS Group business operation.

Current ratios

In the consolidated financial statements, for 2020 and 2019, current ratios were 1.95 times and 1.87 times respectively. Current ratio for both consolidated and separate financial statements were both increased from 2019.

The number of days' sales inventory (days) in the consolidated financial statements in 2020 and 2019 featured 16 days and 15 days, respectively. In all, the consolidated financial statements show a shorter inventory days on hand.

In the consolidated financial statements, for 2020 and 2019, cash cycles were 85 days and 57 days respectively. In all, the consolidated financial statements show a shorter cash cycle.

Return on assets in the consolidated financial statements as of 2020 and 2019, it was 0.45 percent and 7.94 percent respectively. Return on assets declined due to a lower operating performance.

Contingent liabilities and commitments**1. Obligation and credit lines for loans from financial institutions**

	Currency (Unit)	Separate financial statement					
		December 31, 2019			December 31, 2020		
		Credit	Credit	Credit	Credit	Credit	Credit
		lines	Used	remain	lines	Used	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	30.00	-	30.00
Short-term borrowings	Million Baht	30.00	-	30.00	30.00	-	30.00
Letter of guarantee	Million Baht	4.50	4.41	0.09	4.50	-	4.50
Forward contract (USD)	Million USD	0.63	-	0.63	0.63	-	0.63

	Currency (Unit)	Consolidated financial statement					
		December 31, 2019			December 31, 2020		
		Credit	Credit	Credit	Credit	Credit	Credit
		lines	Used	remain	lines	Used	remain
Bank overdrafts	Million Baht	7.00	4.90	2.10	47.00	6.82	40.18
Trust receipts and letters of credit	Million Baht	30.00	-	30.00	190.00	76.92	113.08
Short-term borrowings	Million Baht	30.00	-	30.00	129.25	9.25	120.00
Long-term borrowings	Million Baht	450.00	-	450.00	688.00	-	688.00
Letter of guarantee	Million Baht	13.38	7.93	5.45	19.38	7.04	12.34
Forward contract (USD)	Million USD	0.63	-	0.63	7.92	-	7.92

Collateral for credit facilities from financial institutions

Company The Company and Advance Web Studio Co., Ltd. (a shareholder of the Company, with 22.12% shareholding) jointly guaranteed on a letter of guarantee with an amount of Baht 238.90 million and USD 0.31 million from A2 Technologies Co., Ltd. to issue this letter of guarantee for the construction project. No fee will be charged to A2 Technologies Co., Ltd. Advance Web Studio Co., Ltd., used 36.05 million ordinary shares of Asia Precision Public Company Limited to jointly guarantee this transaction.

The Company and Advance Web Studio Co., Ltd. (a shareholder of the Company, with 22.12% shareholding), and A2 Technologies Co., Ltd., jointly guaranteed on a letter of guarantee with an amount of Baht 27.91 million for A2teeravat joint venture Co., Ltd., to issue this letter of guarantee for the construction project.

No fee will be charged to A2teeravat joint venture Co., Ltd. Advance Web Studio Co., Ltd., used 18.05 million ordinary shares of Asia Precision Public Company Limited to jointly guarantee this transaction.

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

Subsidiaries On December 31, 2020 and 2019, A2 Technologies Co., Ltd., guaranteed on a letter of wages the construction contract for A2teeravat joint venture Co., Ltd., amount of Baht 46.65 million with bank deposit amount of Baht 9.33 million, no fee was charged.

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

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

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

Key conditions regarding drawdown as follows:

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

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.

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, the Company 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.

Cholkij Sakol Co., Ltd.

Guaranteed by land and machinery of a subsidiary.

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

2. Commitment contracts

As at December 31, 2019, the subsidiary company has commitment as follows:

		(Unit : Million Baht)		
	Contractor amount	Consolidated		
		Contract Amount	Payment	Outstanding
Construction agreement	47	853.12	(312.02)	541.10

SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

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

	(Unit: Million Baht)	
	Consolidated	
	December 31, 2019	December 31, 2020
Contract revenues at the beginning of the year	2,970.10	2,506.55
<u>Add</u> Get contractual work during the year	339.98	1,672.42
<u>Less</u> Construction work canceled during the year	(10.44)	(14.73)
<u>Less</u> Construction work can be closed by contract during the year	(793.10)	(2,476.02)
Contract revenues at the ending of year	2,506.54	1,688.22
Value of work completed of contract revenues (work not yet be closed)	(2,262.46)	(966.97)
Contract revenues the remaining – Net	244.08	721.25

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

	(Unit: Million Baht)	
	Consolidated	
	December 31, 2019	December 31, 2020
Revenues from contracts recognized as revenues at the beginning of the year	1,405.55	2,262.46
<u>Add</u> Revenues from contracts recognized as revenues during the year	1,650.00	1,180.54
<u>Less</u> Revenues from contracts work can be closed during the year	(793.10)	(2,476.02)
Revenues from contracts cumulative at the ending of year	<u>2,262.45</u>	<u>966.98</u>
Costs of contracts recognized as cost at the beginning of the year	1,245.05	2,037.43
<u>Add</u> Costs of contracts recognized as cost during the year	1,478.20	1,064.33
<u>Less</u> Costs of contract work can be closed during the year	(685.81)	(2,252.34)
Costs of contract cumulative at the ending of year	<u>2,037.44</u>	<u>849.42</u>
Profit on construction contract recognized as profit at the beginning of the year	160.51	225.03
<u>Add</u> Profit on construction contract recognized as profit during the year	171.80	116.21
Loss on construction contract work can be closed during the year	0.05	-
<u>Less</u> Profit on construction contract work can be closed during the year	(107.33)	(223.68)
Profit on construction contract cumulative at the ending of year	<u>225.03</u>	<u>117.56</u>
Unbilled construction revenues at the beginning of the year	830.75	494.13
Unearned construction revenues at the beginning of the year	(13.25)	-
<u>Add</u> Revenues from contracts recognized as revenues during the year	1,650.00	1,180.54
<u>Less</u> Progress billings during the year	(1,973.37)	(1,333.55)
Unearned construction revenues at the ending of year	-	0.04
Unbilled construction revenues at the ending of year	<u>494.13</u>	<u>341.16</u>
	Consolidated	
	December 31, 2019	December 31, 2020
Revenues from contracts recognized as revenues	1,650.00	1,180.54
Costs of construction contracts incurred and recognized as expenses	(1,478.20)	(1,064.33)
Profit (loss) recognized during the year	<u>171.80</u>	<u>116.21</u>

Key factors and influences that may affect APCS's future operation or financial status**1. Risk from exchange rate fluctuation**

The subsidiary company import construction materials from foreign countries such as solar panels and inverters, etc. The ordered construction materials were quite high in value and together with the uncertainty of the money market, causing foreign currency fluctuation; as a result, the subsidiary is exposed to foreign exchange rate risk. However, the subsidiary company is aware of this exchange rate risk. Therefore, risk control measures are in place by entering into a forward contract at an appropriate time, in order to prevent such risks from occurring.

2. Risks from having no long-term contracts

Most APCS business transactions, generally practiced in the industry, are not made as long-term service contracts, but only short-term contracts of about a year, or no contract at all, just a purchase order, depending on the policy of each customer.

At the termination of a contract or when it is due to change product models, customers will select new manufacturers and suppliers of parts and components. Consequently, APCS has risk of losing customers if it is not selected.

However, normally manufacturers in the automotive, air-conditioning and cold storage compressor and digital camera industries do not easily change their suppliers of parts and components to them. Selecting manufacturers or suppliers of parts and components with quality and standards as they specify, with ability to deliver on time and ability to increase production capacity during the peak demand period will need additional procedures and time. This may affect their production procedures and quality risk. Normally, makers in the automotive industry, air-conditioning and cold storage compressor industry and digital cameras industry will select manufacturers or suppliers of parts and components to them in limited number of 1-3 suppliers for any parts, in which the steps and procedure to obtain manufacturers or suppliers of parts and components to supply them will have to be done in 3 months to 2 years. The said period may vary according to the designs and complexity of parts production in each product line. Hence, if a company is selected as a manufacturer of parts to any maker, the risk of termination of manufacturing contract is low, because the maker usually will not change their parts manufacturer until the end of the model of that product, which is on the average 5-7 years or more depending on the product designs and specifications in each industry.

Subsequently, being a company that manufactures and supplies standardized parts results in customers' confidence in APCS operation and products, with the trend to let APCS continue as the manufacturer and supplier of parts and components to the customers, and even continuously offering new products APCS to quote.

3. Risks from dependency on engineers and personnel

A subsidiary that is involved with construction requires people with expertise and experience in designing, planning, operating as well as construction of projects as planned. They are engineers at the level of assistant managing director, project managers and project engineers or foremen. If A2 loses these engineers and personnel, it will affect the company's ability to win projects and perform well in the future. However, with realization of the risks, A2 has focused on HR management with continuous personnel development through seminars both in and outside the country as well as incentives to be competitive in the market and retain the personnel.

4. Risks from the other contractual party failing to comply with the agreements

The subsidiary faces risks with the clients failing to comply with the agreements, especially payment according to the work progress, thus most likely causing damage to the subsidiary. The subsidiary has come up with such preventive measures as financial analysis of the client before taking a project, finding additional information about that client from other sources or demand advance payment as well as collection according the work progress.

5. Risks from weather conditions

The subsidiary that is involved with distribution of raw water faces risks with weather conditions and world climate change – not raining even in the rainy season and El Nino that makes rain less than it should have been. However, the volume of raw water collected is double the size of the annual sales for the first 3 years. Water will be sufficient for 3 years though some years may be dry. In the 4th year, the volume of water collected will be increased by 60 percent of the reservoir capacity. Additional reservoirs nearby will be located in case of drought for 2 consecutive years.

6. Risks from chemical contamination in water

The subsidiary that is involved with raw water production and distribution faces risks of chemical contamination in the raw water, thus affecting the quality of ground water due to such upstream activities as wastewater release from industrial plants, livestock farming, chemical application in farm activities, etc. The subsidiary has come up with measures to cope with those risks – getting tools to check water quality prepared to check water quality in the stream before releasing to the reservoirs, monitoring community activities and upstream activities that may release wastewater to the stream by coordinating with the people and communities that may cause contamination.

Appendix

2020 Audit Committee's Report

The Audit Committee, appointed by the Board of Directors, features 3 independent Directors, namely, Mr. Narong Varongkriengkrai as Chairman of the Audit Committee and Independent Director, Prof. Udomsil Srisaengnam, MD and Mr. Wichien Cherdchutrakuntong as Audit Directors and Independent Directors. The term of office of the current Audit Committee has been renewed for another 3 years, Board of Directors' Meeting no.4/2019 on November 12, 2019 resolved approval which will complete that period in December 23, 2022.

In the accounting cycle of 2020, the Audit Committee performed its duties under the scope of responsibilities in the charter approved by the Board, attending 4 meetings with the internal auditor and certified public auditor without presence of the executives. Every Audit Director had attended all the four meetings. The Audit Committee had reported its review of the internal control, presented by the internal auditor and financial statements presented by the certified public auditor and presented them with its opinions to the Board of Directors at every quarter. Those can be summarized as follows:

1. Audit quarterly and annual financial statements of 2020, and the Audit Committee had similar opinions with the auditors that said financial reports had revealed complete and correct financial information in accordance with the accounting standards generally recognized.
2. Review of the internal control: The Audit Committee reviewed the internal audit reports, performed according to the annual audit plan, approved, covering significant working systems in APCS and reviewed the adequacy of the internal control in accordance with requirements by the Securities and Exchange Commission.
3. Audit to make sure that APCS observes the laws pertaining to securities and stock exchange and other related laws.
4. Consider operation information disclosure, audit and offer opinions towards interrelated transactions or transactions that may trigger conflict of interest, agreement to make transactions whether it's reasonable and maximizes APCS business operation, transparent, correct and complete data disclosure.
5. Screening a certified public auditor: The Audit Committee screened an auditor for APCS based on the applicant's independency, reliability, experience, track records and qualifications as well as appropriateness of the audit fees, and then made a proposal to the Board of Directors to present to the general assembly for shareholders to appoint an auditor for 2021.

An evaluation in "self-evaluation of the Audit Committee" in 2020 showed that the Audit Committee had fulfilled its duties in accordance with the charter and under the scope of duties and responsibilities, assigned by the Board of Directors. The Audit Committee had worked prudently out of their knowledge, capability and independence without restrictions or conditions from corporate governance to ensure that APCS has an efficient management system in line with good governance principles, transparency, clarity, reliability and providing worthwhile advice on various matters concerned.

The Audit Committee has come to a conclusion that APCS has prepared correct financial statements in line with the accounting principles, generally recognized, has had adequate and efficient internal control and risk management without significant defects; complied with related legal provisions, rules and regulations; correctly disclosed interrelated transactions; complied with the good corporate governance principles in a sufficient, transparent and reliable manner; received no complaints about offenses or irregularities but regularly and continuously improved the quality of working systems in line with the prevailing business environment.



(Mr. Narong Varongkriengkrai)

Chairman of the Audit Committee

February 25, 2021

Board of Directors' Responsibility towards the Financial Statements

The Board of Directors is responsible for the financial statements of Asia Precision Public Co., Ltd. and its subsidiaries and financial information, appeared in the 2020 Annual Report and the Board has to ensure that said information in the financial statements is accurate, complete and meets with accounting standards generally recognized in Thailand, employing appropriate accounting policies and consistently observing them and presents correct and reasonable financial status and operation results with sufficient revelation of significant data in the notes to the financial statements.



(Prof. Udomsil Srisaengnam, MD)

Chairman



(Mr. Apichart Karoonkornsakul)

President

Details on the Head of Internal Auditor (as of December 31, 2020)

Name	Position	Age (Year)	Education	Relationship with the Company	Shares Holding (%)	5 Years' Experience Background		
						Years	Position	Company
Mrs. Duangduan Hirunruk	Manager Internal Audit	43	<ul style="list-style-type: none"> - Bachelor of Accounting (2nd honor), Rangsit University. - Certificate Internal Auditor class 3 (CPIAT) of The Institute of Internal Auditors of Thailand - Certificate Audit Program Development of The Institute of Internal Auditors of Thailand - Certificate Audit Program Report of The Institute of Internal Auditors of Thailand - Certificate Audit Working Paper And Audit Evidence of The Institute of Internal Auditors of Thailand 	-	-	2012 - Present	Manager Internal Audit	Asia Precision PLC (AUTO)

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
FINANCIAL STATEMENT
DECEMBER 31, 2020
AND AUDITOR'S REPORT

Independent Auditor's Report**To the Shareholders of Asia Precision Public Company Limited****Opinion**

I have audited the financial statements of Asia Precision Public Company Limited and its subsidiaries (the Group), which comprise the consolidated and separate statements of financial position and as at December 31, 2020, the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Asia Precision Public Company Limited and its subsidiaries and Asia Precision Public Company Limited as at December 31, 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibility is stated in the paragraph in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

*****/2

Key audit matters	Audit procedures respond risk
<p>Revenue recognition by percentage of work completion, valuation of work, and service cost estimated</p> <p>The Group have service revenue recognition by percentage of completion which estimated by physical check of the Group's engineer, parallel with percentage of actual cost to total estimate cost. I focus on these because cost estimated has to subjective on discretion and work environment factors, economic and raw material and labor market in future. The actual cost might be different from estimating, which effected to revenue recognition as described in note to financial statement no. 34 and significant accounting policy.</p>	<p>I have to understanding and evaluating for percentage of completion, physical check work in progress in term of nearly ending accounting period, check the physical report of engineer, check the evident of estimated cost and actual cost, moreover I considered the percentage of work completion calculated by actual cost and estimated cost compared with the percentage of work completion by physical.</p>

Emphasis of Matter

I draw attention to Note 2.1 to the financial statements. Due to the impact of the COVID – 19 outbreaks, in preparing the financial information for the year ended December 31, 2020, the Company and its subsidiaries has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID – 19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kannika Wipanurat.



(Ms. Kannika Wipanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok

February 25, 2021

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Assets					
Current assets					
Cash and cash equivalents	8	537,956,491.33	606,286,449.77	94,541,629.53	201,317,982.47
Trade and other current receivables	7.1, 9	1,562,361,994.13	1,441,903,055.86	722,475.13	221,380,314.68
Short – term loans	7.1	-	-	312,320,081.97	150,000,000.00
Inventories	10	74,405,155.95	79,560,077.83	-	4,658,626.61
Disposal assets groups classified as held for sale	11	-	-	-	344,858,581.99
Total current assets		2,174,723,641.41	2,127,749,583.46	407,584,186.63	922,215,505.75
Non – current assets					
Investments in subsidiaries	12	-	-	1,149,999,940.00	799,999,940.00
Investment property	13	2,478,196.16	-	-	-
Property, plant and equipment	14	729,489,250.94	791,288,629.48	5,541,363.42	5,598,042.91
Right – of – use assets	15	33,237,668.94	-	-	-
Right under the raw water distribution contract	16	136,911,169.43	142,576,459.17	-	-
Other intangible assets	17	4,085,301.72	1,219,321.85	1.00	1.00
Deferred tax assets	18	1,907,642.24	-	-	-
Other non – current assets	19	84,117,068.63	71,899,528.34	11,972,057.16	16,839,768.02
Total non – current assets		992,226,298.06	1,006,983,938.84	1,167,513,361.58	822,437,751.93
Total assets		3,166,949,939.47	3,134,733,522.30	1,575,097,548.21	1,744,653,257.68

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	20	145,176,024.12	278,015,191.41	-	-
Trade and other current payables	7.1, 21	805,093,742.00	775,694,820.86	412,155.29	205,617,611.34
Current portion of long – term liabilities	22	13,517,663.52	9,253,315.37	-	-
Current portion of lease liabilities	23	62,697,180.25	-	-	-
Short – term borrowings	7.1	76,779,950.07	73,985,115.88	-	100,007,328.77
Corporate income tax payable	18	12,804,222.45	-	-	-
Total current liabilities		1,116,068,782.41	1,136,948,443.52	412,155.29	305,624,940.11
Non – current liabilities					
Long – term borrowings	22	47,901,768.28	62,353,567.27	-	-
Lease liabilities	23	125,039,237.99	-	-	-
Deferred tax liabilities	18	34,687,455.23	35,867,922.60	-	-
Non – current provisions for employee benefit	24	24,970,853.87	24,062,247.92	5,210,916.97	5,441,105.67
Other non – current liabilities		27,777,409.39	5,000.00	-	-
Total non – current liabilities		260,376,724.76	122,288,737.79	5,210,916.97	5,441,105.67
Total liabilities		1,376,445,507.17	1,259,237,181.31	5,623,072.26	311,066,045.78
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	25	66,000,000.00	66,000,000.00	66,000,000.00	66,000,000.00
Unappropriated		588,112,965.38	613,752,270.84	474,290,756.95	338,403,492.90
Other components of shareholders' equity		100,780,115.74	-	-	-
Total shareholders' equity of the parent company		1,784,076,800.12	1,708,935,989.84	1,569,474,475.95	1,433,587,211.90
Non – controlling interests		6,427,632.18	166,560,351.15	-	-
Total shareholders' equity		1,790,504,432.30	1,875,496,340.99	1,569,474,475.95	1,433,587,211.90
Total liabilities and shareholders' equity		3,166,949,939.47	3,134,733,522.30	1,575,097,548.21	1,744,653,257.68

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
Revenues from sales and services	29	952,261,954.47	1,138,150,034.28	8,915,258.38	918,517,508.59
Contract revenues	29, 34	1,180,539,567.57	1,650,001,492.89	-	-
Costs of sales and costs of services	29	(779,841,297.53)	(837,390,003.78)	(7,444,877.49)	(728,678,899.44)
Contract Costs	29, 34	(1,064,330,586.37)	(1,478,197,159.83)	-	-
Gross profit		288,629,638.14	472,564,363.56	1,470,380.89	189,838,609.15
Other income		5,293,105.35	22,519,870.01	220,926,246.34	10,043,040.21
Distribution costs		(5,196,202.60)	(5,326,033.57)	-	(5,326,033.57)
Administrative expenses		(221,477,539.04)	(173,365,722.74)	(26,691,638.87)	(83,704,799.04)
Other expenses		(13,083,651.71)	(1,249,509.19)	-	(9,014,133.82)
Finance costs		(18,082,955.89)	(8,180,571.31)	(1,366.12)	(7,328.77)
Profit (loss) before income tax expense		36,082,394.25	306,962,396.76	195,703,622.24	101,829,354.16
Tax (expense) income	18	(27,249,242.23)	(54,649,107.03)	(19,626,240.30)	(17,968,526.97)
Profit (loss) for the year		8,833,152.02	252,313,289.73	176,077,381.94	83,860,827.19
Other comprehensive income (expense)					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>					
Exchange differences on translating of financial statement in foreign currency		(366,362.36)	-	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains (losses) on remeasurements of defined benefit plans	24	(109,906.63)	(2,657,931.99)	(591,326.17)	-
Other comprehensive income (expense) for the year, net of tax		(476,268.99)	(2,657,931.99)	(591,326.17)	-
Total comprehensive income (expense) for the year		8,356,883.03	249,655,357.74	175,486,055.77	83,860,827.19
Profit (loss) attributable to					
Owners of parent		14,072,259.19	238,743,093.26	176,077,381.94	83,860,827.19
Non – controlling interests		(5,239,107.17)	13,570,196.47	-	-
		8,833,152.02	252,313,289.73	176,077,381.94	83,860,827.19
Total comprehensive income (expense) attributable to					
Owners of parent		13,593,123.90	236,186,242.89	175,486,055.77	83,860,827.19
Non – controlling interests		(5,236,240.87)	13,469,114.85	-	-
		8,356,883.03	249,655,357.74	175,486,055.77	83,860,827.19
Basic earnings (loss) per share	28	0.02	0.36	0.27	0.13

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht											
Consolidated financial statements											
Shareholders' equity of the parent company											

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht								
Separate financial statements								
	Notes	Issued and paid share capital	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity		
				Appropriated for Legal reserve	Unappropriated	Other comprehensive income (expense)	Gains (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity
								Total shareholders' equity
Balance as at January 1, 2019		659,999,862.00	369,183,857.00	54,300,000.00	332,240,651.91	-	-	1,415,724,370.91
Changes in equity for the year 2019 :								
Legal reserve		-	-	11,700,000.00	(11,700,000.00)	-	-	-
Dividend payment	26	-	-	-	(65,997,986.20)	-	-	(65,997,986.20)
Total comprehensive income (expense) for the year		-	-	-	83,860,827.19	-	-	83,860,827.19
Transferred to retained earnings		-	-	-	-	-	-	-
Balance as at December 31, 2019		659,999,862.00	369,183,857.00	66,000,000.00	338,403,492.90	-	-	1,433,587,211.90
Changes in equity for the year 2020 :								
Dividend payment	26	-	-	-	(39,598,791.72)	-	-	(39,598,791.72)
Total comprehensive income (expense) for the year		-	-	-	176,077,381.94	(591,326.17)	(591,326.17)	175,486,055.77
Transferred to retained earnings		-	-	-	(591,326.17)	591,326.17	591,326.17	-
Balance as at December 31, 2020		659,999,862.00	369,183,857.00	66,000,000.00	474,290,756.95	-	-	1,569,474,475.95

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
Notes	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit (loss) before income tax expense	36,082,394.25	306,962,396.76	195,703,622.24	101,829,354.16
Adjustment to reconcile profit (loss) before income tax expense to net cash provided (paid)				
Adjusted financial costs	18,082,955.89	8,180,571.31	1,366.12	7,328.77
Adjusted interest received	(736,988.88)	(1,348,719.42)	(14,259,087.15)	(8,752,885.04)
Adjusted dividends income	-	-	(99,999,994.00)	-
Adjusted trade and other receivables (increase) decrease	(102,637,832.85)	(155,660,440.68)	220,657,839.55	(53,993,841.33)
Adjusted inventories (increase) decrease	2,049,693.96	22,111,663.79	4,818,053.93	81,395,363.19
Adjusted other assets (increase) decrease	(29,769,162.48)	(22,433,466.16)	112,000.00	51,948.00
Adjusted trade and other payable increase (decrease)	39,557,662.61	(159,745,836.16)	(205,205,456.05)	12,529,918.04
Depreciation and amortization	103,763,323.12	100,614,537.22	2,501,043.02	84,373,983.33
Adjusted bad debt	-	53,684.63	-	-
Adjusted loss on value of goods (reversed)	3,105,227.92	(3,256,817.02)	(159,427.32)	(3,202,289.47)
Adjusted other provisions for employee benefits	15,305,151.35	6,524,944.86	571,045.16	4,984,019.83
Adjusted unrealized loss (gain) on foreign exchange	17,818,305.48	(26,767,087.18)	-	479,124.62
Adjusted loss (gain) from assets disposals	1,653,267.33	1,249,509.15	(98,444,575.22)	1,153,549.88
Adjustment by the expenses of business transformation	9,294,660.00	-	-	-
Total adjust from reconciliation of gain (loss)	77,486,263.45	(230,477,455.66)	(189,407,191.96)	119,026,219.82
Net Cash Provided by (Used in) Operating	113,568,657.70	76,484,941.10	6,296,430.28	220,855,573.98
Cash received from dividends	-	-	99,999,994.00	-
Interest expense	(15,094,685.00)	(5,086,083.99)	(8,694.89)	-
Interest received	746,014.29	1,437,111.28	14,239,005.18	8,752,885.04
Income tax refund (pay out)	(16,080,984.13)	(67,381,659.87)	(19,626,240.30)	(26,804,568.46)
Cash paid for transfer to employee benefit plans for subsidiaries	-	-	-	(12,059,099.18)
Cash received (paid) for employee benefit	(14,506,452.03)	(905,000.00)	(1,392,560.03)	(690,000.00)
Net Cash Provided by (Used in) Operating Activities	68,632,550.83	4,549,308.52	99,507,934.24	190,054,791.38
CASH FLOWS FROM INVESTING ACTIVITIES:				
Restricted short – term deposit with financial institution (increase) decrease	(5,238,857.06)	(206,357.95)	-	-
Cash paid for investment in subsidiary	-	-	(350,000,000.00)	(150,000,000.00)
Cash paid for non – controlling interests	(53,750,000.00)	-	-	-
Cash received from sale property, plant and equipment	746,000.00	4,061,842.36	445,614,504.54	3,961,842.36
Cash paid to purchase property, plant and equipment	(21,180,428.28)	(32,812,454.39)	-	(1,406,920.17)
Cash paid to purchase intangible assets	(4,021,608.88)	(1,103,478.32)	-	-
Cash paid to purchase other long – term assets	-	(2,745,810.54)	-	-
Cash received from loans to related parties	-	-	169,000,000.00	100,000,000.00
Cash paid for loans to related parties	-	-	(331,300,000.00)	(250,000,000.00)
Cash paid for expenses of business transformation	(9,294,660.00)	-	-	-
Net Cash Provided by (Used in) Investing Activities	(92,739,554.22)	(32,806,258.84)	(66,685,495.46)	(297,445,077.81)

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES:					
	Bank overdrafts increase (decrease)	(163,791,787.96)	226,750,407.30	-	-
	Cash received from borrowings from the financial institutions	194,767,647.80	98,196,805.59	-	-
	Cash received from borrowings from person and related parties	-	185,400.00	-	200,000,000.00
	Cash paid to pay the person and related parties borrowings	(185,400.00)	(500,000.00)	(100,000,000.00)	(100,000,000.00)
	Cash received from sale and lease back	255,000,000.00	-	-	-
	Cash paid to pay the financial institutions borrowings	(171,968,753.26)	(59,972,760.66)	-	-
	Cash paid for deposit for sale and lease back	(55,000,000.00)	-	-	-
	Cash paid to pay lease liabilities	(62,887,617.31)	(1,220,221.08)	-	-
	Cash paid to dividend	(39,598,791.72)	(65,997,986.20)	(39,598,791.72)	(65,997,986.20)
	Net Cash Provided by (Used in) Financing Activities	(43,664,702.45)	197,441,644.95	(139,598,791.72)	34,002,013.80
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	BEFORE EFFECTS OF EXCHANGE RATES	(67,771,705.84)	169,184,694.6300	(106,776,352.94)	(73,388,272.6300)
	EFFECTS OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(558,252.60)	-	-	-
	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,329,958.44)	169,184,694.63	(106,776,352.94)	(73,388,272.63)
	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	606,286,449.77	437,101,755.14	201,317,982.47	274,706,255.10
	CASH AND CASH EQUIVALENTS END OF YEAR	537,956,491.33	606,286,449.77	94,541,629.53	201,317,982.47

Additional cash flow disclosures:

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

Legal reserve	-	11,700,000.00	-	11,700,000.00
Assets purchased on credit	1,650,000.00	-	-	-
Assets purchased by lease liabilities	200,000,000.00	-	-	-
Right – of – use assets increased by lease liabilities	46,868,921.30	-	-	-
Transfer of land as investment property	2,478,196.16	-	-	-

Disposal assets groups classified as held for sale are as follows:

Property, plant and equipment	-	-	-	344,067,403.76
Other intangible assets	-	-	-	11,956.73
Other non – current assets	-	-	-	779,221.50

Assets to be classified as other non – current assets are as follow:

Property, plant and equipment	11,970,057.16	16,725,768.02	11,970,057.16	16,725,768.02
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ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

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

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

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Coronavirus disease 2019 Pandemic

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarized below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Accounting standard

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

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

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

The Group recognized the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated

The cumulative effect of the change is described in Note 4.2

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

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

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

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

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 3 to the interim financial statements, during the current period, the Company and its subsidiaries have adopted TFRS related to financial instruments and TFRS 16 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS related to financial instruments and TFRS 16 is recognised. Therefore, the comparative information was not restated.

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

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

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

4.1 Financial instruments

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

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

(Unit: Baht)					
Separate					
Carrying amounts under the former basis					
Classification and measurement in accordance with TFRS 9					
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	201,317,982.47	-	-	201,317,982.47	201,317,982.47
Trade and other current receivables	221,380,314.68	-	-	221,380,314.68	221,380,314.68
Short – term loans	150,000,000.00	-	-	150,000,000.00	150,000,000.00
Total financial assets	572,698,297.15	-	-	572,698,297.15	572,698,297.15

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

4.2 Leases

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

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

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

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

5. BASIS FOR PREPARATION OF THE CONSOLIDATION FINANCIAL STATEMENT

5.1 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 (%)	
			December 31, 2020	December 31, 2019
<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
<u>Subsidiary Company Indirect</u> (Held by A2 Technologies Co., Ltd.)				
Cholkij Sakol Co., Ltd.	Production and distribution of raw water.	Thailand	98.12	53.33
APCS Technologies Co., Ltd.	The distribution of materials and spare parts for the construction of various structures. Of the power plant business All types of energy businesses, water businesses, include steam plants, purified water and chemical mixtures. For sale in the petrochemical industry. Or for distribution to the community. And environmental related businesses and engineering design consulting services. Project Construction Services and maintenance services.	Thailand	100.00	100.00
A2teeravat joint venture Co., Ltd. *	Construction project to increase water pumping capability.	Thailand	49.00	49.00
A2 Technologies Vietnam Co., Ltd.	Construction consultation and project construction.	Vietnam	100.00	-

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

- * A2teeravat joint venture Co., Ltd. is an entity fully controlled by the Company, given that the Company controls both directly or indirectly, including financial and operating policies of this entity so as to obtain utmost benefits for A2teeravat joint venture Co., Ltd. (The calculation of proportion investment according to Note 12.3)
- 5.2 Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Significant accounting policies.
- 5.3 Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 5.4 The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 5.5 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 5.6 The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- 5.7 Non – controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- The separate financial statements, prepared for the public use, present investments in subsidiaries under the cost method.
- 5.8 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 (%)	
			December 31, 2020	December 31, 2019
Consortium of A2 Technologies Vietnam Co., Ltd. and A2 Technologies Co., Ltd. (Thailand)	Construction	Vietnam	100.00 *	-

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

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6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Cash and cash equivalents

Comprise of the purchase price, conversion cost and other Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.2 Finished goods and work in process

Finished goods and work in process are valued at the lower of cost calculated by moving average and net realizable value. The costs of purchased inventories cost directly attributed to the acquisition of goods, direct labor, other direct costs and an appropriate share of production overheads based on normal operating capacity.

Raw materials are valued at the lower of cost calculated by moving average and net realizable value and are charged to production costs and cost of services whenever consumed. The costs of purchased inventories comprise of the purchase price, conversion cost and other costs directly attributed to the acquisition of goods.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Allowance for diminution in value of inventories is recorded by considering obsolete inventories and slow – moving inventories.

6.3 Financial instruments

Accounting policies adopted since 1 January 2020

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

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Financial assets at amortized cost

The Company measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

These financial assets include derivatives and equity investments which the Company has not irrevocably elected to classify at FVOCI.

Dividends on equity investments are recognized as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company’s financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

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Impairment of financial assets

The Company recognizes an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 – months (a 12 – month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting by not to take into account forward – looking information when determining expected credit losses, in cases where the Company and its subsidiaries uses a simplified approach to determine expected credit losses.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade and other receivable are shown at their invoice value less allowance for doubtful accounts. The Group has provided the allowance for doubtful accounts for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection history, the current financial status of accounts receivable and analysis of debt aging.

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Investments

Investments in non – marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognized in profit or loss.

6.4 Investments in subsidiary companies

Investments in subsidiary companies in the separate financial statements are recorded under the cost method net by the allowance for impairment (if any) and the recognition of the change in the investment in profit or loss is recorded when the investment is disposed or the impairment of the investment incurred.

Investments in subsidiaries in the consolidated financial statements Recorded as equity method.

6.5 Disposal assets (liabilities) groups classified as held for sale

Disposal assets (liabilities) groups is classified as held for sale if its carrying value will be recovered principally through a sale transaction rather than through continuing use, such asset (liabilities) is available for immediate sale in its present and its sale is highly probable.

Disposal assets (liabilities) groups classified as held for sale is measured at the lower of its carrying value and fair value less costs to sell.

6.6 Investment property

Investment property is measured initially at cost, including directly attributable costs and borrowing costs. Subsequently, they are carried at cost less accumulated depreciation and impairment. Land is not depreciated.

6.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses of assets (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self – constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expense in profit or loss.

Subsequent cost, the cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day – to – day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight – line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	Useful life (years)
Building and building improvements	25 – 30
Machinery and equipment	5 – 10
Utilities systems	5 – 10
Furniture and office equipment	4 – 5
Motor vehicles	4 – 5

No depreciation is provided on land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year – end and adjusted if appropriate.

6.8 Intangible assets

Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is calculated over the cost of the assets less its residual value (if any). Amortization is recognized in profit or loss on a straight – line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Computer Software	5	years
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Amortization methods, useful lives and residual values are reviewed at each financial year – end and adjusted if appropriate.

6.9 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

Accounting policies adopted since 1 January 2020

The Company applied a single recognition and measurement approach for all leases, except for short – term leases and leases of low – value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right – of – use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right – of – use assets

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

Depreciation of right – of – use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	8	years
Vehicle	3	years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to

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terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short – term leases and leases of low – value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low – value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

6.10 Impairment of assets

Impairment of assets, the carrying amounts of the Group's assets are reviewed at each financial reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash – generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

The recoverable amount of assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash – generating unit to which the asset belongs.

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An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6.11 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

6.12 Employee benefits

Short – term employee benefits

The Group recognizes salaries, wages, bonuses and contributions to Social Security Fund as expense when incurred.

Post – employment benefits (Defined contribution plans)

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognized as expenses in profit or loss in the in which they aside.

Post – employment benefits (Defined benefit plans)

The Group has obligations in respect of the severance payments, under labor law and benefits for the long service. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight – line basis over the average until the amended benefits become vested.

Actuarial gains and losses arising from post – employment benefits are recognized immediately in other comprehensive income in the in which they arise and accumulated amounts are recognized as retained earnings in equity.

Other long – term employment benefits

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method, in order to determine present value of the obligation and be recognized as a liability in the statements of financial position. Current service cost, past service cost, net interest on the net defined benefit liability are recognized as expenses in profit or loss. Remeasurements of the net other long – term benefit liability or asset, including actuarial gains and losses are recognized in profit or loss immediately.

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6.13 Provision

Provision is recognized in the statements of financial position when the Group have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre – tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

6.14 Revenue recognized

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates with the following policies:

a) Sale of goods

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

b) Revenues from construction contract

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. Construction revenue is recognized when the company fulfills an obligation to fulfill a contract over the period by assigning control over the construction assets to the customer. Revenues from construction contract will be recognized over time on an input method based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. It is considered a reasonable method to mirror the transfer of the service.

When the outcome of a construction contract cannot be estimated reliably, revenue from construction contract is recognized only to the extent of contract costs incurred that it is probably will be recoverable.

Contract loss

When it is probable that total contract costs will exceed total contract revenue, the Company will recognize the expected loss on a contract in the statement of profit or loss and other comprehensive income.

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Unbilled construction revenues and unearned construction revenues

The Company becomes entitled to invoice customers for construction based on achieving a series of performance – related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third – party assessor and an invoice for the related milestone payment. The Company recognizes unbilled construction revenues as part of trade and other current receivable in the statement of financial position. Such amount will be classified as trade receivables which it is invoiced to the customer. If the milestone payment exceeds the revenue recognized to date under the input cost method, the Company recognizes different amount as unearned construction revenues in the statement of financial position.

Work in progress

Costs that relate to future activity on the contract are recognized as work in progress provided it is probable that they will be recovered.

- c) Service income is recognized when the services are completed and delivered.
- d) Interest and other income are recognized on an accrual basis.

6.15 Expenses recognized

Expenses are recognized in profit or loss on an accrual basis.

6.16 Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly – controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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In determining the amount of current and deferred tax, the Group's takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group's believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6.17 Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented in business segments consist of; investment, Manufacture and sale of metal parts, construction, production and distribution of raw water distribution of materials and spare parts for the construction and construction consultation. Revenue less than 10 percent of total revenue, the consolidated financial statements not present information in segment information.

6.18 Basic earnings per share Diluted earnings per share

Earnings per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares issued during the year.

Dilute earnings per share is calculated by dividing the net profit (loss) for the year by the total of the weighted average number of ordinary shares issued during the year and the weighted average number of ordinary shares to be issue for conversion of all dilutive potential ordinary shares into ordinary shares.

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6.19 Foreign currency transactions

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities or losses are included as incomes or expenses in profit or loss.

6.20 The related parties and related companies

The related parties and related companies with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by Group either directly or indirectly, or under the same control with the Group. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

6.21 Foreign currency forward contracts

Foreign currency forward contracts are meant to prevent risk from volatile movements in exchange rates by establishing a future rate at which a foreign currency asset and liability will be received or paid. Gain or loss from the foreign currency forward contracts will be recorded in the profit or loss when the contracts are settled or terms are expired.

6.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

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At the end of each reporting, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting that are measured at fair value on a recurring basis.

6.23 Significant use of accounting judgments and estimations

In the application of the Company's accounting policies described above, the management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenue and expense during the reporting. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimates are as follows:

6.23.1 Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognizes revenue over time in the following circumstances:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

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In calculating the revenue recognized over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the Group's project managers and certificates of works from its customers.

6.23.2 The Company estimates costs of each construction project based on details of the construction work taking into account the volume and value of construction materials to be used in the project, including labor costs and other miscellaneous costs to be incurred to complete construction service with consideration of trend of changes in construction materials price, labor and other expenses. The Company reviews estimated construction cost on a regularly basis and whenever actual costs significantly differ from estimated cost of each construction contract. In addition, the Company considers contract loss on each project by comparing total construction costs by contract revenue of each project.

6.23.3 Property, plant and equipment/ Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the buildings and equipment including asset decommissioning and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that its recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the asset subject to the review.

6.23.4 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

6.23.5 Deferred tax assets

The Group are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

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6.23.6 Post – employment benefits under defined benefit plans and other long – term employee benefits

The obligation under the defined benefit plan and other long – term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6.23.7 Leases

Determining the lease term with extension and termination options – The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Lease classification – The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

6.23.8 Provisions and contingent liabilities

The Group has contingent liabilities as a result of litigation. The management has used judgment in assessing the outcome of the litigation. And confident that no material losses will be incurred, and no provision for legal liability is recorded in the financial statements.

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7. TRANSACTIONS WITH RELATED PARTIES

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

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

* Ended as a shareholder of the Cholkij Sakol Co., Ltd. on July 20, 2020.

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

		(Unit: Baht)	
		Consolidated	Separate
		December 31, 2020	December 31, 2019
		December 31, 2020	December 31, 2019
Trade and other current receivables			
<u>Asia Precision A.T. Co., Ltd.</u>			
Trade receivables	-	-	69,644,286.09
Other current receivables	-	-	14,320.00
	-	-	69,658,606.09
Short – term loans			
<u>A2 Technologies Co., Ltd.</u>			
Principle			
Beginning balance	-	-	150,000,000.00
Increase	-	-	147,300,000.00
Decrease	-	-	(100,000,000.00)
Ending balance	-	-	297,300,000.00
Accrued interest income			
Beginning balance	-	-	-
Increase	-	-	13,407,042.02
Decrease	-	-	(13,407,042.02)
Ending balance	-	-	-
	-	-	297,300,000.00
<u>Asia Precision A.T. Co., Ltd.</u>			
Principle			
Beginning balance	-	-	-
Increase	-	-	169,000,000.00
Decrease	-	-	(169,000,000.00)
Ending balance	-	-	-

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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(Unit: Baht)

	Consolidated		Separate	
	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019
Accrued interest income				
Beginning balance	-	-	-	-
Increase	-	-	508,019.13	-
Decrease	-	-	(508,019.13)	-
Ending balance	-	-	-	-
<u>APCS Technologies Co., Ltd.</u>				
Principle				
Beginning balance	-	-	-	-
Increase	-	-	15,000,000.00	-
Decrease	-	-	-	-
Ending balance	-	-	15,000,000.00	-
Accrued interest income				
Beginning balance	-	-	-	-
Increase	-	-	20,081.97	-
Decrease	-	-	-	-
Ending balance	-	-	20,081.97	-
	-	-	15,020,081.97	-
Grand total	-	-	312,320,081.97	150,000,000.00

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

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

	(Unit: Baht)			
	Consolidated		Separate	
	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019
Short – term borrowings				
<u>Asia Precision A.T. Co., Ltd.</u> ⁽¹⁾				
Principle				
Beginning balance year	-	-	100,000,000.00	-
Increase during the year	-	-	-	200,000,000.00
Decrease during the year	-	-	(100,000,000.00)	(100,000,000.00)
Ending balance year	-	-	-	100,000,000.00
Accrued interest				
Beginning balance year	-	-	7,328.77	-
Increase during the year	-	-	1,366.12	7,328.77
Decrease during the year	-	-	(8,694.89)	-
Ending balance year	-	-	-	7,328.77
	-	-	-	100,007,328.77

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	(Unit: Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<u>Loan from shareholder in subsidiary</u> ^{(2) *}				
Principle				
Beginning balance year	44,933,076.75	44,933,076.75	-	-
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Ending balance year	44,933,076.75	44,933,076.75	-	-
Accrued interest				
Beginning balance year	24,402,394.24	21,631,256.99	-	-
Increase during the year	2,771,137.27	2,771,137.25	-	-
Decrease during the year	-	-	-	-
Ending balance year	27,173,531.51	24,402,394.24	-	-
	72,106,608.26	69,335,470.99	-	-
<u>Loan from a subsidiary's director</u> ⁽³⁾				
Principle				
Beginning balance year	-	500,000.00	-	-
Increase during the year	-	-	-	-
Decrease during the year	-	(500,000.00)	-	-
Ending balance year	-	-	-	-
<u>Loan from At Peak Co., Ltd.</u> ^{(2) *}				
Principle				
Beginning balance year	3,100,000.00	3,100,000.00	-	-
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Ending balance year	3,100,000.00	3,100,000.00	-	-

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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	(Unit: Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Accrued interest				
Beginning balance year	1,363,518.53	1,154,268.52	-	-
Increase during the year	209,823.28	209,250.01	-	-
Decrease during the year	-	-	-	-
Ending balance year	1,573,341.81	1,363,518.53	-	-
	4,673,341.81	4,463,518.53	-	-
<u>Loan from At Advance Web Studio Co., Ltd.</u> ⁽⁴⁾				
Principle				
Beginning balance year	185,400.00	-	-	-
Increase during the year	-	185,400.00	-	-
Decrease during the year	(185,400.00)	-	-	-
Ending balance year	-	185,400.00	-	-
Accrued interest				
Beginning balance year	726.36	-	-	-
Increase during the year	1,420.89	726.36	-	-
Decrease during the year	(2,147.25)	-	-	-
Ending balance year	-	726.36	-	-
	-	186,126.36	-	-
Grand Total	76,779,950.07	73,985,115.88	-	100,007,328.77

⁽¹⁾ As at December 31, 2020 and 2019, short-term loans in the form of promissory notes Due to pay back on demand.

The interest rate is based on the deposit interest rate of commercial banks.

⁽²⁾ As at December 31, 2020 and 2019, Cholkij Sakol Co., Ltd. has entered into a short-term loan agreement in the form of promissory note. Due to be repaid on demand Interest rate 5.5 – 7.75 percent per year.

⁽³⁾ As at December 31, 2019, short-term borrowings are loans in the form of promissory notes that are due at call and do not charge interest.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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⁽⁴⁾ As at 31 December 2020 and 2019, loan in the form of promissory note Due to be repaid on demand Interest rate 5.50 % per year

* Ended as a shareholder of the Cholkij Sakol Co., Ltd. on July 20, 2020, the Company has a litigation as mentioned in Note 31.

7.2 The significant transactions with related parties for the years ended December 31, 2020 and 2019 are as follows:

Revenues and expenses with related parties.

		(Unit: Thousand Baht)			
		For the years ended December 31			
		Consolidated		Separate	
	Pricing Policy	2020	2019	2020	2019
Revenues from sales assets					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	209,790	65,088
Revenues from sales					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	66	-
Rental Income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	-	24
APCS Technologies Co., Ltd.	Agreement contract	-	-	-	24
Asia Precision Tech Co., Ltd.	Agreement contract	-	-	-	24
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	-	20
		-	-	-	92
Interest Income					
A2 Technologies Co., Ltd.	Agreement contract	-	-	13,407	8,408
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	508	-
APCS Technologies Co., Ltd.	Agreement contract	-	-	20	-
Dividend income					
A2 Technologies Co., Ltd.	-	-	-	99,999	-
Cost of service					
Asia Precision A.T. Co., Ltd.	Same price and trade conditions with outsider, nearby market price	-	-	-	79,926

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		(Unit: Thousand Baht)			
		For the years ended December 31			
		Consolidated		Separate	
	Pricing Policy	2020	2019	2020	2019
Purchase – finish goods					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	2,735	-
Rental Expense					
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	24	-
Interest Expense					
Shareholder in subsidiary *	Agreement contract	2,771	2,771	-	-
At Peak Co., Ltd. *	Agreement contract	209	209	-	-
Asia Precision A.T. Co., Ltd.	Agreement contract	-	-	1	7
		2,980	2,980	1	7

* Ended as a shareholder of the Cholkij Sakol Co., Ltd. on July 20, 2020.

Management remuneration.

		(Unit: Baht)			
		For the years ended December 31			
		Consolidated		Separate	
		2020	2019	2020	2019
Short – term benefits		28,772,387.07	29,095,292.00	9,270,037.00	13,474,292.00
Post – employment benefits		1,086,817.70	1,876,184.94	296,704.44	1,196,203.94
Long – term benefits		1,976.62	1,905.84	1,083.22	1,905.84
Total		29,861,181.39	30,973,382.78	9,567,824.66	14,672,401.78

7.3 Guarantee and others

A2 Technologies Co., Ltd.

On December 31, 2020 and 2019, A2 Technologies Co., Ltd., guaranteed on a letter of wages the construction contract for A2teeravat joint venture Co., Ltd., amount of Baht 46.65 million with bank deposit amount of Baht 9.33 million, no fee was charged.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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The Company and Advance Web Studio Co., Ltd. (a shareholder of the Company, with 22.12% shareholding) jointly guaranteed on a letter of guarantee with an amount of Baht 238.90 million and USD 0.31 million from A2 Technologies Co., Ltd. to issue this letter of guarantee for the construction project. No fee will be charged to A2 Technologies Co., Ltd. Advance Web Studio Co., Ltd., used 36.05 million ordinary shares of Asia Precision Public Company Limited to jointly guarantee this transaction.

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

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

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

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

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

Key conditions regarding drawdown as follows:

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

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.

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

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On September 9, 2020, the Company 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.

Cholkij Sakol Co., Ltd.

Guaranteed by land and machinery of a subsidiary.

The loan under debt restructuring of Cholkij Sakol Co., Ltd. is guaranteed loans in proportion to shareholding by A2 Technologies Co., Ltd. not charged the fee between related (Note 22)

7.4 BUSINESS TRANSFER OF HIGH PRECISION PARTS MANUFACTURING DIVISION TO ASIA PRECISION A.T. COMPANY LIMITED

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

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

The details of transaction are as follows:

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

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

These transactions were completed on December 31, 2019.

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

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

These transactions were completed on January 3, 2020.

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

With the virus infection, the maintenance of electrical system, drainage system ventilation system, and building structure improvement. On March 31, 2020 the structure could not be repaired in time. if the 2019 Corona virus outbreak is improved. Such repairs will also be able to proceed until complete. However, On June 30, 2020 such repairs already completed.

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

8. CASH AND CASH EQUIVALENTS

	(Unit: Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash on hand	240,483.00	294,977.06	19,900.00	27,335.62
Cash at banks – saving accounts	441,224,294.61	386,169,124.08	94,164,395.90	194,105,253.98
Cash at banks– current accounts	53,188,589.60	219,822,348.63	357,333.63	7,185,392.87
Cheque on hand	43,303,124.12	-	-	-
Total	537,956,491.33	606,286,449.77	94,541,629.53	201,317,982.47

Savings have floating rates as set by the bank.

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9. TRADE AND OTHER CURRENT RECEIVABLES

(Unit: Baht)

	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade receivables	914,433,281.79	809,739,011.97	-	147,152,562.64
Trade receivables – related parties (Note 7.1)	-	-	-	69,644,286.09
<u>Less expected credit loss</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trade receivables	914,433,281.79	809,739,011.97	-	216,796,848.73
Unbilled construction revenues (Note 34)	341,157,923.98	494,128,504.93	-	-
Other current receivables				
– Other receivables – related parties (Note 7.1)	-	-	-	14,320.00
– Other receivables	729,833.11	15,391.36	359,520.00	-
– Accrued income	57,655,330.95	5,893,498.20	-	-
– Prepaid expenses	4,487,787.75	5,592,150.58	97,297.71	801,903.66
– Prepaid for contractor	153,306,859.04	55,191,586.75	-	-
– Advances	25,683,911.52	1,595,532.66	-	50,000.00
– Withholding tax	14,256,388.33	22,989,944.40	21,134.76	3,400,761.51
– Revenue Department – Receivable	16,698,788.62	32,767,077.45	243,772.01	-
– Input Tax Suspense	32,732,858.11	13,793,620.37	750.65	276,061.88
– Deposit	722,283.75	-	-	-
– Others	496,747.18	196,737.19	-	40,418.90
	647,928,712.34	632,164,043.89	722,475.13	4,583,465.95
Total trade and other current receivables	1,562,361,994.13	1,441,903,055.86	722,475.13	221,380,314.68

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Outstanding balances of receivable classified by ages are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade receivables				
Not yet due receivables	135,942,706.49	215,869,247.74	-	170,850,004.91
Overdue:				
Over 1 day to 30 days	78,012,265.80	104,946,486.08	-	29,007,582.63
Over 31 days to 90 days	203,120,802.05	75,627,672.27	-	12,046,642.27
Over 91 days to 180 days	140,852,480.96	163,622,373.98	-	4,451,244.98
Over 181 days to 365 days	108,550,693.65	27,130,257.84	-	441,373.94
Over 365 days	-	-	-	-
Total	666,478,948.95	587,196,037.91	-	216,796,848.73
Retention receivables to agreement*	247,954,332.84	222,542,974.06	-	-
Total	914,433,281.79	809,739,011.97	-	216,796,848.73
<u>Less</u> expected credit loss	-	-	-	-
Net	914,433,281.79	809,739,011.97	-	216,796,848.73

*Warranty contractual is not over 1 year.

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

10. INVENTORIES

	(Unit: Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Raw materials and supplies	27,573,483.51	42,941,098.61	-	-
Goods in transit	834,845.17	816,995.57	-	-
Work in process	26,789,295.68	-	-	-
Finished goods	23,374,336.93	36,863,561.07	-	4,818,053.93
Total	78,571,961.29	80,621,655.25	-	4,818,053.93
<u>Less</u> Allowance for decline values	(4,166,805.34)	(1,061,577.42)	-	(159,427.32)
	74,405,155.95	79,560,077.83	-	4,658,626.61

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For the years ended December 31, 2020 and 2019, the movements of allowances for obsolete of inventories are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Beginning balance as at January 1	1,061,577.42	4,318,394.44	159,427.32	3,361,716.79
Increase	5,604,722.03	3,135,653.07	27,023.92	2,935,931.73
Reversal/ Disposal during the year	(2,499,494.11)	(6,392,470.09)	(186,451.24)	(6,138,221.20)
Ending balance as at December 31	4,166,805.34	1,061,577.42	-	159,427.32

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

11. DISPOSAL ASSETS GROUPS CLASSIFIED AS HELD FOR SALE

The Group's management has assessed that it is highly probable that the agreement will be completed (note 7.4). As a result, the Company has reclassified related assets and liabilities of the project as assets and liabilities held – for – sale in the consolidated statement of financial position and measured them at the lower than between carrying amount and fair value less costs of sell. The lower amount is the carrying amount.

Disposal groups classified as held for sale comprised:

	(Unit: Baht)	
	Separate	
	December 31, 2020	December 31, 2019
Property, plant and equipment	-	344,067,403.76
Other intangible assets	-	11,956.73
Other non – current assets	-	779,221.50
Total	-	344,858,581.99

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12. INVESTMENTS IN SUBSIDIARIES

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

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

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12.1 Investments in Asia Precision A.T. Co., Ltd.

2019

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

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

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

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

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

2020

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

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

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

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

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12.2 Investments in A2 Technologies Co., Ltd.

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

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

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

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

In accordance with the resolution of the Board of Directors' Meeting of A2 Technology Co., Ltd. on August 14, 2020 resolved to approve the payment of interim dividends from retained earnings. At the rate of Baht 2 per share, totaling baht 100,000,000 to shareholders. The list of shareholders who are entitled to receive dividends (Record Date) will be on August 14, 2020 and pay dividends on September 8, 2020.

Asia Precision Pub Co., Ltd. has received a dividend of Baht 99,999,994 as of September 8, 2020.

12.2.2 Important investment of A2 Technologies Co., Ltd.

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

1. Approval of Consortium

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

The consortium will end upon completion of the project.

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

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

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

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

12.2.2.3 According to the Board of Directors of Asia Precision Public Company Limited meeting No. 4/2019 on November 12, 2019, the Board of Directors approved of setting up a new subsidiary to support business expansion. The following details:

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

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

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

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

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

12.2.2.4 Resolved to establish consortium between A2 Technologies Vietnam Co., Ltd. (64%) and A2 Technologies Co., Ltd. (36%) receive a project to construct 220kV power station and 29 km transmission line, details as follows:

Counterparty / Client	Project Name	Project Value (VND) (Excluded 10% VAT)	Period
Loc Ninh Electric Power Transmission JSC	Construction of 220kV power station and 29 km transmission line	602,728,714,050.90	July 15, 2020 – January 15, 2021

Total project value amounts to VND 602.729 million, or equivalent to Baht 814.889 million (Exchange rate: 1 VND = 0.001352 THB)

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12.3 Investments in A2teeravat joint venture Co., Ltd.

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

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

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

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

12.4 Non – controlling interest

Details of non – wholly owned subsidiaries which have material non – controlling interests as at December 31, 2020 and 2019, are as follows;

(Unit: Million Baht)								
Company's name	Proportion of equity interest held by		Accumulated balance of		Profit/ loss allocated to		Dividend paid to non –	
	non – controlling interests		non – controlling interests		non – controlling interests		controlling interests	
	2020	2019	2020	2019	during the year		during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
Cholkij Sakol Co., Ltd.	1.88	46.67	6.42	166.56	(5.24)	13.47	-	-
			6.42	166.56				

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The summarized financial information before intragroup eliminations of each non – wholly owned subsidiary which has material non – controlling interests for the years ended December 31, 2020 and 2019, are as follows:

	(Unit: Million Baht)	
	Cholkij Sakol Co., Ltd.	
	2020	2019
Condensed statement of financial position As at December 31,		
Current assets	7.69	19.83
Non – current assets	347.62	350.79
Current liabilities	103.01	95.26
Non – current liabilities	49.15	61.94
Equity attributable to owners of the Company	199.33	113.82
Non – controlling interests	3.82	99.60
Condensed statement of profit or loss and other comprehensive income		
For the years ended December 31,		
Revenues	27.36	63.79
Expenses	(37.78)	(29.99)
Profit (loss) for the year	(10.42)	33.80
Dividends paid to non – controlling interests		
Net cash inflow (outflow) from operating activities	8.98	27.57
Net cash inflow (outflow) from investing activities	(0.99)	(0.32)
Net cash inflow (outflow) from financing activities	(8.07)	(29.30)
Net cash inflow (outflow)	(0.08)	(2.05)

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****12.5 CHANGES IN SUBSIDIARIES' SHAREHOLDING**

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

	Proportion of ownership (%)
Shareholding proportion as at January 1, 2020	53.33
Proportion to buy additional shares	44.79
Total proportion shareholding as at December 31, 2020	98.12

	Unit: Baht
Purchasing date July 20, 2020	
Increased of book value of net assets from A2 Technology Co., Ltd.	154,896,478.10
Additional share capital	(53,750,000.00)
Increase from share capital of the subsidiary	101,146,478.10

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13. INVESTMENT PROPERTY

The movements in these items for the year ended December 31, 2020 are as follows:

	(Unit : Baht)
	Consolidated
	Land
As at December 31, 2020:	
Cost	2,478,196.16
<u>Less</u> accumulated depreciation	-
<u>Less</u> allowance for impairment	-
Net book value	2,478,196.16

Reconciliation of the book value of investment properties for the year 2020 is presented as follows:

	(Unit : Baht)
	2020
Book value at the beginning of the year	-
Depreciation	-
Transferred land to investment property	2,478,196.16
Book value at the ending of the year	2,478,196.16

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

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14. PROPERTY, PLANT AND EQUIPMENT

The condensed movements in these items for the years ended December 31, 2020 and 2019 are as follows:

	(Unit: Baht)							
	Consolidated							
	Land	Building and Improvement	Machinery and Equipment	Furniture and Office Equipment	Motor Vehicles	Land Improvement	Construction in progress	Total
Cost								
Balance as at January 1, 2019	352,774,657.37	141,698,968.23	1,592,833,729.55	18,531,498.98	17,845,163.46	814,380.00	8,277,212.54	2,132,775,610.13
Purchase	-	1,353,798.00	31,757,272.05	2,043,323.99	1,903,194.40	-	3,479,365.16	40,536,953.60
Transfer in (out)	-	-	(30,600.00)	-	-	-	(7,724,499.21)	(7,755,099.21)
Disposal/ Written off	-	(1,737,701.34)	(116,690,026.82)	(5,586,868.31)	(33,644.86)	-	-	(124,048,241.33)
Disposal assets groups classified as others								
non – current assets (Note 19)	-	-	(64,722,837.53)	-	-	-	(3,956,015.47)	(68,678,853.00)
Balance as at December 31, 2019	352,774,657.37	141,315,064.89	1,443,147,537.25	14,987,954.66	19,714,713.00	814,380.00	76,063.02	1,972,830,370.19
Purchase	-	6,359,350.00	8,600,686.32	3,125,711.79	2,854,644.56	-	11,854,921.82	32,795,314.49
Transfer in (out) (Note 13)	(2,478,196.16)	-	1,591,550.00	-	-	-	(11,348,672.05)	(12,235,318.21)
Disposal/ Written off	-	-	(879,200.00)	-	-	-	-	(879,200.00)
Disposal assets groups classified as others								
non – current assets (Note 19)	-	-	-	-	-	-	-	-
Exchange differences on translating of financial statement	-	-	-	(12,522.36)	(4,128.00)	-	-	(16,650.36)
Balance as at December 31, 2020	350,296,461.21	147,674,414.89	1,452,460,573.57	18,101,144.09	22,565,229.56	814,380.00	582,312.79	1,992,494,516.11

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	(Unit: Baht)							
	Consolidated							
	Land	Building and Improvement	Machinery and Equipment	Furniture and Office Equipment	Motor Vehicles	Land Improvement	Construction in progress	Total
Accumulated depreciation								
Balance as at January 1, 2019	-	(61,675,860.95)	(1,170,511,724.38)	(11,214,714.28)	(12,847,969.35)	(207,945.54)	-	(1,256,458,214.50)
Depreciation for the year	-	(4,096,345.79)	(87,749,848.42)	(2,459,385.18)	(1,335,691.82)	(162,875.80)	-	(95,804,147.01)
Transfer (in) out	-	-	30,600.00	-	-	-	-	30,600.00
Disposal/ Written off	-	1,734,367.30	111,437,091.58	5,565,476.94	-	-	-	118,736,935.82
Disposal assets groups classified as others non – current assets (Note 19)	-	-	51,953,084.98	-	-	-	-	51,953,084.98
Balance as at December 31, 2019	-	(64,037,839.44)	(1,094,840,796.24)	(8,108,622.52)	(14,183,661.17)	(370,821.34)	-	(1,181,541,740.71)
Depreciation for the year	-	(4,683,920.22)	(73,009,827.82)	(2,904,544.20)	(1,496,910.31)	(162,875.80)	-	(82,258,078.35)
Transfer (in) out	-	-	-	-	-	-	-	-
Disposal/ Written off	-	-	791,280.00	-	-	-	-	791,280.00
Disposal assets groups classified as others non – current assets (Note 19)	-	-	-	-	-	-	-	-
Exchange differences on translating of financial statement	-	-	-	2,289.86	984.03	-	-	3,273.89
Balance as at December 31, 2020	-	(68,721,759.66)	(1,167,059,344.06)	(11,010,876.86)	(15,679,587.45)	(533,697.14)	-	(1,263,005,265.17)
Net book value as at December 31, 2019	<u>352,774,657.37</u>	<u>77,277,225.45</u>	<u>348,306,741.01</u>	<u>6,879,332.14</u>	<u>5,531,051.83</u>	<u>443,558.66</u>	<u>76,063.02</u>	<u>791,288,629.48</u>
Net book value as at December 31, 2020	<u>350,296,461.21</u>	<u>78,952,655.23</u>	<u>285,401,229.51</u>	<u>7,090,267.23</u>	<u>6,885,642.11</u>	<u>280,682.86</u>	<u>582,312.79</u>	<u>729,489,250.94</u>
Depreciation in statement of profit or loss for the year:								
Ended December 31, 2019								<u>95,804,147.01</u>
Ended December 31, 2020								<u>82,258,078.35</u>

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(Unit: Baht)

	Separate						
	Land	Building and Improvement	Machinery and Equipment	Furniture and Office Equipment	Motor Vehicles	Construction in progress	Total
Cost							
Balance as at January 1, 2019	40,170,032.37	113,112,741.76	1,352,959,519.78	10,346,758.77	13,003,939.16	8,235,592.54	1,537,828,584.38
Purchase	-	1,135,968.00	3,222,294.09	195,440.75	1,132,794.40	3,040,234.94	8,726,732.18
Transfer in (out)	-	-	(30,600.00)	-	-	(7,319,812.01)	(7,350,412.01)
Disposal/ Written off	-	(1,737,701.34)	(114,767,693.31)	(5,582,868.31)	(33,644.86)	-	(122,121,907.82)
Disposal assets groups classified as held for sale (Note 11)	(35,985,805.56)	(110,576,242.48)	(1,176,660,683.03)	(4,250,081.21)	(8,053,088.70)	-	(1,335,525,900.98)
Disposal assets groups classified as others non – current assets (Note 19)	-	-	(64,722,837.53)	-	-	(3,956,015.47)	(68,678,853.00)
Balance as at December 31, 2019	4,184,226.81	1,934,765.94	-	709,250.00	6,050,000.00	-	12,878,242.75
Purchase	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-
Disposal/ Written off	-	-	-	-	-	-	-
Disposal assets groups classified as held for sale (Note 11)	-	-	-	-	-	-	-
Disposal assets groups classified as others non – current assets (Note 19)	-	-	-	-	-	-	-
Balance as at December 31, 2020	4,184,226.81	1,934,765.94	-	709,250.00	6,050,000.00	-	12,878,242.75

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	(Unit: Baht)						
	Separate						
	Land	Building and Improvement	Machinery and Equipment	Furniture and Office Equipment	Motor Vehicles	Construction in progress	Total
Accumulated depreciation							
Balance as at January 1, 2019	-	(58,392,341.76)	(1,004,872,330.29)	(8,457,247.95)	(11,637,149.02)	-	(1,083,359,069.02)
Depreciation for the year	-	(2,973,706.13)	(80,563,564.63)	(581,243.80)	(251,360.04)	-	(84,369,874.60)
Transfer (in) out	-	-	30,600.00	-	-	-	30,600.00
Disposal/ Written off	-	1,734,367.30	109,707,758.03	5,564,436.21	-	-	117,006,561.54
Disposal assets groups classified as held for sale (Note 11)	-	59,110,725.75	923,744,451.91	2,764,809.54	5,838,510.06	-	991,458,497.26
Disposal assets groups classified as others non – current assets (Note 19)	-	-	51,953,084.98	-	-	-	51,953,084.98
Balance as at December 31, 2019	-	(520,954.84)	-	(709,246.00)	(6,049,999.00)	-	(7,280,199.84)
Depreciation for the year	-	(56,679.49)	-	-	-	-	(56,679.49)
Transfer (in) out	-	-	-	-	-	-	-
Disposal/ Written off	-	-	-	-	-	-	-
Disposal assets groups classified as held for sale (Note 11)	-	-	-	-	-	-	-
Disposal assets groups classified as others non – current assets (Note 19)	-	-	-	-	-	-	-
Balance as at December 31, 2020	-	(577,634.33)	-	(709,246.00)	(6,049,999.00)	-	(7,336,879.33)
Net book value as at December 31, 2019	<u>4,184,226.81</u>	<u>1,413,811.10</u>	<u>-</u>	<u>4.00</u>	<u>1.00</u>	<u>-</u>	<u>5,598,042.91</u>
Net book value as at December 31, 2020	<u>4,184,226.81</u>	<u>1,357,131.61</u>	<u>-</u>	<u>4.00</u>	<u>1.00</u>	<u>-</u>	<u>5,541,363.42</u>
Depreciation in statement of profit or loss for the year:							
Ended December 31, 2019							<u>84,369,874.60</u>
Ended December 31, 2020							56,679.49

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The Group had land with structures thereon and machineries at net book value as at December 31, 2020 and 2019, of Baht 274.30 million and Baht 274.30 million, respectively with a commercial bank as guarantee for both short – term and long – term facilities.

As at December 31, 2020 and 2019 certain plant and equipment items have been fully depreciated but are still in use. The historical cost of those assets in the consolidate financial statements are Baht 14.56 million and Baht 62.83 million, respectively and in the separate financial statements are Baht 6.76 million and Baht 505.19 million, respectively.

15. RIGHT – OF – USE ASSETS

The condensed movements in these items for the years ended December 31, 2020 are as follow:

	(Unit: Baht)
	<u>Consolidated</u>
Cost	
Balance as at January 1, 2020	-
Effects of the adoption of TFRS 16, as at January 1, 2020 (Note 4.2)	10,471,299.68
Addition	36,397,621.62
Balance as at December 31, 2020	<u>46,868,921.30</u>
Accumulated depreciation	
Balance as at January 1, 2020	-
Depreciation for the year	(13,631,252.36)
Balance as at December 31, 2020	<u>(13,631,252.36)</u>
Net book value as at December 31, 2020	<u>33,237,668.94</u>
Depreciation in the statements of profit or loss for the year:	
Ended December 31, 2020	<u>13,631,252.36</u>

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	(Unit: Baht)
	Separate
Cost	
Balance as at January 1, 2020	-
Effects of the adoption of TFRS 16, as at January 1, 2020 (Note 4.2)	-
Addition	-
Balance as at December 31, 2020	-
Accumulated depreciation	
Balance as at January 1, 2020	-
Depreciation for the year	-
Balance as at December 31, 2020	-
Net book value as at December 31, 2020	-
Depreciation in the statements of profit or loss for the year:	
Ended December 31, 2020	-

16. RIGHT UNDER THE RAW WATER DISTRIBUTION CONTRACT

As at December 31, 2020 and 2019 are as follow:

	(Unit: Baht)
	Consolidated
Balance as at January 1, 2019	148,241,748.95
Amortized during the year	(5,665,289.78)
Balance as at December 31, 2019	142,576,459.17
Amortized during the year	(5,665,289.74)
Balance as at December 31, 2020	136,911,169.43

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.

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17. OTHER INTANGIBLE ASSETS

The movements for the years ended December 31, 2020 and 2019 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
	Computer program	Computer program
Cost		
Balance as at January 1, 2019	12,251,680.71	11,572,504.45
Increase during the year	1,103,478.32	-
Disposal/ Written off	(5,043,895.54)	(5,043,895.54)
Disposal assets groups classified as held for sale (Note 11)	-	(61,935.93)
Balance as at December 31, 2019	8,311,263.49	6,466,672.98
Increase during the year	4,021,608.88	-
Disposal/ Written off	-	-
Disposal assets groups classified as held for sale (Note 11)	-	-
Balance as at December 31, 2020	12,332,872.37	6,466,672.98
Accumulated amortization		
Balance as at January 1, 2019	(11,810,223.36)	(11,556,391.99)
Amortization charge	(325,567.82)	(4,108.73)
Disposal/ Written off	5,043,849.54	5,043,849.54
Disposal assets groups classified as held for sale (Note 9)	-	49,979.20
Balance as at December 31, 2019	(7,091,941.64)	(6,466,671.98)
Amortization charge	(1,155,629.01)	-
Disposal/ Written off	-	-
Disposal assets groups classified as held for sale (Note 9)	-	-
Balance as at December 31, 2020	(8,247,570.65)	(6,466,671.98)
Net book value as at December 31, 2019	<u>1,219,321.85</u>	<u>1.00</u>
Net book value as at December 31, 2020	<u>4,085,301.72</u>	<u>1.00</u>
The amortization expense in statement of profit or loss for the year:		
Ended December 31, 2019	<u>325,567.82</u>	<u>4,108.73</u>
Ended December 31, 2020	<u>1,155,629.01</u>	<u>-</u>

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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18. DEFERRED TAX

Deferred tax as at December 31, 2020 and 2019 are as follows:

	(Unit: Baht)			
	For the years ended December 31			
	Consolidated		Separate	
	2020	2019	2020	2019
Deferred tax assets	1,907,642.24	-	-	-
Deferred tax liabilities	(34,687,455.23)	(35,867,922.60)	-	-
Deferred tax assets (Liabilities) – net	(32,779,812.99)	(35,867,922.60)	-	-

Movements in deferred tax assets and deferred tax liabilities during the years 2020 and 2019 are as follows:

	(Unit: Baht)				
	Consolidated				
	(Charged) credited to:				
	January 1,	Other			December 31,
	2020	Profit or loss	comprehensive income	Equity	2020
<i>Deferred tax assets:</i>					
Pending expense	-	1,907,642.24	-	-	1,907,642.24
<i>Deferred tax liabilities:</i>					
Additions from asset revaluation at					
the acquisition date	(35,867,922.60)	1,180,467.37	-	-	(34,687,455.23)
Total	(35,867,922.60)	3,088,109.61	-	-	(32,779,812.99)

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	(Unit: Baht)			
	Consolidated			
	(Charged) credited to:			
	Other			
	January 1,	comprehensive		December 31,
	2019	Profit or loss	income	Equity
				2019
<i>Deferred tax liabilities:</i>				
Additions from asset revaluation at				
the acquisition date	(37,048,389.99)	1,180,467.39	-	-
Total	(37,048,389.99)	1,180,467.39	-	-

Income tax recognized in the statement of income

Income tax expenses for the years ended December 31, 2020 and 2019 are as follows:

	(Unit: Baht)			
	For the years ended December 31			
	Consolidated		Separate	
	2020	2019	2020	2019
Current tax:				
Income tax expenses for the year	29,230,311.81	54,649,107.03	19,626,240.30	17,968,526.97
Deferred income tax:				
Expenses (income), deferred income tax				
on temporary differences and reversals				
of temporary differences.	(1,981,069.58)	-	-	-
	27,249,242.23	54,649,107.03	19,626,240.30	17,968,526.97

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Current income tax payable

Movements during the years 2020 and 2019 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Balance as at January 1	-	12,732,552.84	-	8,836,041.49
Tax (expense) income for the years	29,230,311.81	54,649,107.03	19,626,240.30	17,968,526.97
Paying corporate income tax and withholding tax with exercising rights	(16,080,984.13)	(67,381,659.87)	(19,626,240.30)	(26,804,568.46)
Exchange differences on translating of financial statement in foreign currency	(345,105.23)	-	-	-
Balance as at December 31	12,804,222.45	-	-	-

Reconciliation of effective tax rate

	(Unit: Baht)	
	Consolidated	
	For the years ended December 31	
	2020	2019
Profit (loss) before tax	36,082,394.25	306,962,396.76
Tax rate	20%	20%
Current income tax expense as tax rate	7,216,478.85	61,392,479.35
Tax implications for:		
Non – deductible expenses by the revenue code	3,458,669.42	1,541,425.06
Non – taxable income/ Deductible expenses	(20,029,895.60)	(2,867,589.94)
Inter – company transactions	33,686,781.01	1,042,511.56
Benefit from taxable loss	-	(6,843,282.37)
Benefit of Non – taxable for promoted operation	-	-
Net loss in current year, not recognized as deferred tax	2,917,208.55	383,563.37
Total	20,032,763.38	(6,743,372.32)
Income tax expense	27,249,242.23	54,649,107.03

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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	(Unit: Baht)	
	Separate	
	For the years ended December 31	
	2020	2019
Profit (loss) before tax	195,703,622.24	101,829,354.16
Tax rate	20%	20%
Current income tax expense as tax rate	39,140,724.45	20,365,870.83
Tax implications for:		
Non – deductible expenses by the revenue code	485,514.65	379,246.08
Non – taxable income / Deductible expenses	(19,999,998.80)	(2,776,589.94)
Benefit from taxable loss	-	-
Benefit of Non – taxable for promoted operation	-	-
Net loss in current year, not recognized as deferred tax	-	-
Total	(19,514,484.15)	(2,397,343.86)
Income tax expenses reported in the income statement	19,626,240.30	17,968,526.97

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Accumulated loss	11,322,347.36	8,405,131.61	-	-
Employee benefit obligations	4,994,170.77	4,812,449.58	1,042,183.39	1,088,221.13
Deferred tax assets – Net	16,316,518.13	13,217,581.19	1,042,183.39	1,088,221.13

As at December 31, 2020 and 2019, The consolidated financial statement has deductible temporary differences totaling Baht 16.32 million and 13.22 million respectively, (Separate: Baht 1.04 million and 1.09 million respectively). On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and/ or they might not be used to offset taxable income in the future.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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As at December 31, 2020 and 2019, the Group had temporary differences mainly arising from the unutilized tax losses carry forward which have not been recognized as deferred tax assets in the statement of financial position as following:

	(Unit: Baht)			
	For the years ended December 31			
	Consolidated		Separate	
	2020	2019	2020	2019
Loss carry forward	56,611,736.80	42,025,658.06	-	-

19. OTHER NON – CURRENT ASSETS

		(Unit: Baht)			
		Consolidated		Separate	
		December	December	December	December
		31, 2020	31, 2019	31, 2020	31, 2019
Deposits at financial institution with commitment					
Type	Guarantee				
– Saving accounts	Credit line	19,464,450.62	14,304,897.43	-	-
– Fixed deposits	Credit line and letter of guarantee	529,395.27	526,840.36	-	-
	Raw Water Buy and Sell Contract	2,970,784.65	2,940,186.40	-	-
	Fleet Card	662,376.73	616,065.94	-	-
		23,627,007.27	18,387,990.13	-	-
Other non – current assets		20,523,844.03	26,824,378.41	2,000.00	114,000.00
Withholding tax over 1 year		27,996,160.17	9,961,391.78	-	-
Unused machinery and equipment *		11,970,057.16	16,725,768.02	11,970,057.16	16,725,768.02
		84,117,068.63	71,899,528.34	11,972,057.16	16,839,768.02

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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*Unused machinery and equipment

	(Unit: Baht)		
	Machine	Construction in progress	Total
Cost:			
As at December 31, 2019	64,722,837.53	3,956,015.47	68,678,853.00
Dispose	(19,878,554.62)	(1,524,740.00)	(21,403,294.62)
As at December 31, 2020	44,844,282.91	2,431,275.47	47,275,558.38
Accumulated depreciation:			
As at December 31, 2019	(51,953,084.98)	-	(51,953,084.98)
Depreciation for the year	(2,444,363.53)	-	(2,444,363.53)
Dispose	19,091,947.29	-	19,091,947.29
As at December 31, 2020	(35,305,501.22)	-	(35,305,501.22)
Net book value			
As at December 31, 2019	12,769,752.55	3,956,015.47	16,725,768.02
As at December 31, 2020	9,538,781.69	2,431,275.47	11,970,057.16
Depreciation in the statement of comprehensive income:			
Ended 31 December 2019	2,498,384.63	-	2,498,384.63
Ended 31 December 2020	2,444,363.53	-	2,444,363.53

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

	(Unit: Baht)					
	Interest rate (% p.a.)		Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Bank overdrafts	MOR	MOR	6,828,243.09	4,904,223.99	-	-
Promissory note from financial	2.00 – 3.40	3.40	77,276,665.67	46,324,045.00	-	-
Trust receipts and letter of credit	-	-	61,071,115.36	226,786,922.42	-	-
Total			145,176,024.12	278,015,191.41	-	-

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****BANK OVERDRAFTS**

As at December 31, 2020 and 2019, The Company and its subsidiaries have credit line of bank overdrafts from financial institutions of Baht 47 million and Baht 7 million, respectively. (Separate financial statement: Baht 2 million and Baht 2 million respectively)

SHORT – TERM LOANS FROM FINANCIAL INSTITUTION

Short – term loan from financial institution is promissory notes, maturity of 3 months and interest rate at 2.00 – 3.40 per annum.

The condensed movements for the year ended December 31, 2020 are as follows:

	(Unit: Baht)	
	December 31, 2020	December 31, 2019
Principle		
Beginning balance	46,324,045.00	-
Increase during the year	194,767,647.80	98,196,805.59
Decrease during the year	(163,868,753.16)	(51,872,760.59)
Ending balance	77,222,939.64	46,324,045.00
Accrued interest	53,726.03	-
Total	77,276,665.67	46,324,045.00

Bank overdrafts and short-term loans from financial institutions (promissory note) is guarantee by land of the subsidiary.

(Note 14)

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

21. TRADE AND OTHER CURRENT PAYABLES

(Unit: Baht)

	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade payable – Relate parties (Note 7.1)	-	-	-	24,102,233.76
Trade payable – Other parties	482,393,490.46	526,437,367.19	-	46,845,795.27
Retention payables	122,438,338.90	127,283,163.25	-	-
Advance Payment	27,267,395.18	5,854,905.89	-	-
Asset payable – Other parties	-	-	-	-
Unearned revenue from construction (Note 34)	40,543.87	-	-	-
Unearned revenue from services	-	-	-	-
Cash advance received of contract	95,446,812.23	24,080,256.56	-	-
Advance revenue from service contract	-	566,666.70	-	-
Advance received from goods	-	14,659,835.72	-	-
Advance revenue from on land – other	78,504.71	-	-	-
Advance received from consulting fee	600,000.00	-	-	-
Other current payable				
– Other payable – Relate parties (Note 7.1)	-	-	-	-
– Deposit of land – Relate parties (Note 7.1)	-	-	-	100,000,000.00
– Other payable – Other parties	6,476,873.76	5,242,978.20	32,554.15	2,809,917.94
– Revenue department payables	62,689,832.21	48,593,997.86	76,637.60	12,961,694.20
– Accrued expenses	4,910,279.91	2,909,431.87	275,541.54	1,573,993.61
– Short – term employee benefits	2,430,788.27	20,063,135.12	27,422.00	17,323,976.56
– Other	320,882.50	3,082.50	-	-
Total trade and other current payables	805,093,742.00	775,694,820.86	412,155.29	205,617,611.34

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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22. LONG – TERM BORROWINGS

	(Unit: Baht)			
	Consolidated		Separate	
	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019
Long – term borrowings from financial institutions	61,419,431.80	69,501,768.38	-	-
Current portion of long – term liabilities	(13,517,663.52)	(8,100,000.00)	-	-
	47,901,768.28	61,401,768.38	-	-

The condensed movements for the year ended December 31, 2020 are as follows:

	(Unit: Baht)	
	Consolidated	Separate
<u>Principle</u>		
Net book value as at January 1, 2020	69,501,768.38	-
<u>Add</u> Additional loan	-	-
<u>Less</u> Decrease during the year	(8,100,000.10)	-
Net book value as at December 31, 2020	61,401,768.28	-
Accrued interest	17,663.52	-
Total	61,419,431.80	-

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

Long – term borrowing has detail of interest and repayment term which can be summarized as follows:

	Credit limit				
	(Unit: Million Baht)				
Credit limit	December 31, 2020	December 31, 2019	Period	Interest rate	Amount (Per Installments)
1	210	210	September 2017 to December 2024	MLR p.a.	<div>- Shall monthly repay at least 900,000 Baht from January 2018 to July 2020</div> <div>- Shall monthly repay from at least 900,000 Baht November 2018 to December 2020</div> <div>- Shall monthly repay at least 1,500,000 Baht from January 2021 to July 2022</div> <div>- Shall monthly repay from at least 1,500,000 Baht November 2021 to December 2022</div> <div>- Shall monthly repay at least 2,000,000 Baht from January 2023 to July 2024</div> <div>- Shall monthly repay from at least 2,000,000 Baht November 2023 to December 2024 and remaining debts must be repaid within December 2024.</div>

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

1. Mortgage of its land subsidiaries. (Note 14)
2. Pledge of its deposit subsidiaries. (Note 19)
3. Guarantee by the director of the subsidiary.
4. Assign the right of receipt from Eastern Water Resources Development and Management PLC. (EASTW)

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

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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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 at December 31, 2020, the subsidiary is unable to comply with certain conditions of the loan agreement resulting in default.

At present, the subsidiary is in the process of requesting a waiver of conditions stipulated in the loan agreement with a financial institution. The company has notified the lender bank of the cause of the default.

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

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

23. LEASE LIABILITIES

The carrying amount of leases liabilities and movements for the years ended December 31, 2020 and 2019 is as follows:

	(Unit: Baht)	
	Consolidated	
	2020	2019
As at January 1	2,105,114.26	3,211,961.64
Effects of the adoption of TFRS 16 (Note 4.2)	10,471,299.68	-
As at January 1	12,576,413.94	3,211,961.64
<u>Add</u> lease liabilities	316,340,675.22	-
<u>Add</u> Interest	(16,693,053.60)	-
Payment	(124,487,617.32)	(1,106,847.38)
As at December 31	187,736,418.24	2,105,114.26
Less: Current portion	(62,697,180.25)	(1,153,315.37)
Lease liabilities – net of current portion	125,039,237.99	951,798.89

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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The following are the amounts for the year ended December 31, 2020 recognized in profit or loss:

	(Unit: Baht)	
	Consolidated	Separate
Depreciation of right – of – use assets	13,631,252.36	-
Interest expense on lease liabilities	8,421,564.84	-
Expenses related to short – term lease agreements	5,882,585.72	-
Expenses related to leases with low underlying assets	555,600.00	-
Total	28,491,002.92	-

24. EMPLOYEE BENEFITS OBLIGATION

Movements of the present value of employee benefits obligation and employee benefit expenses for the years ended December 31, 2020 and 2019 included in the statement of profit or loss and other comprehensive income are as follows:

	(Unit: Baht)					
	Consolidated					
	For the years ended					
	December 31, 2020			December 31, 2019		
	Severance benefits	Other long – term employees benefits	Total	Severance benefits	Other long – term employees benefits	Total
Beginning balance	21,507,010.12	2,555,237.80	24,062,247.92	12,918,329.08	2,866,041.99	15,784,371.07
Amounts recognized in profit or loss:						
Service cost - Compensation	10,361,486.25	-	10,361,486.25	-	-	-
Current service cost	3,389,863.88	735,475.38	4,125,339.26	2,038,288.00	516,939.91	2,555,227.91
Interest cost	744,720.09	73,605.75	818,325.84	615,204.00	77,255.90	692,459.90
Measurements of the other						
long – term benefit	-	-	-	-	-	-
Changing post – employment benefit plans	-	-	-	3,277,257.05	-	3,277,257.05
Recognized in other comprehensive income:						
(Gain) loss from actuarial assumptions	109,906.63	-	109,906.63	2,657,931.99	-	2,657,931.99
Benefits paid during the years	(13,526,452.03)	(980,000.00)	(14,506,452.03)	-	(905,000.00)	(905,000.00)
Ending balance	22,586,534.94	2,384,318.93	24,970,853.87	21,507,010.12	2,555,237.80	24,062,247.92

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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(Unit: Baht)

	Separate					
	For the years ended					
	December 31, 2020			December 31, 2019		
	Severance benefits	Other long – term employees benefits	Total	Severance benefits	Other long – term employees benefits	Total
Beginning balance	5,363,273.36	77,832.31	5,441,105.67	10,864,236.02	2,341,948.99	13,206,185.01
Amounts recognized in profit or loss:						
Current service cost	335,070.00	41,272.45	376,342.45	1,038,049.00	427,644.91	1,465,693.91
Interest cost	192,604.50	2,098.21	194,702.71	502,101.00	63,464.90	565,565.90
Measurements of the other						
long – term benefit	-	-	-	-	-	-
Change post – employment						
benefit plans	-	-	-	2,952,760.03	-	2,952,760.03
Recognized in other comprehensive income:						
(Gain) loss from actuarial						
assumptions	591,326.17	-	591,326.17	-	-	-
Employee benefits obligation						
transferred to Asia Precision						
A.T. Co., Ltd.	-	-	-	(9,993,872.69)	(2,065,226.49)	(12,059,099.18)
Benefits paid during the years	(1,347,560.03)	(45,000.00)	(1,392,560.03)	-	(690,000.00)	(690,000.00)
Ending balance	5,134,714.00	76,202.97	5,210,916.97	5,363,273.36	77,832.31	5,441,105.67

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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Long – term employee benefit expenses included in the statement of profit or loss and other comprehensive income are as follows:

	(Unit: Baht)	
	Consolidated	
	For the years ended	
	December 31, 2020	December 31, 2019
Recognized in profit or loss:		
Costs of sales	897,307.50	1,797,147.98
Selling expenses	92,066.66	214,659.47
Administrative expenses	3,542,192.91	3,315,027.63
Executive compensation	412,098.03	1,198,109.78
Total	4,943,665.10	6,524,944.86
Recognized in other comprehensive income:		
Actuarial (profit) loss arising from defined benefit plan	(109,906.63)	2,657,931.99

	(Unit: Baht)	
	Separate	
	For the years ended	
	December 31, 2020	December 31, 2019
Recognized in profit or loss:		
Costs of sales	-	1,492,799.54
Selling expenses	-	214,659.47
Administrative expenses	271,046.70	2,078,451.05
Executive compensation	299,998.46	1,198,109.78
Total	571,045.16	4,984,019.84
Recognized in other comprehensive income:		
Actuarial (profit) loss arising from defined benefit plan	591,326.17	-

On April 5, 2019, The labor Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019 that the change is considered a project amendment for the post – employment benefits plan. The Company will record the effect of change by recognizing the past service cost immediately in the income statement in the period which the law is effective consolidated amount of Baht 3.31 million, and Separate amount of Baht 2.95 million).

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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Principal actuarial assumptions at the valuation date are as follows:

	Consolidated	
	December 31, 2020	December 31, 2019
Discount rate (% per annum)	1.49 - 2.45	1.84 – 3.56
Average salary increase rate (% per annum)	3.41 - 7.79	2.05 – 8.66
Turnover Rate	Age band	Age band
Retirement age	60 years old	60 years old

	Separate	
	December 31, 2020	December 31, 2019
Discount rate (% per annum)	1.28	3.15 – 3.38
Average salary increase rate (% per annum)	5.07	2.05 – 4.20
Turnover Rate	Age band	Age band
Retirement age	60 years old	60 years old

The result of sensitivity analysis for significant assumptions that affect the present value of the long – term employee benefit obligations as at December 31, 2020 are summarized below:

	(Unit: Baht)			
	Change of the present value of the employee benefit obligations increase (decrease)			
	Consolidated		Separate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1,226,055.00)	1,333,080.00	(130,457.00)	136,084.00
Salary increase rate	1,296,176.00	(1,204,951.00)	158,582.00	(153,139.00)
Turnover rate	(1,585,865.00)	1,728,400.00	(182,559.00)	189,496.00

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2020, the maturity analyses of undiscounted cash flows of benefit payments are as follows :

	(Unit: Baht)	
	Consolidated	Separate
Within 1 year	1,050,121.00	17,476.00
Over 1 and up to 5 years	9,880,740.00	2,863,462.00
Over 5 years	28,907,859.00	4,227,126.00

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25. LEGAL RESERVE

Under the provisions of the Public Company Limited Act B.E. 2535, the Company is required to set aside as legal reserve at least 5% of its net income at each dividend declaration until the reserve reaches an amount not less than 10% of the authorized common share capital. The legal reserve is not available for dividend distribution.

26. DIVIDEND

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

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

27. 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.

28. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing earnings (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid – up ordinary shares during the year.

	For the years ended December 31			
	Consolidated		Separate	
	2020	2019	2020	2019
Profit (loss) of parent Company for the years (Unit: Baht)	14,072,259.19	238,743,093.26	176,077,381.94	83,860,827.19
The number of ordinary shares by the weighted average method (Unit: Shares)	659,999,862	659,999,862	659,999,862	659,999,862
Basic earnings (loss) per share (Baht/ share)	0.02	0.36	0.27	0.13

29. SEGMENT INFORMATION

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

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

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Details of information classified by operating segments of the Company and its subsidiaries. For the year ended December 31, 2020 and 2019 are as follows:

(Unit: Million Baht)

	Consolidated									
	For the years ended December 31									
	High Precision Part and Components		Engineering and Construction (EPC)		Sales of building materials and administration		Water resource management		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales and services	633.70	853.64	1,180.54	1,870.79	291.48	-	27.08	63.72	2,132.80	2,788.15
Costs of sales/ Cost of services	(520.93)	(652.88)	(1,064.33)	(1,644.25)	(234.18)	-	(24.73)	(18.46)	(1,844.17)	(2,315.59)
Gross profit (loss)	112.77	200.76	116.21	226.54	57.30	-	2.35	45.26	288.63	472.56
Unallocated income and expenses:										
Other income									5.37	22.52
Distribution costs									(5.20)	(5.33)
Administrative expense									(221.48)	(173.37)
Other expenses									(13.11)	(1.24)
Finance costs									(18.13)	(8.18)
Profit (loss) before income tax expense									36.08	306.96
Tax (expense) income									(27.25)	(54.65)
Profit (loss) for the year									8.83	252.31

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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(Unit: Million Baht)

Consolidated				
For the years ended December 31				
High Precision Part and Components	Engineering and Construction (EPC)	Sales of building materials and administration	Water resource management	Total
Other comprehensive income (expense)				
Exchange differences on translating of financial statement in foreign currency			(0.37)	-
Gains (losses) on remeasurements of defined benefit plans			(0.11)	(2.66)
Total comprehensive income (expense) for the year			8.35	249.65

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The reconciliations of each segment total assets to the Group's assets and other material items as at December 31, 2020 and 2019 were as follow:

(Unit: Million Baht)

	Consolidated									
	For the years ended December 31									
	High Precision Part		Engineering and		Sales of building		Water resource		Total	
	and Components		Construction		materials and		management			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Investment property	-	-	-	-	-	-	2.48	-	2.48	-
Property, plant and equipment	314.92	383.24	79.04	29.23	-	-	335.53	378.82	729.49	791.29
Right – of – use assets	9.68	-	22.65	-	-	-	0.91	-	33.24	-
Right under the raw water distribution contract	-	-	-	-	-	-	136.91	142.58	136.91	142.58
Intangible assets	3.21	0.10	0.87	1.11	-	-	-	0.01	4.08	1.22
Deferred tax assets	-	-	1.91	-	-	-	-	-	1.91	-
Other non – current assets	13.20	23.40	62.22	39.98	-	-	8.70	8.51	84.12	71.89
Total non – current assets	341.01	406.74	166.69	70.32	-	-	484.53	529.92	992.23	1,006.98

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****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.

Major customerSeparate financial statement

For the year ended December 31, 2020. The Company has 3 major customers from domestic sales and the revenue is from products for the camera industry and air condition industry in amounts of Baht 1.29 million.

For the year ended December 31, 2019, The Company has 1 major customer from domestic sales and revenue from products for the automotive industry amounting to Baht 93.66 million.

Subsidiary

The Subsidiary major customers for the years ended December 31, 2020 1 major customers, were construction contractors – foreign amounting to Baht 481.12 million.

The Subsidiary major customers for the years ended December 31, 2019, 2 persons, were domestic sales and revenue from power plant construction and consulting fees amounting to Baht 1,374.91 million.

Geographical segments information

Revenue of the Group's Geographical segments information for the years ended December 31, 2020 and 2019 were as follows:

(Unit: Million Baht)					
Consolidated					
For the years ended December 31					
	Thailand		Overseas		Total
	2020	2019	2020	2019	
Revenue from sales and service	737.31	995.21	214.95	142.94	952.26
Contract revenues	699.42	1,650.00	481.12	-	1,180.54
	1,436.73	2,645.21	696.07	142.94	2,132.80
					2,788.15

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

30. EXPENSES BY NATURE

Significant expenses by nature of expense for years ended December 31, 2020 and 2019 are as follow:

	(Unit: Baht)			
	For the years ended December 31,			
	Consolidated		Separate	
	2020	2019	2020	2019
Change in finished goods and work in process	(13,317,921.14)	29,442,623.24	4,818,053.93	51,207,988.72
Raw material and consumables used	240,020,695.99	308,911,767.48	-	297,404,088.14
Cost of construction	1,064,330,586.37	1,478,197,159.83	-	-
Salary, wages and other employee benefits	270,214,771.24	304,460,951.27	16,405,196.75	218,727,511.71
Depreciation	98,285,928.72	95,804,147.01	2,501,043.02	84,369,874.60
Amortization – intangible assets	1,155,629.01	325,567.82	-	4,108.73

31. LAWSUIT

The Company 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 7.1) 25,924,248.32 Baht, total 70,857,325.07 Baht.

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

On November 10, 2020, the Company requested an extension of the principal repayment period. The Company requesting a postponement of payment by March 16, 2021, with a condition requiring the Company 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 the company in the amount of baht 25,924,248.32. However, the Company 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.

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

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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On December 18, 2020, the lender filed a lawsuit with the Civil Court for the Company 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 epidemic, the civil court ordered to postpone appointment to June 22, 2021 and the Company defended the case that the debt was not yet due. Therefore has no right to sue, demand payment, ask the court to dismiss this case.

The Company has recorded the accounts payable of promissory notes and accrued interest payable amount of baht 72,106,608.26, which the management of the company believes that the said amount is sufficient for the current situation.

32. DISCLOSURE OF IMPORTANT INFORMATION ABOUT THE CONTRACT

Raw Water Contract No. 1

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

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

Special Reciprocal Lease Agreement

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

Raw Water Contract No. 2

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

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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33. LIABILITIES AND COMMITMENTS

33.1 Obligation and credit lines for borrowing from financial institutions

		Consolidated					
		December 31, 2020			December 31, 2019		
	Currency	Credit	Credit	Credit	Credit	Credit	Credit
	(Unit)	lines	Used	remain	lines	Used	remain
Bank overdrafts	Million Baht	47.00	6.82	40.18	7.00	4.90	2.10
Trust receipts and letters of credit */ **	Million Baht	190.00	76.92	113.08	30.00	-	30.00
Short – term borrowings	Million Baht	129.25	9.25	120.00	30.00	-	30.00
Long – term borrowings	Million Baht	688.00	-	688.00	450.00	94.96	355.04
Letter of guarantee **	Million Baht	19.38	7.04	12.34	13.38	7.93	5.45
Forward contract (USD)	Million USD	7.92	-	7.92	0.63	-	0.63

		Separate					
		December 31, 2020			December 31, 2019		
	Currency	Credit	Credit	Credit	Credit	Credit	Credit
	(Unit)	lines	Used	remain	lines	Used	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	30.00	-	30.00
Short – term borrowings	Million Baht	30.00	-	30.00	30.00	-	30.00
Letter of guarantee	Million Baht	4.50	-	4.50	4.50	4.41	0.09
Forward contract (USD)	Million USD	0.63	-	0.63	0.63	-	0.63

* Credit lines together with the parent company.

Guaranteed of long – term loans from the financial institution.

A2 Technologies Co., Ltd.

On December 31, 2020 and 2019, A2 Technologies Co., Ltd., guaranteed on a letter of wages the construction contract for A2teeravat joint venture Co., Ltd., amount of bath 46.65 million with bank deposit amount of bath 9.33 million , no fee was charged.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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The Company and Advance Web Studio Co., Ltd. (a shareholder of the Company at the rate of 22.12%) jointly guaranteed a letter of guarantee of Baht 238.90 million and USD 0.31 million to A2 Technologies Co., Ltd. to issue a letter of guarantee for the construction without inter – charges and Advance Web Studio Co., Ltd., pledge of 36.05 million ordinary shares of Asia Precision Public Company Limited as collateral.

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

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

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

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

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

Key conditions regarding drawdown as follows:

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

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, the Company 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.

Cholkij Sakol Co., Ltd.

Guaranteed by land and machinery of a subsidiary.

The loan under debt restructuring of Cholkij Sakol Co., Ltd. is guaranteed loans in proportion to shareholding by A2 Technologies Co., Ltd., not charged the fee between related (Note 22).

33.2 Contractor agreement commitments

As at December 31, 2020, the subsidiary company has commitment as follows:

		(Unit: Baht)		
	Contractor amount (Contract)	Consolidated		
		Contract Amount	Payment	Outstanding
Construction agreement	47	853,117,753.23	312,018,873.61	541,098,879.62

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34. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS

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

	(Unit: Baht)	
	Consolidated	
	December 31, 2020	December 31, 2019
Contract revenues at the beginning of the year	2,506,548,812.34	2,970,104,289.91
<u>Add</u> Get contractual work during the year	1,672,416,672.07	339,981,097.60
<u>Less</u> Construction work canceled during the year	(14,731,097.17)	(10,440,884.78)
<u>Less</u> Construction work can be closed by contract during the year	(2,476,024,700.60)	(793,095,690.39)
Contract revenues at the ending of year	1,688,209,686.64	2,506,548,812.34
Value of work completed of contract revenues (work not yet be closed)	(966,972,102.02)	(2,262,457,235.05)
Contract revenues the remaining – Net	721,237,584.62	244,091,577.29

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

	(Unit: Baht)	
	Consolidated	
	December 31, 2020	December 31, 2019
Revenues from contracts recognized as revenues at the beginning of the year	2,262,457,235.05	1,405,551,432.55
<u>Add</u> Revenues from contracts recognized as revenues during the year	1,180,539,567.57	1,650,001,492.89
<u>Less</u> Revenues from contracts work can be closed during the year	(2,476,024,700.60)	(793,095,690.39)
Revenues from contracts cumulative at the ending of year	966,972,102.02	2,262,457,235.05
Costs of contracts recognized as cost at the beginning of the year	2,037,429,562.27	1,245,045,083.15
<u>Add</u> Costs of contracts recognized as cost during the year	1,064,330,586.37	1,478,197,159.83
<u>Less</u> Costs of contract work can be closed during the year	(2,252,342,713.73)	(685,812,680.71)
Costs of contract cumulative at the ending of year	849,417,434.91	2,037,429,562.27
Profit on construction contract recognized as profit at the beginning of the year	225,027,672.78	160,506,349.40
<u>Add</u> Profit on construction contract recognized as profit during the year	116,208,981.20	171,804,333.06
Loss on construction contract work can be closed during the year	-	48,504.67
<u>Less</u> Profit on construction contract work can be closed during the year	(223,681,986.87)	(107,331,514.35)
Profit on construction contract cumulative at the ending of year	117,554,667.11	225,027,672.78

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	(Unit: Baht)	
	Consolidated	
	December 31, 2020	December 31, 2019
Unbilled construction revenues at the beginning of the year	494,128,504.93	830,749,471.88
Unearned construction revenues at the beginning of the year	-	(13,247,655.83)
<u>Add</u> Revenues from contracts recognized as revenues during the year	1,180,539,567.57	1,650,001,492.89
<u>Less</u> Progress billings during the year	(1,333,550,692.39)	(1,973,374,804.01)
Unearned construction revenues at the ending of year (Note 21)	40,543.87	-
Unbilled construction revenues at the ending of year (Note 9)	341,157,923.98	494,128,504.93

	(Unit: Baht)	
	Consolidated	
	For the years ended December 31	
	2020	2019
Revenues from contracts recognized as revenues	1,180,539,567.57	1,650,001,492.89
Costs of construction contracts incurred and recognized as expenses	(1,064,330,586.37)	(1,478,197,159.83)
Profit (loss) recognized during the year	116,208,981.20	171,804,333.06

35. FINANCIAL INSTRUMENT

Policy on financial risk management

The Group is exposed to normal risk regarding to the change of market interest rate and currency exchange rate and non – performance of contractual obligations by counter parties. The Group will consider to use appropriate financial instruments when it considers necessary to manage such risks. However, the Group has no policy to use financial instruments for speculating or for trading.

Risk on credit provision

The Group is exposed to credit risk primarily with respect to trade accounts receivable. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, The Group does not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable and notes receivable as stated in the statement of financial position.

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Risk on interest rate

Interest rate risk is occurred from changes in market interest rates which will affect the results of the Group operations and its cash flows. The Group exposure to interest rate risk relates to their cash at banks and loans. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal, Details are as follows:

					(Unit: Baht)
Consolidated					
For the year ended December 31, 2020					
Fixed interest rate					
	Within 1 year	More than 1 year to 5 years	Floating interest bearing	Non – interest bearing	Total
Financial assets:					
Cash and cash equivalents	-	-	441,224,294.61	96,732,196.72	537,956,491.33
Trade and other current receivables	-	-	-	1,562,361,994.13	1,562,361,994.13
Other non – current assets	-	-	22,964,630.54	61,152,438.09	84,117,068.63
Total	-	-	464,188,925.15	1,720,246,628.94	2,184,435,554.09
Financial liabilities:					
Bank overdrafts and Short – term loans from financial institution	77,276,665.67	-	6,828,243.09	61,071,115.36	145,176,024.12
Trade and other current payable	-	-	-	805,093,742.00	805,093,742.00
Current portion of long – term liabilities	-	-	13,517,663.52	-	13,517,663.52
Current portion of lease liabilities	-	-	62,697,180.25	-	62,697,180.25
Short – term borrowings	-	-	48,033,076.75	28,746,873.32	76,779,950.07
Long – term borrowings	-	-	47,901,768.28	-	47,901,768.28
Lease liabilities	-	-	125,039,237.99	-	125,039,237.99
Total	77,276,665.67	-	304,017,169.88	894,911,730.68	1,276,205,566.23

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(Unit: Baht)

	Consolidated				
	For the year ended December 31, 2019				
	Fixed interest rate				
	Within 1 year	More than 1 year to 5 years	Floating interest bearing	Non – interest bearing	Total
Financial assets:					
Cash and cash equivalents	-	-	386,169,124.08	220,117,325.69	606,286,449.77
Trade and other current receivables	-	-	-	1,441,903,055.86	1,441,903,055.86
Other non – current assets	4,083,092.70	-	14,304,897.43	53,511,538.21	71,899,528.34
Total	4,083,092.70	-	400,474,021.51	1,715,531,919.76	2,120,089,033.97
Financial liabilities:					
Bank overdrafts and Short – term loans from financial institution	46,324,045.00	-	4,904,223.99	226,786,922.42	278,015,191.41
Trade and other current payable	-	-	-	775,694,820.86	775,694,820.86
Current portion of long – term liabilities	-	-	8,100,000.00	-	8,100,000.00
Current portion of lease liabilities	-	-	1,153,315.37	-	1,153,315.37
Short – term borrowings	185,400.00	-	48,033,076.75	25,766,639.13	73,985,115.88
Long – term borrowings	-	-	61,401,768.38	-	61,401,768.38
Lease liabilities	-	-	951,798.89	-	951,798.89
Total	46,509,445.00	-	124,544,183.38	1,028,248,382.41	1,199,302,010.79

(Unit: Baht)

	Separate				
	For the year ended December 31, 2020				
	Fixed interest rate				
	Within 1 year	More than 1 year to 5 years	Floating interest bearing	Non – interest bearing	Total
Financial assets:					
Cash and cash equivalents	-	-	94,164,395.90	377,233.63	94,541,629.53
Trade and other current receivables	-	-	-	722,475.13	722,475.13
Short – term loans	-	-	312,300,000.00	20,081.97	312,320,081.97
Other current assets	-	-	-	11,972,057.16	11,972,057.16
Total	-	-	406,464,395.90	13,091,847.89	419,556,243.79

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

	(Unit: Baht)				
	Separate				
	For the year ended December 31, 2020				
	Fixed interest rate				
	Within 1 year	More than 1 year to 5 years	Floating interest bearing	Non – interest bearing	Total
Financial liabilities:					
Trade and other current payable	-	-	-	412,155.29	412,155.29
Total	-	-	-	412,155.29	412,155.29

	(Unit: Baht)				
	Separate				
	For the year ended December 31, 2019				
	Fixed interest rate				
	Within 1 year	More than 1 year to 5 years	Floating interest bearing	Non – interest bearing	Total
Financial assets:					
Cash and cash equivalents	-	-	194,105,253.98	7,212,728.49	201,317,982.47
Trade and other current receivables	-	-	-	221,067,853.72	221,067,853.72
Short – term loans	-	-	150,000,000.00	-	150,000,000.00
Other current assets	-	-	-	16,839,768.02	16,839,768.02
Total	-	-	344,105,253.98	245,120,350.23	589,225,604.21
Financial liabilities:					
Trade and other current payable	-	-	-	205,617,611.34	205,617,611.34
Short – term loans	100,000,000.00	-	-	7,328.77	100,007,328.77
Total	100,000,000.00	-	-	205,624,940.11	305,624,940.11

Risk on exchange rate

The Group has a foreign currency risks in respect of the sales purchase transactions. The Group Company manages its exposure to foreign currency risk by natural balancing net position of receipt and payment of the foreign currency transactions. In each period, The Group seeks to reduce the risk on net position by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

As at December 31, 2020 and 2019, the outstanding balances of the Group's financial assets and liabilities denominated in foreign currencies which did not perform the forward contract so as hedge against risk of currencies are as follows:

(Unit: Million)

	Consolidated			
	Financial assets		Financial liabilities	
	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019
Currencies:				
USD	9.75	3.74	4.05	9.40
EUR	0.34	1.13	-	-
YEN	-	1.26	-	-

(Unit: Million)

	Separate			
	Financial assets		Financial liabilities	
	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019
Currencies:				
USD	0.59	3.74	-	0.03
EUR	-	1.13	-	-
YEN	-	1.26	-	-

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non – financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/ or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

ASIA PRECISION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

The fair value of cash and cash equivalents, trade and other accounts receivable, short – term loans, other current assets, bank overdrafts, short – term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of long – term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

36. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 1987. The Group and their employees will contribute the same amount at 2% of staffs' salary to this fund. A local financial institution is managing the provident fund and will be paid to the employees upon termination in accordance with the fund rules. For the years ended December 31, 2020 and 2019, in the consolidated financial statements, the Group contributions amounted to approximately Baht 1.95 million and Baht 2.45 million, respectively and separate financial statements amounted to approximately Baht 0.27 million and Baht 1.62 million, respectively.

37. CAPITAL MANAGEMENT

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

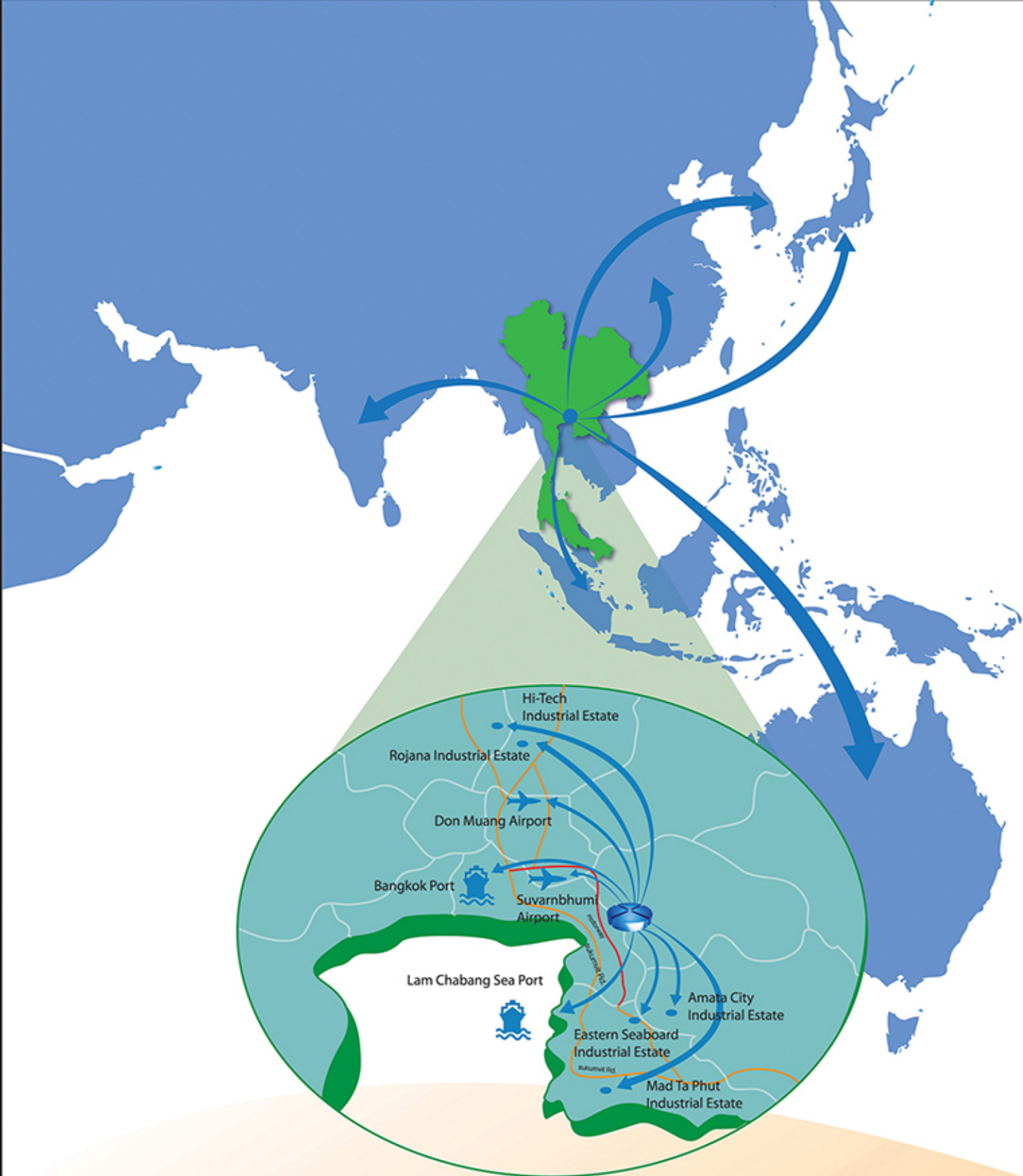
As at December 31, 2020 and 2019, in the consolidated financial statements, debt to equity ratio is 0.7687: 1 and 0.6714: 1 respectively and the separate financial statements, debt to equity ratio is 0.0036: 1 and 0.2170: 1 respectively.

38. SUBSEQUENT EVENT

According to the meeting Approval from the Board of Directors' meeting of Asia Precision Public Company Limited (“Company”) no. 1/2021, held on February 25, 2021, Approval for submission to shareholder's meeting to approve dividend payment from 2020 operation to shareholders in the form of cash at Baht 0.06 per share, or not exceeding Baht 39.60 million. List of shareholders who are entitled to receive the dividend to be specified on May 10, 2021 (Record Date), and date of dividend payment to be on May 21, 2021.

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved to be issued by the Company's board of directors on February 25, 2021.



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บริษัท เอเชีย พรีเมียม จำกัด (มหาชน)

นิคมอุตสาหกรรมอมตะนคร

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