

Ref: APCS 023/2566

14 November 2023

Subject: Management Discussion and Analysis of Quarter 3, 2023 ended 30 September 2023

To: Managing Director
The Stock Exchange of Thailand

Asia Precision Public Company Limited (“the Company”) would like to make clarification on the performance results for the three months and nine months ended 30 September 2023 of the Company and its subsidiaries, as follows:

Executive Summary

Significant events in the 3rd Quarter of 2023

The Board of Directors Meeting No. 3/2023, held on 29 June 2023, had the resolution to approve A2 Technologies Company Limited (“A2”), the subsidiary of the Company, to establish the subsidiary, A2 Technologies Mongolia LLC. to support the EPC business plan in Mongolia. The establishment of A2 Technologies Mongolia LLC. has been completed on 23 August 2023.

The Board of Directors Meeting No. 4/2023, held on 9 August 2023, has approved the restructuring of shareholding in the group of companies (3 companies) to reform the business restructuring and the management structure. Business restructuring for APCS Technologies Co., Ltd. (“APT”) and A2 Water Management Co., Ltd. (A2WM) have been completed on 1 October 2023. Cholakijsakol Co., Ltd. (“CK”), is scheduled to be completed by January 2024.

Operating Results 3 Months:

Unit: Million Baht

| For the three month period | HOLDING | | EPC | | WATER | | MINING | | AUTO | | CONSOLIDATED | | CHANGE | |
|---|---------|------|-------|--------|-------|-------|--------|-------|------|-------|---------------|---------------|-------------|----------------|
| | 3Q23 | 3Q22 | 3Q23 | 3Q22 | 3Q23 | 3Q22 | 3Q23 | 3Q22 | 3Q23 | 3Q22 | 3Q23 | 3Q22 | AMT | % |
| Total Revenues | 12.5 | 10.1 | 229.9 | 392.5 | 7.4 | 2.2 | 47.7 | 16.5 | - | 188.6 | 284.4 | 597.6 | (313.2) | (52.4%) |
| Profit (loss) from operating | 7.0 | 6.0 | 4.6 | (54.4) | (1.9) | (1.3) | (15.9) | (4.9) | - | 13.0 | (18.8) | (45.2) | 26.4 | (58.4%) |
| Gain (loss) on exchange rates | - | - | (1.8) | (3.3) | - | - | - | (0.1) | - | 5.8 | (1.8) | 2.5 | (4.3) | (172.0%) |
| Financial costs | | | | | | | | | | | (14.4) | (9.6) | (4.8) | 50.0% |
| Tax (expenses) income | | | | | | | | | | | 4.5 | (0.3) | 4.8 | (1,600.0%) |
| Profit (loss) for the period | | | | | | | | | | | (30.5) | (52.6) | 22.1 | (42.0%) |
| Attributable to Non-controlling interests | | | | | | | | | | | 0.0 | 8.1 | (8.1) | (100.0%) |
| Profit (loss) attributable to Owners of parent | | | | | | | | | | | (30.5) | (60.7) | 30.2 | (49.8%) |

* HOLDING : Invest in other companies /EPC : Construction /WATER : Water management /MINING : Bitcoin mining

** Profit from discontinued operations, Board of Director No. 10/2565 dated 2 December 2022, which resolved to approve the disposal of assets of all ordinary shares of Asia Precision A.T. Company Limited (“APAT”) which is the Company’s subsidiary. The Company sold 32,999,997 shares which is equivalent to 59.99% of APAT’s total paid-up shares to TNA Company Limited (“TNA”) at Baht 15.37 per share, totalling Baht 507,209,954 (the “Share Sale Transaction”). As a result, APAT will no longer be a subsidiary of the Company on 4 January 2023

*** Included discontinued operations

The overall consolidated performance of Q3/2023 for the three months showed an operating loss of Baht 18.8 million, a decrease of Baht 26.4 million or 58.4%, and reported a net loss of Baht 30.5 million, a decrease of Baht 22.1 million or 42.0% as compared with the same period of last year. It is affected by loss in digital assets (Mining) and Water business; however, the EPC business has tightened control of project costs. Nevertheless, the Company has high financial obligations. It caused unexpected performance in this quarter.

- Construction business (EPC): A decrease in revenue of Baht 162.6 million or equivalent to 41.4% from the same period of last year. The EPC has an operating profit of Baht 4.6 million which increased Baht 59 million or equivalent to 108.5% from an operating loss of Baht 54.4 million from the same period of last year.
- Water management business (WATER): An increase in revenue of Baht 5.2 million or equivalent to 236.4% from the same period of last year. The WATER has an operating loss of Baht 1.9 million.
- Bitcoin mining business (MINING): An increase in revenue of Baht 31.2 million or equivalent to 189.1% from the same period of last year. The MINING has an operating loss of Baht 15.9 million.
- Precision metal manufacturing business (AUTO): A decrease in revenue of Baht 188.6 million or equivalent to 100% from the same period of last year. Currently, the Company divested a subsidiary in the Precision metal manufacturing business (AUTO) on 4 January 2023.

Operating Results 9 Months:

Unit: Million Baht

| For the nine month period | HOLDING | | EPC | | WATER | | MINING | | AUTO | | CONSOLIDATED | | CHANGE | |
|---|---------|-------|-------|---------|-------|------|--------|-------|------|-------|--------------|---------------|-------------|-----------------|
| | 9M23 | 9M22 | 9M23 | 9M22 | 9M23 | 9M22 | 9M23 | 9M22 | 9M23 | 9M22 | 9M23 | 9M22*** | AMT | % |
| Total Revenues | 211.1 | 113.2 | 900.1 | 1,416.0 | 55.9 | 36.0 | 128.8 | 16.5 | - | 609.4 | 1,259.7 | 2,075.4 | (815.7) | (39.3%) |
| Profit (loss) from operating | 192.7 | 105.5 | 19.4 | (65.4) | 24.4 | 10.0 | (56.7) | (4.9) | - | 68.1 | 143.3 | 23.4 | (119.9) | 512.4% |
| Gain (loss) on exchange rates | - | - | (4.1) | (20.2) | - | - | - | (0.1) | - | 12.7 | (4.2) | (7.6) | 3.4 | (44.7%) |
| Financial costs | | | | | | | | | | | (43.4) | (16.6) | (26.8) | 161.4% |
| Tax (expenses) income | | | | | | | | | | | (32.7) | (25.2) | (7.5) | 29.8% |
| Profit (loss) for the period | | | | | | | | | | | 63.0 | (26.0) | 89.0 | (342.3%) |
| Attributable to Non-controlling interests | | | | | | | | | | | 0.3 | 8.2 | (7.9) | (96.3%) |
| Profit (loss) attributable to Owners of parent | | | | | | | | | | | 62.7 | (34.2) | 96.9 | (283.3%) |

* HOLDING : Invest in other companies /EPC : Construction /WATER : Water management /MINING : Bitcoin mining

** Profit from discontinued operations, Board of Director No. 10/2565 dated 2 December 2022, which resolved to approve the disposal of assets of all ordinary shares of Asia Precision A.T. Company Limited ("APAT") which is the Company's subsidiary. The Company sold 32,999,997 shares which is equivalent to 59.99% of APAT's total paid-up shares to TNA Company Limited ("TNA") at Baht 15.37 per share, totalling Baht 507,209,954 (the "Share Sale Transaction"). As a result, APAT will no longer be a subsidiary of the Company on 4 January 2023

*** Included discontinued operations

The overall consolidated performance for the nine months in 2023 showed an operating profit of Baht 143.3 million, an increase of 512.4%, and reported a net profit of Baht 63.0 million, an increase of 342.3% compared with the same period of last year. The overall revenue has significantly declined due to the divesting of the Precision metal manufacturing business (AUTO).

- Construction business (EPC): A decrease in revenue of Baht 515.9 million or equivalent to 36.4% from the same period of last year. The EPC has an operating profit of Baht 19.4 million, which increased Baht 84.8 million or equivalent to 129.7% from an operating loss of Baht 65.4 million from the same period of last year.
- Water management business (WATER): An increase in revenue of Baht 19.9 million or equivalent to 55.3% from the same period of last year. The WATER has an operating profit of Baht 24.4 million, an increase of Baht 14.4 million or equivalent to 144.0% from an operating profit of Baht 10.0 million from the same period of last year.
- Bitcoin mining business (MINING): An increase in revenue of Baht 112.3 million or equivalent to 680.6% which had an operating loss of Baht 56.7 million.
- Precision metal manufacturing business (AUTO): A decrease in revenue of Baht 609.4 million or equivalent to 100% from the same period of last year. Currently, the Company divested a subsidiary in the Precision metal manufacturing business (AUTO) on 4 January 2023.

FINANCIAL POSITION (Compared to the consolidated financial statement as of 31 December 2022)

Unit: Million Baht

| At the date | CONSOLIDATED | | CHANGE | | SEPARATE | | CHANGE | |
|----------------------------|--------------|-----------|---------|---------|-----------|-----------|--------|------|
| | 30 Sep 23 | 31 Dec 22 | AMT | % | 30 Sep 23 | 31 Dec 22 | AMT | % |
| Total assets | 3,796.9 | 4,508.4* | (711.5) | (15.8%) | 2,384.7 | 2,252.4** | 132.3 | 5.9% |
| Total liabilities | 2,036.0 | 2,381.2* | (345.2) | (14.5%) | 701.1 | 695.4** | 5.7 | 0.8% |
| Total shareholders' equity | 1,760.9 | 2,127.2 | (366.3) | (17.2%) | 1,683.6 | 1,557.0 | 126.6 | 8.1% |

* The consolidated financial statement has Assets classified as held for sale Baht 877.2 million and Liabilities included in disposal groups classified as held for sale Baht 116.1 million for discontinued operation

** The separate financial statement has Assets classified as held for sale Baht 330 million for discontinued operation

Assets

As of 30 September 2023, and 31 December 2022, Total assets in the consolidated financial statement were Baht 3,796.9 million and Baht 4,508.4 million respectively, a decrease of Baht 711.5 million, or equivalent to 15.8%, caused by selling a subsidiary in Precision metal manufacturing business (AUTO).

As of 30 September 2023, and 31 December 2022, Total assets in the separate financial statement were Baht 2,384.7 million and Baht 2,252.4 million respectively, an increase of Baht 132.3 million or equivalent to 5.9%.

Liabilities

As of 30 September 2023, and 31 December 2022, Total liabilities in the consolidated financial statement were Baht 2,036.0 million and Baht 2,381.2 million respectively, a decrease of Baht 345.2 million, or equivalent to 14.5%.

As of 30 September 2023, and 31 December 2022, Total liabilities in the separate financial statement were Baht 701.1 million and Baht 695.4 million respectively, an increase of Baht 5.7 million or equivalent to 0.8%.

Equity

As of 30 September 2023, and 31 December 2022, Equity in the consolidated financial statement was Baht 1,760.9 million and Baht 2,127.2 million, a decrease of Baht 366.3 million, or equivalent to 17.2%.

As of 30 September 2023, and 31 December 2022, Equity in the separate financial statement were Baht 1,683.6 million and Baht 1,557.0 million, an increase of Baht 126.6 million, or equivalent to 8.1%.

Please be informed accordingly.

Yours faithfully



(Mrs. Pimparuda Pitakteeratham)

Chief Executive Officer (Acting)/Authorized Persons to Disclose Information

Company Secretary

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