

รายงานประจำปี 2561

# ANNUAL REPORT

2018



“To be customers' first choice  
as the best in Class Global  
Electronics Manufacturing ”



ทีมพรีซิชั่น

บริษัท ทีมพรีซิชั่น จำกัด (มหาชน)

Team Precision  
Public Company Limited



ISO 9001 Quality Management Systems



IATF 16949 Quality Management Systems – Particular requirement for automotive production and relevant service part organizations



ISO 13485 Quality Management Systems – Medical devices Requirements for regulatory purposes



ISO 14001 Environmental Management



OHSAS 18001 Occupational Health and Safety Management Systems

With the Company's objective to develop effectively for the Quality Control, the Company has continuously implemented and applied to several International Quality Standards which include some specific products such as automotive and medical devices in addition to other quality management system. Furthermore the Company has put a focus on health and safety management and all operational environments to apply for the high quality standard and keep it sustainable continuously.

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Dear Shareholders,  
Team Precision Public Pcl.



In 2018, we managed to secure our revenue at 1,919 million Baht or a leapfrogged at 56 % growth from last year. Overall consolidated net profit for the year is improved at 14.7 million Baht although we were very much impacted by the shortages of the electronic supply. Moreover, this year we set up a local factory in the US. Our debt to equity ratio has increase since we invest our US factory using our strong cash flow position while financing the material cost to cater for the future growth.

The overall global electronic industry in the past year is picking up and as a result the raw material globally are in short of or limited in supply. We do foresee a continuing trend as we move towards into year 2019. Nonetheless, we are working closely with our suppliers and our customers as we grow to secure the raw materials and continuing to deliver exceptional services to our customers. We also proud to announce that we made our presences in the US to better uplift our service in the US by reduce lead time to market and staying closer with more integrated design collaboration. With our presences, we confident that we will gain competitive advantage and increasing interest to our existing and potential customers to not only satisfy but delight our customers. This year we also invest in new technology, and automation making sure we are at the same speed with the global technological adaptation and to consistently uplift our best in class quality product. In addition, we are manufacturing our products using a renewable energy by investing the solar roof in our Prachinburi plant. We foresee that we continue to bear fruits, and this growth could be possible sustainably by striving to add value and deliver solution to customers while socially responsible to the society, and environment.

On behalf of Team Precision's Board of directors, our much appreciation goes to our employees in continuously work to deliver solution for our customers and deliver what other would see impossible. This could not be achievable without their positive attitude, teamwork and team motivation. As we are entering year 2019 with global economic and political instability, we are confident that if we keep this team momentum and the strategic direction we set for, we shall deliver higher value to our customer and eventually to our stakeholders

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chakkaphant Manutsathit'.

Mr.Chakkaphant Manutsathit  
Chairman of Board of Directors



## 1. Policy and Overview Business Operations

### History

Team Precision Public Company Limited “TEAM or Company” The Company was incorporated in the first name was Teamtronics Co., Ltd., On 17 September 1990 at Commercial building Pathumthani Province for business manufacturing and contract manufacturing of electronics circuit boards and transfered to Rangsit at 152/8 Moo 3 Tanyaburi – Lamlooka Road , Rangsit , Tanyaburi , Pathumthani on 2 Rai by having history and development as follow:

1996	Establishment of Team Precision Co.,Ltd at Prachinburi which had been promoted by the Board of Investment and located at 198 Moo 13 Suwannasorn Rd ,Dong-Khee-Lek Sub-District, Muang District ,Prachinburi on 11 Rai 2 Ngan.
1999	Restructuring of shareholding by Team Precision Co.,Ltd hold shares of Teamtronics Co., Ltd for 99.99%.
2000	Registered as a public company under the name of Team Precision Public Company Limited on September 21, 2000.
2001	Listed on Market for Alternative Investment (MAI) on November 8, 2001.
2003	Mergers and acquisitions Teamtronics Co., Ltd and Team Precision Co., Ltd. The same company under the name of Team Precision Co., Ltd Increase the registered capital of 150 million baht to 200 million baht on May 23, 2003.
2004	Listed on Stock Exchange of Thailand (SET) on January 1, 2004. New building for the production in Pathumthani on 2 Rai 2 Ngan.
2006	Increased capital to 305 million baht on April 5, 2006.
2007	Increased capital to 458 million baht on April 19, 2007. The building was constructed for the second latter production at Prachinburi plant . To accommodate the future expansion on an area of 55 Rai
2008	Increased capital to 580 million baht on May 7, 2008
2012	Decrease capital to 573.96 million baht by eliminating the shares remaining from the allocation of ordinary shares for supporting the Warrants to purchase the Company’s ordinary shares to directors and employees of the Company (ESOP) No.1/2549 on April 25,2012 and approved the increase of the authorized share capital from Baht 573.96 million to Baht 644.74 million to support stock dividend totaling baht 70.78 million on May 17,2012.
2013	Decreased capital to 637 million baht by eliminating the shares remaining from the allocation of ordinary shares for supporting the Warrants to purchase the Company’s ordinary shares to directors and employees of the Company (ESOP) No.2/2550 on May 7, 2013.

The company has two subsidiary companies.

2006	<ul style="list-style-type: none"> <li>➤ Establishment of companies in Denmark .To conduct a procurement on October 31, 2006.</li> <li>➤ Shareholding in 100 percent of shares</li> </ul>
2008	<ul style="list-style-type: none"> <li>➤ Establishment in Singapore. To conduct a procurement on August 1, 2008.</li> <li>➤ Shareholding in 100 percent of shares</li> </ul>
2016	<ul style="list-style-type: none"> <li>➤ Team Precision (Singapore) PTE LTD. has registered the dissolution under the laws of foreign country on November 28,2016.</li> </ul>
2018	<ul style="list-style-type: none"> <li>➤ Establishment of a subsidiary in the United States of America (the "TPA Holding");</li> <li>➤ Joint investment in a newly established entity in the United States of America (the "Team Precision America") between TEAM, through TPA Holding, approved on February 22, 2018</li> </ul>

## **1.1 Vision ,Business goals and Strategies**

### **Vision**

To be a customers' first choice as a best in Class Global Provider (EMS) – Your strategic global partner **Electronics Manufacturing Solutions**

### **Business Goals**

The Company are focused on adding value to customers by providing comprehensive services . Since the design To the production of electronic products and cosmetics distributor. With world class quality and comprehensive services to create added value for customers while creating long term relationships with corporate partners . With a goal to expand the business cover in many continental and in many industries. This is to spread the risk of the business and the stability of long-term business. Such a goal will generate good returns and long-term stability to the shareholders.

### **Strategies for sustainable growth**

1. **Completely fulfilling Needs** – From R&D to Distribution; listening and providing accessible, innovative ideas is our Brand
2. **Continuous Improvement-** World class Lean Sigma Operations, Quality, and relentlessly pursuing excellence
3. **Awarded accreditations** - Which differentiate
4. **Through added scale** - Diversify markets, customers, regions creating complete business balance
5. **Develop our most valued internal asset** – Our People – Listen, Treat with Respect
6. **Provide continued innovative MIS Solutions** – From the Customers perspective
7. **Provide continued shareholder value** - Closely manage financial statements in changed economic times without hindering growth
8. **Flexible operations global supply chain solutions** - Reflect changing global market demands with critical decision-making
9. **Business development-** Intelligent, profitable growth higher than industry trends - Organic and vertical

### **Company Values**

**Passion + Integrity + Team Synergy + Initiation = Performance**

#### **Passion**

We have a passion for what we do; for the people we work with, the produces we produce, the customer we serve, and the suppliers who serve us. We intensely focused on achieving quality results and passionate about winning. We are committed. We are winners.

#### **Integrity**

We are opened direct. We present the unvarnished truth in an appropriate and helpful manner. We can be counted on to keep confidences and admit to our mistakes. We do not misrepresent ourselves for our gain. We respect ourselves and others. We influence others to act with integrity when faced with ethical situations. We have integrity.

#### **Team Synergy**

We work as a team to achieve our goals by sharing an experience, knowledge, and building consensus. We seek for ways to build strong working partnerships with other functions. We proactively share ideas to prevent and overcome problems and assure a excellent quality results.

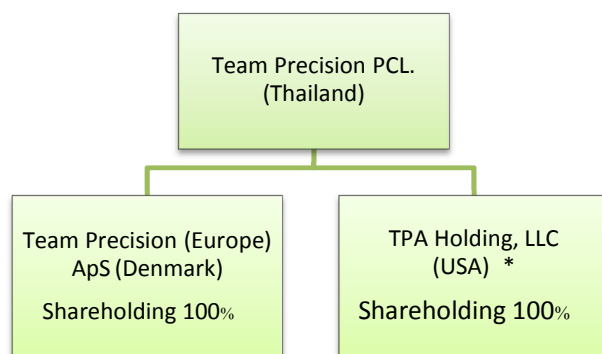
#### **Initiation**

We always look for new ideas to improve working system, process and people. We have a good judgment for which initiative ideas will work and are good at bringing the ideas for developing. We show the continuing desire to learn, seeking for improvements, even in the face of success. We take diverse priorities and multiple opportunities and find new ways of creating long term success. We take constructive risks and remove barriers getting in the way to be excellent.

## 1.2 Changes and Developments

-None-

## 1.3 The shareholding structure of the Group.



- Team Precision (Europe) ApS :Trading of electronic components and electronic products.
- TPA Holding, LLC : An investment holding company

## 1.4 Relationship with the Group's largest shareholder

Director /executive / major shareholder had relationship with related parties in

- Energy Innovation Co., Ltd.
- Alpine Technology Manufacturing (Thailand) Co.,Ltd.
- Finest Med Design Co., Ltd.

\*\*\* See details and relationship characteristics in Note 23 to the financial statements

## 2. Characteristics of Business

Team Precision Public Company Limited offers Electronics Manufacturing Services (EMS) ranging from design, prototyping, electronics board assembly to complete products assembly. We currently service many customers in different industries such as Industrial, Wireless Communication, Medical, Automotive, Telecommunication, and Consumer Industry.

The Company continues to receive accreditations as follows:

1. International Standard of Quality (ISO 9001:2015)
2. Environmental Management System Certification (ISO 14001:2015)
3. Occupational Health Safety Certification (OHSAS 18001:2007)
4. Automotive Production Quality Management System Certification (ISO/IATF 16949:2016)
5. Medical Equipment Industry (ISO 13485:2016)

The Company has emphasized on increasing the value added for the customers by providing the comprehensive services ranging from the design to the manufacture of electronic products ready for sales with global quality and comprehensive services in order to increase the value added to the customers while building the long term relationship with the Company's business counterparts, as well as, having the target of business expansion to cover many continents and industries in order to distribute the business risk and to build the long term business stability. Such target shall generate the good returns and long term stability to the shareholders.

### Products and Services

The Company has provided the services of manufacture of electronic products ranging from the product design development, the production of product prototypes, assembly of Printed Circuit Board (PCBA) to the manufacture of electronic finished products for sales to the consumers. Also, the Company has provided the services of product delivery and various types of warehouses in order to build the value added to the customers by having an objective of providing the comprehensive services with the international standard for the quality throughout the production process including the increase of production efficiency constantly by applying several techniques for quality improvement. These are for supporting the Company to be able to deliver the global quality products with competitive prices in the market to the customers.

### 2.1 Products and Services

The Company has manufactured the electronic products for the customers of various industries and in several regions all over the world by focusing on the comprehensive services in order to provide the convenience to the customers, reduce the cost and shorten the time starting from launching the products to sales of the products in order to enhance the customers' products to be more competitive in the market.

The Company's revenue structures by product category are as follows:

Category	2018		2017		2016	
	Mio. Baht	%	Mio. Baht	%	Mio. Baht	%
Industrial Control	1,320	69	778	63	663	59
Telecommunications	23	1	9	1	100	9
Automotive	155	8	170	14	157	14
Medical	176	9	241	20	169	15
Other	245	13	33	2	31	3
<b>Total Revenue</b>	<b>1,919</b>	<b>100</b>	<b>1,231</b>	<b>100</b>	<b>1,120</b>	<b>100</b>

**Industrial Control**

The Company has manufactured the components of several industrial products such as cooling control products, snowplow control unit, radioactive detector and security system.

**Medical**

Designing and manufacturing products which support single sided deafness, conditioning systems for hearing instruments, hearing analysis equipment for clinic and hospital ,health checking pocket and skin massage stimulator.

**Automotive**

Car radio control, leather upholstery, electronic , sensor system.

**Telecommunications**

Wireless networking equipment

**Consumer**

Wireless Lighting Control System and in home entertainment management remotes ,Ballasts for the lighting industry. High Quality Audio

**Specialty Products**

Sound localization in a large conference room. Sounds electronic devices

**2.2 Marketing and competition****(A) Marketing policy**Competitive strategy

The Company shall emphasize on the comprehensive services and respond to the customer needs in order to achieve the ultimate customer satisfaction by focusing on the long term cooperation with the customers. The marketing policy of the Company can be summarized as follows:

1. The Company shall emphasize on production of diversified products by focusing on the entire needs of the groups of target customers.
2. The Company shall emphasize on providing the comprehensive services ranging from product design, manufacture to direct delivery to the consumers in order to facilitate the customers, reduce time to market of the products and increase the value to the customers.
3. The increase of efficient distribution channels shall enhance the Company to be able to expand the customer base efficiently and faster and expand the customer groups to other markets in American, European and Asian regions.
4. The Company shall aim to build the long term relationship with the customers by arranging the sales and marketing staffs of the Company to be responsible for closely taking care and receiving the information of an individual customer in order to efficiently provide the services to the customers and receive the reliability from the customers.
5. The Company shall focus on development of product quality constantly including the development of the production efficiency and production technology to be consistent to the customer needs in order to produce the quality products according to the customer's requirement with the competitive cost in the market so that the Company shall be able to expand the customer base and retain the existing customer continuously.

**Nature of customers and target customers**

The nature of Company's customers and target customers are OEM Companies or design houses of electronic products by focusing on the manufacturers of the products for Niche Market.

**Distribution and distribution channel**

The Company shall mostly sell the products directly to the foreign customers including the indirect export totally more than 90 % of the total sales. The remaining is sold to the domestic customers.

**(B) Industrial condition and competition**

Production of electronic products in 2018 increased by 4.5% compared to 2017, which increased in HDD, IC, Semiconductor and PCBA products as a result of the expansion of the electronics products of the world with Increased demand Including the increasing export value in the Japanese, ASEAN, Chinese, European Union and US markets

In the year 2019, production and exports of electronic products are expected to increase by 6.0% and 7.5%, respectively, compared to the previous year due to the increasing demand for computer components and components. Including the needs of The world of electronic products is constantly increasing.

Source of data: Office of Industrial Economics

**2.3 Procurement of products or services**

The Company has 2 plants. The 1<sup>st</sup> plant where the Head Office is located at 198 Moo 13, Suwansorn Rd., Dong-Khee-Lek Sub-District, Muang District, Prachinburi Province and the other plant is a branch office which is located at 152/8,152/9,152/15 Moo 3, Tanyaburi-Lumlookka Rd., Pathumthani Province.

Raw materials and distributor of raw materials

The main raw materials used in manufacture are electronic components such as Printed Circuit Board (PCB), Integrated Circuit (IC), Diode, Resistor, Capacitor, etc. including electric cable accessories, plastic components, steel and other components used in assembly of finished products. Those raw materials are 70% imported from abroad and the remaining 30% are purchased domestically. In this regard, the Company shall procure the raw materials or cooperate with the customers in procurement of the raw materials by purchasing the raw materials from the domestic companies and abroad all over the world, as well as, having an affiliated company in Singapore assisting in procurement of the raw materials. As a result, the Company is able to compare the prices of the raw materials around the world in order to propose the best prices to the customers before deciding to purchase.

Problems of raw materials

The main cost of Company's business is raw materials which are necessary to have good quality as required by the customers. The Company, therefore, has a risk in acquiring the raw materials to be available for the production and delivery to customers according to the specified schedules. Besides, the Company still has a risk of price negotiation and the volume of each purchase may affect the price of a raw material. Since most of distributors of electronic components are in abroad, the Company had established 2 offices for procurement of raw materials in Denmark and Singapore in order to enhance the capability in procurement of raw materials and implementation of controlling the cost, quality and delivery closely with the distributors. Furthermore, the Company had made the agreements with the distributors of important raw materials in utilizing the Vendor Management Inventory System (VMI) for sourcing the raw materials. This system had enhanced the efficiency in responding the customer needs on time and had increased the efficiency of warehouse management as well.

Environmental impact

The Company had taken into account the production process which may have an environmental impact so the Company had controlled systematically. As a result, the Company had obtained a certification of Environmental Management System Standard (ISO 14001) since August 2003 and Safety and Occupational Health Management System Standard (OHSAS 18001) in December 2008. Therefore, the environmental condition in the plant is ensured to be according to the international standard. Moreover, the Company had obtained several awards regarding the management of environment, occupational health and safety as follows:

Department of Welfare & Labor Protection ,Ministry of Labor:

- 2008 :Bronze Award for Zero Accident campaign in 2008 – Prachinburi Plant
- 2009 :Bronze Award for Zero Accident campaign in 2009 – Prachinburi Plant  
:Excellence Safety, Health & Environment in Workplace 2009  
(Regional Level) – Prachinburi Plant
- 2010 :Bronze Award for Zero Accident campaign in 2010 – Prachinburi Plant /Rangsit Plant  
:Excellence Safety, Health & Environment in Workplace 2010  
(National Level) – Prachinburi Plant

- 2011 :Excellence Safety, Health & Environment in Workplace 2011  
(National Level ) – Prachinburi Plant  
:Bronze Award for Zero Accident campaign in 2011 – Rangsit factory
- 2012 :Excellence Safety, Health & Environment in Workplace 2012  
(National Level ) – Prachinburi Plant /Rangsit Plant  
:Bronze Award for Zero Accident campaign in 2012 – Rangsit factory
- 2013 :Excellence Safety, Health & Environment in Workplace 2013  
(National Level ) – Prachinburi Plant /Rangsit Plant  
:Bronze Award for Zero Accident campaign in 2013 – Rangsit factory
- 2014 :Excellence Safety, Health & Environment in Workplace 2014  
(National Level ) – Prachinburi Plant /Rangsit Plant  
:Silver Award for Zero Accident campaign in 2014 Rangsit factory
- 2015 :Excellence Safety, Health & Environment in Workplace 2015  
(National Level ) – Prachinburi Plant /Rangsit Plant  
:Bronze Award for Zero Accident campaign in 2015 – Prachinburi factory
- 2016 :Bronze Award for Zero Accident campaign in 2016– Rangsit factory  
Anti Drug Project certificate in workplace – Prachinburi Labor Protection Office
- 2017 :Silver Award for Zero Accident campaign in 2017- Rangsit factory  
Anti Drug Project certificate in workplace – Prachinburi Labor Protection Office
- 2018 :Bronze Award for Zero Accident campaign in 2018– Prachinburi factory

Department of Alternative Energy Development and Efficiency ,Ministry of Energy

- 2013 Energy Saving Award, Complimentary award 2013 – Prachinburi factory  
Award of appreciation for energy conversation from the “Reduction of the use of Cooling Fan of Cooling Tower Project”
- 2018 Energy Saving Award, Complimentary award 2018 – Prachinburi factory  
Silver Award for” reduce the opening of the cooling tower from 4 ea to 2 ea during night project”

Green Automotive Parts Industry Project

- 2015 Plaque and certificate of 2015 BAT (Best Available Techniques) Recognition  
Award for Entrepreneurs who have outstanding contributions to the program "Promoting Environmentally Friendly Manufacturing for Automotive Industry and Automotive Components " at Prachinburi Plant.

Department of Disease Control , Ministry of Public Health

- 2016 Occupational and Environmental Health Innovation of Health Sustainability Silver  
Recognition Award

**2.4 Work has not been delivered.**

-None-



## **Risk Assessment**

The business operation of the Company has the risk factors which may directly affect the Company as follows:

### **1. Business risk**

Since the Company has mainly operated the business with the overseas customers of which the total export is more than 90%, there were risks of the changes of several factors of customers' market conditions in 2016 of both external factors such as economic situation, politics and trading policy of each country including the global or regional economic situation and internal factors of the customers such as the merger, the change of procurement policy or the change of the selling products. These factors have caused an uncertain volume of demand of the products. The Company, therefore, has implemented a risk distribution policy by diversified manufacturing industry and market distribution to many regions in order to reduce an impact which may incur from those factors, as well as, to reduce the business risk. The Company has implemented such policy continuously. Besides, there is a risk of uncertainty; for example, operating the business by relying on the sales to the big customers is also considered as a significant business risk. The Company, therefore, has implemented the marketing administration management in order to expand the new customer base constantly.

### **2. Risk of natural disaster**

The natural disaster such as flood, storm, earthquake, etc. is another risk which may affect the business counterparts of both demand and supply. Despite such incidents may have occurred infrequently. If it happens in the company, it may cause loss of property and loss of life of employees, however the Company had purchased the insurances in order to ensure that any damages which may incur can be sufficiently covered in all cases.

### **3. Risk of exchange rate**

The revenues of the Company are from the sales of the products and the purchase of the raw materials is mainly in foreign currency, especially in US Dollar. The Company, therefore, has managed the risk of exchange rate by Natural Hedge system and has utilized other financial instruments to reduce the risk.

### **4. Risk of debt collection from customer**

Company's customers are in many regions globally and perform several kinds of business of which economic status and financial operation are diversified. These may affect the payment for the products in accordance with the specified schedules.

The Company has a policy of monitoring the Customer Credit Evaluation of both new customers and old customers closely and constantly through a reliable source of information provider and directly inquiring the business counterparts of the Sales and Marketing Department in order to build a good relationship and jointly solve the situations together.

However, as for a customer whom is considered to have a risk factor of payment, the Company shall make an agreement with the customer for hedging on a case by case basis such as to make an advance payment before product delivery or to arrange a Letter of Credit or a Stand-by Letter of Credit or a Bank Guarantee as applicable.

### **5. Risk of quality labor supply**

Due to the adjustment of the industrial sector in Thailand, the demand of labor force has been increased, as well as, the competition of the rates of labor wages. The Company has realized the risk of the labor supply and the labor cost control. The Company, therefore, has foreseen the importance of personnel development and the welfare and benefits by

- Providing the basic training and skill development by establishment of a Technical Training Center which has the training room and actual practice for the new employees and continuously develop the personnel to have more multi-skills.
- Participating in the Wages and Benefits Survey of electronics industry group and determining the appropriate remuneration including the welfare and benefits in order to motivate and retain the personnel to work in long term for the Company.

- Improving the production process continuously in order to enhance the efficiency of production process of both labor and machinery oriented by applying the principles of Lean and Six Sigma. The Company has continuously implemented Toyota Production System since year 2013 until present.
- Legally recruit Myanmar workers (MOU) with appropriate number to address the problem of insufficient workers in long term period.

#### **6. Risk of raw material supply**

Raw materials is considered to be a key factor of performing electronics business of both the quality and the price including the determination of delivery period in order to meet the requirement of the products of the customers.

The Company has realized the importance and the external factors which may cause the risk of the supply of raw materials for production. The Company, therefore, has a policy to monitor the situation and to set the strategic plans continuously in order to prevent a problem to be incurred and not to affect the Company's customers such as:

- Have a policy of distribution of the sources of raw materials by recruiting 2-3 distributors manufacturing and selling quality products for each item of raw materials.
- Communicate and jointly plan with the business counterparts closely about the product delivery period and the purchase volume of the raw materials to be appropriate with the future requirement of the products which may affect the product price and the inventory of the raw materials.
- Make a precise agreement with the customer about the supply of the raw materials which are particularly required by an individual customer by jointly determining either the prices or the purchase volume.
- Communicate clearly and accurately and develop a good relationship with the manufacturers and the distributors including the cooperation in delivery management and storing some stocks at the manufacturer in the Vendor Management Inventory System (VMI) in order to be flexible for inventory management and able to respond to the customer needs.
- Have subsidiary companies in abroad, Denmark, as the centers of sourcing the raw materials and contacting the manufacturers in the regions directly in order to ensure that the Company shall have sufficient raw materials for production in an appropriate time and to prevent the risk of raw material shortage.

#### **7. Risk of production**

For the production of electronic circuits, machinery and equipment are the key factors which may have a risk of technology change or advanced development of the products causing the requirement of more modern equipment.

The Company has always prepared the machinery and equipment to be ready for responding to the change of technology by investment in machinery and equipment for development of production process and increase of production efficiency continuously in order to respond to the customer needs which may be changed either the market of new customers or the new products of the existing customers.

Apart from taking care of the readiness of the machineries, the Company has also emphasized on the procedure of production control to comply with the international standard by annually monitoring the standard systems continuously either a particular product standard such as IATF 16949 for the automotive products, ISO 13485 for medical instruments and safety and environmental standards which are ISO 14001 and OHSAS 18001 in order to build the confidence to the customers and to reduce the risk of production process.

#### 4. General information and other important information

Company Name : Team Precision Public Company Limited  
Registration : 0107543000058

1. Company Name	Team Precision Public Company Limited	Subsidiary	
		Team Precision (Europe) ApS	TPA holding LLC
2. Address	198 Moo 13, Suwansorn Road,Dong-Khee-Lek Muang Prachinburi, Prachinburi 152/8, 152/9, 152/15 Moo 3, Rangsit Tanyaburi, Patumthani	Noddehegnet 8, 6400 Sonderborg, Denmark	850 New Burton Road, Suite 201, Dover, Delaware 19904
3. Type of main business	Electronics Manufacturing Printed Circuit Board Assembly	Business Trading of electronic components and electronic products	Investing in its associate
4. Share Capital Paid up Capital	637,063,385 shares, par value 1 baht 637,063,385 Baht	500 shares, par value 1,000 DKK DKK 500,000	USD 1,077,300
5. Telephone	Prachinburi (037) 403 336-40 Fax (037) 403 345 Patumthani (02) 577 2350 Fax (02) 577 2355 (02) 577 1705	Tel. (45) 7342 3232 Fax (45) 7342 6800	Tel. (65) 6773 6908 Fax (65) 6773 6208
Reference persons			
Auditors		Share Registrar	
1) Dr.Virach Aphimeteetamrong, Certified Public Accountant Registration No.1378 and/or		Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand.  Telephone (66 2) 009 9000 Fax (66 2) 009 9991	
2) Mr. Chaiyakorn Unpitipongsa Certified Public Accountant Registration No.3196 and/or			
3) Mr. Apiruk Ati-Anuwat Certified Public Accountant Registration No.5202			
4) Mr.Preecha Suan Certified Public Accountant Registration No.6718			
518/3 Panunee Building, 7 <sup>th</sup> Floor,Ploenchit Road Lumpinee District, Patumwan, Bangkok 10330 Telephone/Fax 02-252-2860, 02-255-2518			

Other important information  
-None-

## 5. Shareholder

### Securities and Shareholder Information

#### 5.1 Number of registered capital and paid-up capital

- (1) The company has registered capital and paid up 637.06 million baht Divided into 637.06 million shares par value 1 baht (as of March 13,2019)

#### 5.2 Shareholder

- (1) List of major shareholders

- (A) Name list of top 10 shareholders as of the latest closed registration (as of March 13, 2019)

Name		Shares	%
Mr. Supachak	Manutsathit	95,400,000	14.98
Mr. Anant	Manutsathit	85,588,288	13.43
Mr. Wutiporn	Manutsathit	51,000,000	8.00
Mr. Atthapol	Manutsathit	51,000,000	8.00
Mr. Chakkaphant	Manutsathit	46,288,615	7.27
Ms. Manutsaporn	Manutsathit	46,000,000	7.22
Ms. Patharawadee	Manutsathit	32,017,173	5.03
Ms. Patharawan	Manutsathit	32,000,000	5.02
Mrs. Malipa	Manutsathit	12,000,000	1.88
Mr. Veerawat	Sirayopas	11,374,161	1.79

Source of data : Thailand Securities Depository Co., Ltd

- (B) Major shareholders of behavior influence the management or operating policies of the company significantly  
(None)

#### 5.3 Issuing other securities

(None)

## 6. The Dividend Policy

The Company has a policy of paying dividends of no less than 40% of net profit after the deduction of corporate income tax if there are no other relevant circumstances, such as the expansion of the business according to various projects in the future.

Details of dividend payment during 5 years

Dividend detail	2014	2015	2016	2017	2018
Dividend payment date	May 13, 2015	-	-	-	-
Number of shares	637,063,385	637,063,385	637,063,385	637,063,385	637,063,385
Dividend per share	0.05	-	-	-	-
<b>Dividend Payment</b>	<b>31,853,169</b>	-	-	-	-
- BOI	31,853,169				
- NON-BOI					
Stock Dividend per share					
- Baht	-	-	-	-	-
<b>Total Dividend</b>	<b>31,853,169</b>				
<b>Net profit (Separate FS)</b>	<b>56,693,342</b>	<b>(92,493,682)</b>	<b>(5,950,979)</b>	<b>3,354,288</b>	<b>27,959,069</b>
<b>Dividend/Net profit</b>	<b>56%</b>	-	-	-	-

## 7. Managerial Structure

### 7.1 The Board of Director

The structure of Board of Director is designed under checking and balance concept which consists of:

A) At least one of three of directors shall be independence directors, but not less than three independence directors, and

B) Authorization from the Board of Directors to the managements shall be clear as defined in Controlling and Monitoring business section.

#### 7.1.1 Name of member of the Board of Directors as of December 31,2018.

1.	Mr.Chakkaphant	Manutsathit	Chairman of The Board of Directors
2.	Mrs.Malipa	Manutsathit	Director
3.	Mrs.Suratn	Petchmunee	Director
4.	Mr.Supachak	Manutsathit	Director
5.	Mr.Chai	Jroongtanapibarn	Independent Director
6.	Mr.Pirom	Chamsai, Ph.D.	Independent Director
7.	Mr.Monkhol	Kittipoomvong	Independent Director

\*\*\* The authorized person is two directors signing together with the company's seal, except Mr. Chai Jroongtanapibarn, Mr. Pirom Chaemsai, Mr. Mongkol Kittipoomwong.

#### 7.1.2 The scopes of authority and responsibilities of the Board of Directors of the Company are as follows:

The Board of Directors is responsible for the management of all areas of the company's business and is authorized to act within the limits of the law, according to the objectives and regulations of the Company, the resolutions reached in shareholder meetings, and has the authority to act as specified in the Company's memorandum of association, or as related to such. The Board of Directors may appoint another person, or many persons, to execute certain types of work in stead of the board.

The 2018 attendance of each member of the Board of the Company can be summarized as follows:

Name	Position	Board Meeting		Remark
		Time of meeting	Time of attendance in the meeting	
1.Mr.Chakkaphant Manutsathit	Chairman of The Board of Director Nomination and Remuneration Committee Risk Management Committee	7	7	
2. Mrs.Malipa Manutsathit	Director Nomination and Remuneration Committee Risk Management Committee	7	7	
3. Mrs.Suratn Petchmunee	Director Company Secretary	7	7	
4. Mr.Chai Jroongtanapibarn	Independent Director Chairman of the Audit Committee Nomination and Remuneration Committee Risk Management Committee	7	7	
5. Mr. Pirom Chamsai, Ph.D.	Independent Director Audit Committee Chairman of Nomination and Remuneration Committee Risk Management Committee	7	7	
6. Mr.Monkhol Kittipoomvong	Independent Director Audit Committee Nomination and Remuneration Committee Chairman of Risk Management Committee	7	7	
7. Mr. Supachak Manutsathit	Director	7	6	

## 7.2 The Management Team

### 7.2.1 Name of the members of the Management Team

1. Mr. Chakkaphant	Manutsathit	Chief Executive Officer
2. Mr. Supachak	Manutsathit	Assistant to Chief Executive Officer
3. Mrs.Malipa	Manutsathit	Chief Information Officer
4. Mrs.Suratn	Petchmunee	Company Secretary/Compensation & Benefit Director /Finance Director (acting)
5. Mr. Manolo	Villaluz Momongan	Supply Chain Management / Marketing Director
6. Mr. Wattana	Dechbun	Human Resources Director
7. Mr. Aviroot	Kongcharoen	Corporate Quality Assurance Director



Board of Directors



Mr. Chakkaphant Manutsathit  
Chairman of the Board of Directors



Mr. Chai Jroongtanapibarn  
Independent Director



Mr. Piromi Chamsai, Ph.D  
Independent Director



Mr. Monkhol Kittipoomvong  
Independent Director



Mr. Supachak Manutsathit  
Director



Mrs. Malipa Manutsathit  
Director



Mrs. Suratr Petchmunee  
Director



Mr. Chakkaphant Manutsathit  
Chief Executive Officer



Mr. Supachak Manutsathit  
Assistant to Chief Executive  
Officer



Mrs. Malipa Manutsathit  
Chief Information Officer



Mrs. Suratr Petchmune  
Company Secretary/  
Compensation & Benefits  
Director/ Finance Director (Acting)



Mr. Manolo Villaluz Momongan  
Supply Chain Management  
Director/ Marketing Director



Mr. Wattana Dechbun  
Human Resource  
Director



Mr. Aviroot Kongcharoen  
Corporate Quality  
Assurance Director

**Detail of Company Directors and Management**

Mr.Chai Jroongtanapibarn	Age 65 years	: Independent Director/ Chairman of the Audit Committee/ Nomination and Remuneration Committee/Risk Management Committee
Starting date of position	: Year 2000	
Share Ratio (%)	: 0.23% or 1,497,062 shares	
Relationship with Management	: None	
Highest Education	: Master Degree of Accounting, Thammasat University	
<b>Working Experiences</b>		
2018- Present	: Present Chairman/Independent Director , Veranda Resort Pcl.	
2007- Present	: Independent Director/ Audit Committee, Siam Food Products Pcl.	
2006- Present	: Independent Director/ Audit Committee, Oishi Group Pcl.	
2005- Present	: Chairman of the Board of Directors/Independent Director/Chairman of the Audit Committee,Thai Metal Trade Pcl.	
2003- Present	Independent Director,Siam Future Development Plc.	
2002- Present	Independent Director/Chairman Audit Committee,Major Cineplex Group Pcl.	
2000- Present	: Independent Director/Chairman of the Audit Committee, Team Precision Pcl.	
1982 – 1997	: Executive Director and Chief Financial Officer Minor Group.	
<b>Management positions and/or directorships</b>		
• other listed companies		6 places
• other non-listed companies (excl. subsidiaries)		- None-
<b>Related Training Program held by IOD</b>		
DCP -Director Certification Program 2003		
ACP -Audit Committee Program 2005		

Mr.Monkhol Kittipoomvong	Age 66years	: Independent Director/ Audit Committee/ Chairman of the Risk Management Committee/ Nomination and Remuneration Committee
Starting date of position	: 23 April 2015	
Share Ratio (%)	: 0.96% or 6,136,625 shares	
Relationship with Management	: None	
Highest Education	: MBA Finance and Business Economics ,The University of Toledo, Ohio, United States	
<b>Working Experiences</b>		
2018 – Presenet	: Independent Director , Asia Green Energy Pcl.	
2015 – Present	: Independent Director/ Audit Committee / Nomination and Remuneration Committee/ Chairman of Risk Management Committee, Team Precision Pcl.	
2007 – 2012	: Managing Director , Krungsri Securities Pcl.	
2000 – 2007	: Senior Executive Vice President, Krungsri Securities Pcl.	
1988 – 2000	: Executive Vice President, Head of institutional Sales Department, KGI Securities (Thailand) Pcl.	
<b>Management positions and/or directorships</b>		
• other listed companies		1 place
• other non-listed companies (excl. subsidiaries)		4 places
<b>Related Training Program held by IOD</b>		
DCP -Director Certification Program 2001		

Mr. Pirom Chamsai, Ph.D.	Age 64 years	: Independent Director/ Audit Committee / Chairman of the Nomination and Remuneration Committee/ Risk Management Committee
Starting date of position	: Year 2000	
Share Ratio (%)	: 0.17% or 1,090,000 shares	
Relationship with Management	: None	
Highest Education	: Doctor of Engineering (Geotechnique) Ecole Centrale des Arts & Manufactures (French Government Scholarship)	
<b>Working Experiences</b>		
2015 – Present	: Independent Director , Premier Technology Pcl.	
2014 – Present	: Chairman of The Executive Board of Directors, Consulting And Management 49 Limited.	
2013 – 2013	: Managing Director,Thai Flim Industries Pcl.	
2007 – Present	: Lecturer, Faculty of Fine Arts, Bangkok University	
2000 – Present	: Independent Director/Audit Committee /Chairman of Nomination and Remuneration /Risk Management Committee, Team Precision Pcl.	
<b>Management positions and/or directorships</b>		
• other listed companies		1 place
• other non-listed companies (excl. subsidiaries)		1 place
<b>Related Training Program held by IOD</b>		
DAP- Director Accreditation Program 2005		DCP- Director Certification Program 2007
ACP -Audit Committee Program 2005		RCC- Role of Compensation Committee 2007

Mr.Chakkaphant Manutsathit	Age 65 years	: Chief Executive Officer /Chairman of the Board of Directors/Nomination and Remuneration Committee /Risk Management Committee
Starting date of position	: Year 2000	
Share Ratio (%)	: 7.27% or 46,288,615 shares	
Relationship with Management	: Spouse of Mrs.Malipa Manutsathit	
Highest Education	: Master of Business Administration, University of Queensland Australia	
<b>Working Experiences</b>		
2010 – Present	: Chief Executive Officer /Chairman of the Board of Directors/Nomination and Remuneration Committee /Risk Management Committee,Team Precision Pcl.	
2009 – 2010	: Chairman of the Board of Directors/Nomination and Remuneration Committee /Risk Management Committee,Team Precision Pcl.	
2000 – 2008	: Chief Executive Officer /Chairman of the Board of Directors/Nomination and Remuneration Committee /Risk Management Committee, Team Precision Pcl.	
1995 – Present	: Director, Alpine Technology Manufacturing (Thailand) Co., Ltd.	
<b>Management positions and/or directorships</b>		
• other listed companies		- None-
• other non-listed companies (excl. subsidiaries)		5 places
<b>Related Training Program held by IOD</b>		
DAP- Director Accreditation Program 2003		RCP- Role of Chairman Program 2007
DCP- Director Certification Program 2003		RCC -Role of Compensation Committee 2007

Mrs.Malipa Manutsathit	Age 64 years	: Chief Information Officer / Director /Nomination and Remuneration Committee /Risk Management Committee
Starting date of position	: Year 2000	
Share Ratio (%)	: 1.88% or 12,000,000 shares	
Relationship with Management	: Spouse of Mr.Chakkaphant Manutsathit	
Highest Education	: Master of Commerce (Management Information System), University of New South Wales Australia	
<b>Working Experiences</b>		
2002 – Present	: Director, Energy Innovation Co.,Ltd.	
2000 – Present	: Chief Information Officer / Director /Nomination and Remuneration Committee /Risk Management Committee, Team Precision Pcl.	
<b>Management positions and/or directorships</b>		
<ul style="list-style-type: none"> <li>other listed companies - None-</li> <li>other non-listed companies (excl. subsidiaries) 3 places</li> </ul>		
<b>Related Training Program held by IOD</b>		
DAP- Director Accreditation Program 2003	ACP -Audit Committee Program 2007	
DCP -Director Certification Program 2007		

Mrs.Suratn Petchmunee	Age 58 years	: Company Secretary/ Compensation & Benefits Director / Finance Director (Acting)/ Director
Starting date of position	: Year 2000	
Share Ratio (%)	: 0.67%or 4,238,789 shares	
Relationship with Management	: None	
Highest Education	: Master of Business Administration, University of Eastern Asia	
<b>Working Experiences</b>		
2012 – Present	: Company Secretary/ Compensation & Benefits Director / Finance Director (Acting)/ Director ,Team Precision Pcl.	
2009 – 2011	: Company Secretary /Director, Team Precision Pcl.	
2000 – 2008	: Finance Director/ Director , Team Precision Pcl.	
<b>Management positions and/or directorships</b>		
<ul style="list-style-type: none"> <li>other listed companies - None-</li> <li>other non-listed companies (excl. subsidiaries) 1 place</li> </ul>		
<b>Related Training Program held by IOD</b>		
DAP -Director Accreditation Program 2003	CSP - Company Secretary Program 2009	
DCP- Director Certification Program 2007	EMT -Effective Minute Taking 2009	
ACP- Audit Committee Program 2007		

Mr. Supachak Manutsathit	Age 34 years	: Assit to Chief Executive Officer
Share Ratio (%)	:	14.98% or 95,400,000 shares
Relationship with Management	:	Son of Mr.Chakkaphant Manutsathit
Highest Education	:	Master of Science in Management, Imperial College London, United Kingdom
<b>Working Experiences</b>		
2012 – Present	:	Present Assistant to Chief Executive Officer, Team Precision Pcl.
2016 – Present	:	Present Directors, Finest Med Design Co.,Ltd.
2011 – Present	:	Present Directors, Energy Innovation Co.,Ltd.
2009 – 2012	:	Branding and Category Activation Manager, Unilever Trading Co.,Ltd
<b>Management positions and/or directorships</b>		
• other listed companies		- None-
• other non-listed companies (excl. subsidiaries)		2 places
Related Training Program held by IOD -None-		

Mr.Manolo Villaluz Momongan	Age 53 years	: Supply Chain Management Director / Marketing Director
Share Ratio (%)	:	None
Relationship with Management	:	None
Highest Education	:	Master's degree in Management for Executives and Managers (Most Outstanding Graduate) University of San Jose Recoletos, Philippines
<b>Working Experiences</b>		
2008 – Present	:	Supply Chain Management Director /Marketing Director, Team Precision Pcl.
2004 – 2008	:	Supply Chain Management Director, Celestica Philippines
1991 – 2004	:	Production Control Manager, NEC Technologies Philippines
Related Training Program held by IOD -None-		

Mr. Wattana Dechbun	Age 57 years	: Human Resources Director
Share Ratio (%)	:	None
Relationship with Management	:	None
Highest Education	:	Political Science,Chulalongkorn University
<b>Working Experiences</b>		
2015 – Present	:	Human Resources Director, Team Precision Pcl.
2014 – 2014	:	Human Resources Senior Department Manager, Team Precision Pcl.
2011 – 2013	:	Human Resources Department Manager, Western Digital Thailand Co.Ltd.
2009 – 2011	:	Human Resources Department Manager, Pruksa Real Estate Pcl.
Related Training Program held by IOD -None-		

Mr. Aviroot Kongcharoen	Age 48 years	: Corporate Quality Assurance Director
Share Ratio (%)	:	None
Relationship with Management	:	None
Highest Education	:	Bachelor of Science,Chulalongkorn University
<b>Working Experiences</b>		
2015 – Present	:	Corporate Quality Assurance Director, Team Precision Pcl.
2007 – 2014	:	Corporate Quality Assurance Senior Department Manager , Team Precision Pcl.
2004 – 2007	:	Senior Quality and Reliability Assurance Department Manager,Stars Microelectronics (Thailand) Pcl.
2004	:	Assist Quality Engineering Manager,SVI Pcl.
Related Training Program held by IOD -None-		

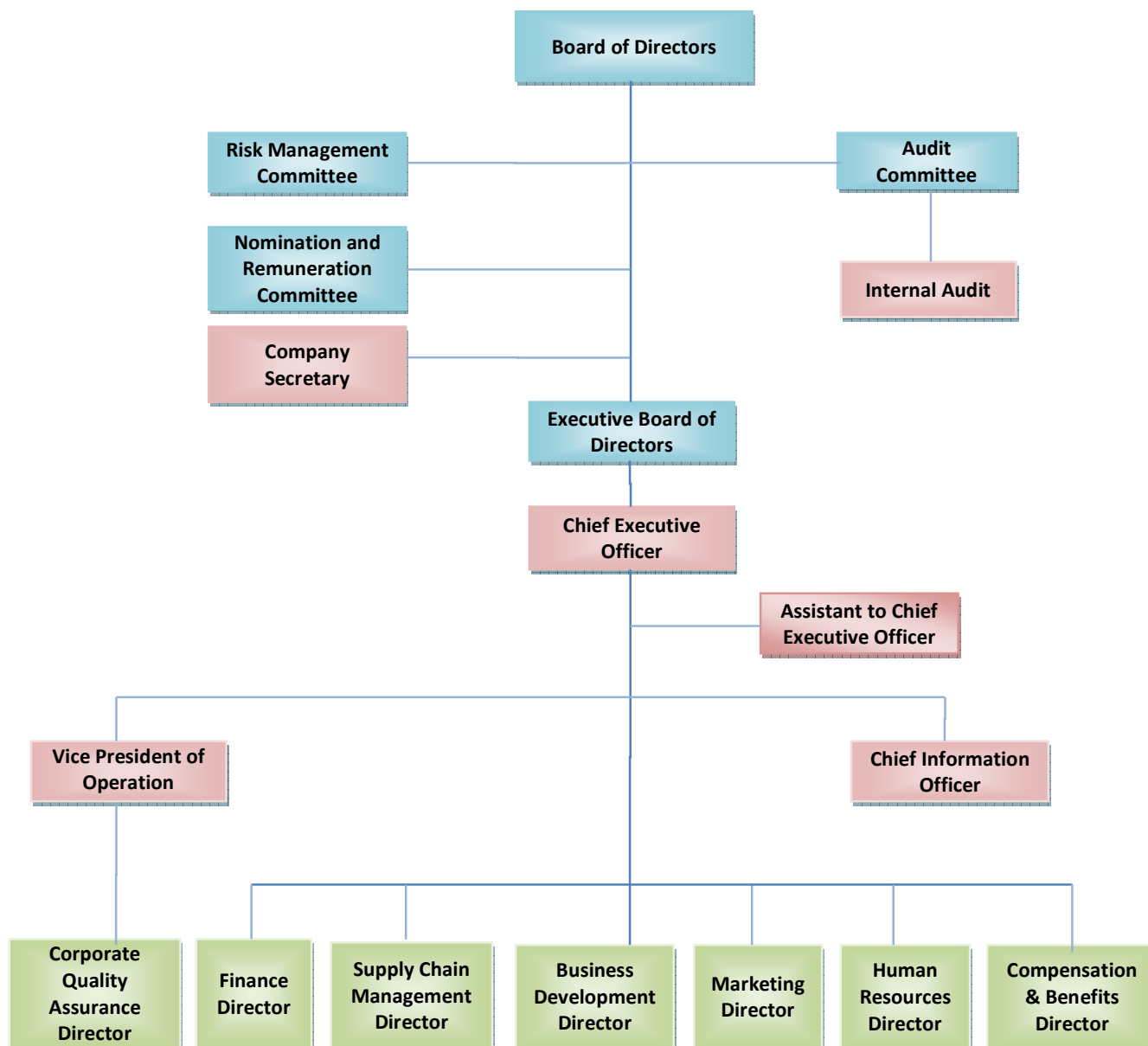
**Changes in Shareholdings of directors and executives**

Name		Holdings	13 March 2019	8 March 2018	Increase/ Decrease(Net)
Mr. Supachak	Manutsathit	Direct	95,400,000	95,400,000	-
Mr. Chakkaphant	Manutsathit	Direct	46,288,615	46,288,615	-
Mr. Pirom	Chamsai, Ph.D.	Direct	1,090,000	1,090,000	-
Mr. Chai	Jroongtanapibarn	Direct	1,497,062	1,497,062	-
Mr.Monkhol	Kittipoomvong	Direct	6,136,625	6,136,625	-
Mrs.Malipa	Manutsathit	Direct	12,000,000	12,000,000	-
Mrs.Suratn	Petchmune	Direct	4,238,789	4,238,789	-
<b>Total</b>			<b>166,651,091</b>	<b>166,651,091</b>	<b>-</b>

Source of data : Closing the shareholders' book of registration from Thailand Securities Depository Co.,Ltd.



# Organization Structure



#### 7.2.2 The scope of authority and responsibilities of the Chief Executive Officer

1. Having authorities according to the policies approved by the Board of Directors under Laws, conditions, rules, or regulations of the company, with the exception of items that may be disputed, interested in, in conflict with Company or subsidiary companies by the chairman of executive officials that can be done only when the resolution of the meeting of the Board of Directors attended by independent directors is obtained.
2. To define the Company's mission, objectives, policies including leading and controlling overall its operation in order to obtain the maximum benefits and to be line with the objectives of the Board of Directors.
3. For any obligations to the Company as a borrower, Chief Executive Officer has an authority level not exceeding to Baht 100 million. If over Baht 100 million, that transaction must be approved by the Board of Directors.
4. For any trade agreement which will be obliged to the Company as a seller, a buyer, a lessor and/or other status for normal business transactions, Chief Executive Officer or his attorney as assigned for specific activity or for preparing the Company's Charter of Authorities has an authority level not exceeding to Baht 100 million.

The aforementioned authorities shall not include the activities of related transaction, connected transaction, and the acquisition or disposal of major assets of the listed Company according to the SET and SEC's regulation.

#### 7.3 Company Secretary

The Board of Directors appointed Mrs.Suratn Petchmunee to be Company Secretary. Her qualification is sufficient and appropriate to this position as Company Secretary.

#### 7.4 Remuneration for Directors and Executives of the Company

The remuneration policy

The Board of Directors shall approve the remuneration for a senior executive. As for the remuneration for a director, the Board of Directors shall propose to the Shareholders' Meeting for approval. However, the determination of the remuneration for a director shall be considered and commented by the Nomination and Compensation Committee who shall review the duty and responsibility by comparing with those of the industries of the same and similar size and type of business.

##### 7.4.1 Remuneration in the form of money

##### (A) Remuneration of Director

Name	Position	2018	
		Remuneration	Compensation
1. Mr.Chakkaphant Manutsathit	Chairman of The Board of Directors/ Nomination and Remuneration Committee/ Risk Management Committee	390,000	-
2. Mrs.Malipa Manutsathit	Director / Nomination and Remuneration Committee / Risk Management Committee	330,000	-
3. Mrs.Suratn Petchmunee	Director / Company Secretary	330,000	-
4. Mr.Supachak Manutsathit	Director	** 224,400	-
5. Mr.Chai Jroongtanapibarn	Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee / Risk Management Committee	490,000	-
6.Mr.Monkhol Kittipoomvong	Independent Director/ Audit Committee / Nomination and Remuneration Committee / Chairman of Risk Management Committee	430,000	-
7.Mr.Pirom Chamsai, Ph.D.	Independent Director / Audit Committee / Chairman of Nomination and Remuneration Committee / Risk Management Committee	430,000	-
<b>Total Remuneration ***</b>		<b>2,624,400</b>	<b>-</b>

\*\* Remuneration for Mr. Supachak Manutsathit, paid in proportion in the term of period

\*\*\*Directors ' remuneration and directors' compensation were set to pay annually.

Remuneration of the sub-committee: -None-

(B) Total remuneration, includes salary and other incomes that the company paid executives are as below:

Year	Total Executive	Amount (Baht)
2018	7	33,133,072
2017	7	33,706,266

#### 7.4.2 Other remunerations

##### 1. Provident fund

The Company contributes to the provident funds of executives and employees at a rate of 3% of monthly salary to serve as welfare in case of death, disability, resignation, or retirement depending on the period being employed with the Company.

The Company established Employee 's Choice Structure to allow employees to choose the fund policies that fit their own funds. There were five plans consisting of Employee members may as well change their policies by two times per year.

Plan 1	Plan 2	Plan 3	Plan 4	Plan 5
Money market 100%	Fixed Income 100%	Fixed Income 80% Thai Equity 20%	Fixed Income 70% Thai Equity 30%	Fixed Income 60% Thai Equity 40%

##### 2. Long term Employee Benefits

The Company had provision for compensations on employees' retirement at the year ended December 31, 2018 totaling 59.22 Million Baht. The principle assumptions and calculation is performed by a qualified actuary using the Projected Unit Credit Method.

##### 3. Group Accident Insurance

The Company provides the group accident insurance for each levels of employees.

#### 7.5 Employee

The existing executive and staffs was 1,096 persons as of December 31,2018 and recognized compensation and benefit expenses (salary, provident fund ,bonus,social security etc) for employees totaling 294.89 Million Baht.

##### Personnel development policy

As far as the organizational quality is concerned the Company has a firm policy to continuously develop skills, knowledge, and ability for all of its employees. The Company aims at enhancing their potential, and competitiveness to satisfy the customer's needs. And in order for the Company's Annual Personnel Training and Development Plan to be in line with skill requirements and needs of each work unit the Company always makes certain of providing employees the following programs: work orientation for newly recruited working members, basic production knowledge, on- job- training, hygiene and safety training as well as management skill training for employees at supervising level.

Employees are either given training within the Company with experts of particular areas being invited to widen their skills and knowledge scope or sent to other institutions for outside training. In 2018 ,the rate of employees trained for skilled labor reached 70% of the total company staff.

## 8. Corporate Governance

The Company has policies and guidelines according to the Code of Best Practice as follows:

### 8.1 Policy on corporate governance

For the continuous growth of the Company's business operation and for the increase of confidence to the investors and all concerned parties, the company has determined a policy of good governance for the board of directors to act as follows:

- Manage work carefully and carry out duties responsibly, with adequate abilities and efficiency, to create the highest benefits for shareholders.
- Perform with transparency operating, open to evaluation, to disclose adequate information to all concerned parties.
- Consider the Company's risk assessment to manage and control risks level appropriately.
- Review to avoid any conflicts of interest and be responsible for the decision making and its own actions.

### 1. Rights of Shareholders

In 2018 the Company had a total of one shareholder meeting, with one annual ordinary meeting taking place at the Company. The Company uses a Record date method to gather a list of shareholders who are entitled to attend the meeting. Thailand Securities Depository Co., Ltd has been assigned to be organizer and the Company had submitted the Notice of AGM Meeting along with supporting information for various agenda for acknowledge 21 days in advance before the meeting. Each agenda included the opinion of the Board of Directors and explained to shareholders for voting method, voting count and card in the meeting.

The company has also published data information about the Notice of AGM together with supporting information both in Thai and English language on Company's website within 30 days prior to the Annual General Meeting of Shareholders to allow shareholders to study in advance.

### 2. Equitable Treatment to Shareholders

The Company provided a fair practice to shareholders on following details:

- 2.1 Provide a shuttle service to facilitate shareholders who wish to attend annual general meeting ("AGM") from the Stock Exchange of Thailand Building.
- 2.2 Give the equal right to vote to the shareholders and the voting procedures are not complicated.
- 2.3 Attach the Proxy type B including instruction with the invitation letter in order to shareholders who could not attend AGM to give the power to independent director or other person to attend and vote in the meeting.
- 2.4 Give opportunity with the equal right to shareholders in auditing the Company's business performance inquiry and recommendation expression. All inquiries and recommendations were also welcome through e-mail address: [ir@teampcba.com](mailto:ir@teampcba.com).
- 2.5 Shareholders who lately attend in the meeting will be allowed.
- 2.6 Allow shareholders to have their rights to propose an agenda and nominee of director advance for 2019 Annual General Meeting of Shareholders. The criteria to exercise their rights had been announced through SET and Company's website at <http://www.teampcba.com>
- 2.7 In the 2018 AGM, total of seven directors attended the meeting. The chairman gave the shareholders to offer their expressions and questions. And the meeting are recorded accurately and completely for further audit by shareholders.
- 2.8 Company proceeded the meeting according to the agenda and had no additional agenda without prior notification to shareholders.
- 2.9 The Company has implemented barcode system to use in register. Recorded vote and the voting results show at the end of each agenda by providing third-party inspectors to examine, in cooperation with the vote counting.
- 2.10 Disclosure resolution of Annual General Meeting of Shareholders and the voting results through dissemination of information system of The Stock Exchange of Thailand within the next working day from the date of the meeting.
- 2.11 Prepare and submit resolution of the Annual General Meeting of Shareholders to the relevant regulatory authorities. Such report has been published on the Company's website within the duration not exceeding 14 days from the date of the meeting.

### 3. Rights of Stakeholders

The Company has considered the importance of every group of stakeholders, according to the following details:

- **Employee:** The company treats all employee on a fair and equitable basis of employment equity and all applicants without discrimination based on race, color, religion, nationality, sex, age, disability, marital status, sexual orientation, which we will follow the law, human rights and employment, all applicable not to perform illegal discrimination in various aspects of an employment, including recruitment, hiring, compensation. promotion or termination of employment.
- **Occupational Health, Safety and Environmental:** Company has been aware of the importance of hygiene and safety practices of employees. As well as the prevention of environmental impact, the company has a policy to guide the implementation of the system as effectively and efficiently as follows.
  - Continuous improvement in Health, Safety and Environmental management system, processes, products and services. In accordance with the requirements of the standard OHSAS 18001 and ISO 14001.
  - Commitment to abide by laws and regulations of Occupational Health Safety and Environment related to the business operations of the organization.
  - Establish objective and target to conduct inspection for continuous improvement in Health and Safety in workplace. Implement risk assessment of the activities within the organization to prevent accidents, injuries, illnesses related from work. The goal is to reduce accidents at work to zero. The conservation of natural resources to prevent the environmental pollution caused by the activities of the organization.
  - Provide training to creating awareness of Occupational Health management system, Safety and Environment when work on behalf of the Team Precision organization.
  - Communicate to employees who are working on behalf of Team Precision to understand of Health, Safety and Environment policy as well as the dissemination of communication to the public and related agencies. Including of Health, Safety and Environmental Policy review as a reasonable period.
- **Partners and/ or Creditors:** the Company has policy to treat partners and/or creditors equally and fairly and attain the best interest of the Company and a fair return of both parties. We do not request, accept or pay any bribes in the business dealing .The Company shall comply with agreement and condition including term of guarantee (if any) for partners and/or creditors. In case that the Company cannot comply with the agreed terms, ,the event of payment default ,the Company shall notify the partners and/or creditors in advance to jointly find solutions. The qualifying purchases ,procurement of goods and services from suppliers will be based on cost, quality, responsiveness, delivery and financial stability of the suppliers or service providers.
- **Customers:** The Company has policy to pay attention and be responsible to our customers. We produce the quality products according to international standards, create trust ,retain customer's information in strict confidentiality, and we have an assigned function or responsible person to enhance rapid actions for customer complaints.
- **Business Competitors:** The Company exhibits good behavior within the framework of good competition, maintains the baseline of acceptable behavior in competitions and avoids dishonest methods to destroy business competitors.
- **Intellectual Property and Copyright Policy:** The Company recognizes the importance of the intellectual property and copy rights of third parties. The Company will comply with the legal requirements on intellectual property and copy rights by must check beforehand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others as follows:
  - Employees must comply with the laws, regulations and contractual obligations regarding intellectual property rights, and including patents, copy rights, trade secrets, and other information proprietary.
  - Employees shall avoid violating intellectual property of others.

- Employees who use the Company's computers should use only the licensed software programs of the Company.
- Employees must sign an agreement on policy to comply with the laws of intellectual property or copy rights and the relevant laws.
- All the intellectual properties which include the work in progress, innovation in all formats shall be returned to the Company whenever an employee vacates the office.
- **Social and Community:** The Company acts responsibly towards community environment by providing close and careful examinations of our pollution and treatment system of waste water flowing towards community and making certain they proceed in accordance with yearly plan.
- **Shareholders :**The Company intends to create value and provide shareholders with good returns continuously while sustaining the Company's growth. The Company prepares and disclose accurately ,completely and timely the financial information with equitable treatment of all shareholders.

The Company has carried out its business according to the regulations of the law and other related rules to ensure that the rights of stakeholders are well taken care of.

- Company complies with the tax law and foreign exchange control in Thailand and other countries. Do not allow employee to arrange any transaction which the employee knows or should know that it would violate such laws on behalf of the Company.
- Company conducts a global business with special discretion and to ensure that we comply with the laws governing exports and international trade as well as the laws of the country in business parties.
- Company is responsible in compliance with applicable laws, regulations, administrative acts and judicial decisions related to import, export. The import and export commercials will be performed only under Company name.
- The compliance to the practice will be monitored by senior management. Anyone violating the code of practice will be disciplined according to the Company's rule

#### **4. Disclosure and Transparency**

The Board of Directors focus on the disclosure of Company information correctly and appropriately, so that the Company has a policy in the disclosure of information as follows.

- 4.1 Company disclosed financial reports relating to the financial status and operating performance of the Company on a quarterly and annual basis after each review or audit by Certified Public Accountant ,as well as the Management Discussion and Analysis (MD&A) of the Company and its subsidiaries according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- 4.2 Distributed the 2018 Annual Report (Form 56-2) to the Company's shareholders, along with the notice of the Annual General Meeting of Shareholders, and informed such information to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within the period required by regulation ,as well as published it on the Company 's website.
- 4.3 Submitted Form 56-1 as at December 31, 2018 to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 3 months from the end of accounting period of the Company as required by regulation as well as published it on the Company 's website.
- 4.4 Disclosure of shareholding structure, organization structure, shareholding structure of business group,the information of Board of Directors and executives , and Company's articles of Association placed on the Company's website.
- 4.5 Company provides communication channel between investors ,analysts and any person who is interested with the company. They could raise suggestion or request for more information from the Company through its e-mail address: [ir@teampcba.com](mailto:ir@teampcba.com) or facsimile No. 02-5771705, 02-5772355.
- 4.6 The non-financial indicator of Company performance is the level of customer satisfaction which had 81% in the year 2018.



## 5. Responsibilities of the Board of Directors

### 5.1 Responsibilities of the Board of Directors

In addition to the authority and responsibilities mentioned in the Company's regulations, the Board of Directors also has the duty to be consistent with the system of good corporate governance as follows:

1. Guarantee the vision, guidelines and business plans of the Company .To set policies as well as monitor and supervise management to operate in accordance with the policies in order to maximize shareholders' wealth and comply with good corporate governance principles and law
2. Evaluate and follow the results of the work done by the management to ensure that the Executive Board of Directors has appropriately carried out day-to-day tasks according to the policy established with efficiency and effectiveness
3. To undertake that the Company implements good corporate governance , internal controls and risk management to ensure that operations are correct and efficient.
4. Verify connected transaction and items that may create conflict of interest so they conform to the current regulations.
5. Verify and approve the significant matter that affect to the Company's financial status debt and obligation.
6. To disclose the conflict of interest of their own and/or related person in relation to the Company or subsidiaries' interest according to the rule & regulations set by the Capital Market Supervisory Board to the Company.
7. The appointment of the determination of authority of Independent committee and sub-committees.
8. The appointment of subsidiary company's directors

### 5.2 Duties and responsibilities of the Chairman of the Board:

1. Summoning the meetings of the Board of Directors and set the agenda for meeting of the Board of directors and the annual general meeting of shareholders.
2. Presiding over the Board of Directors and the Shareholders meeting and conducting the meeting in compliance with the Company's Articles of Association and following the sequence of the agenda.
3. To vote as to decide for the approval of that specific agenda in the board of director meeting and shareholder meetings, if the votes for that agenda is even.
4. Promoting Corporate Governance standards of the Board of Directors.
5. Performing the duty specified by law as the duty to be performed by the Chairman

### 5.3 The composition of the Board of Directors

The Company's Board of Directors consist of seven directors, as follows:

- Four executive directors who are also management, representing 57% of total number of directors.
- Three independent directors ,representing 43% of total number of directors.

Therefore, there were counterbalanced for independent directors in accordance with the laws that require independent directors not less than one-third of all Directors

### Definition of independent directors

Independent director refers to director who is independent from major shareholders, executive and related persons and could have duty for protect shareholders' benefit equally.

#### Independent directors' qualifications

- (1) Holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.
- (2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless having vacated from said tenure for not less than two years before appointment as an independent director. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant.
- (3) Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary company.
- (4) Neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless having vacated from said tenure for not less than two years before appointment .

Business relationship as in first paragraph shall include the normal course of trading transaction for business undertaking, lease or grant of lease of immovable asset, transactions relating to asset or service, or grant or receipt of financial assistance through acceptance or grant of loans, guaranty, grant of asset as guaranty for loans, including other similar behavior, thus making the person applying for permission or a contract party liable to payment of debt to another party, from 3 percent of net tangible assets of the person applying for permission, or from Baht 20 million or over, whichever is lower. The calculation of debt burdens as referred to above shall comply with the valuation of connected transaction in compliance with the notification of the Capital Market Supervisory Board on the criteria of the connected transaction, with the respective differences having been considered (*mutatis mutandis*). However the consideration of the said debt burdens shall include the debt burden incurred within one year before having business relationship with the same person.

- (5) Neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless having vacated from the said tenure for not less than two years before appointment.
- (6) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless having vacated from the said tenure for not less than two years before appointment.
- (7) Not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;

- (8) Not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company, or not being a major partner of a partnership, or a director with involvement in management, a hired worker, an employee, an advisor with regular payroll, or owning shares more than one percent of all shares with voting right of other companies with similar business undertaking or significant competition with the business of the person applying for permission or subsidiary companies.
- (9) Not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

After being appointed as independent director with the qualifications under (1) to (9) of the first paragraph, the independent director may be assigned by the Board of Directors to take part in the business decision of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

This definition is equal to the definition of an Independent Director as set forth by Capital Market Supervisory Board

#### 5.4 Consolidation or Segregation of Positions

At present, the Company still has chairman of the Board of Directors and Chief Executive Officer as a same person. However, the operation remains to be performed in accordance with the scopes and authorities required to be done in that position. The said operation authority shall not include the operation with respect to the related items and the items to be acquired for or disposed of the major properties of the registered companies according to the regulations of the Securities and Exchange of Thailand.

#### 5.5 Board of Directors' Meetings

The Board of Directors had set schedule of date and time for board of director and sub-committees meeting in advance for the whole year by joint consideration and inform each Director to record such annual appointments. Usually schedules were appointed to meet quarterly and additionally special meeting as needed. Dates of the meetings are scheduled clearly and in advance, and there are always occasions for evaluation and follow-up of operations. The secretary of the Company sends out letters of invitation along with the agenda and documents relevant to the meeting at least seven days in advance, so the Board has time to study the information before attending the meeting. Meetings usually last about three hours when regular and between one and two hours for special occasions. The member of the Board is able to raise more agenda and present idea openly and directly. The company's secretary will record, take minutes of the meeting and submit to chairman of board of director for approval.

In 2018 the Board met four times for regular meetings and three times for special meetings, totaling seven meetings. The attendance of each member of the Board of the Company was summarized in Structure Management's topic. The Board has reviewed the Company's mission and vision including a strategy to be practice implementation

5.6 Company policy regarding the minimum number of quorum. The committee will vote on the Board of Directors's meeting shall be not less than two-thirds of all the directors.

Besides, the Company had arranged a meeting of a Sub-Committee for considering the agenda regarding such Sub-Committee. The detail of the meeting of the Sub-Committee participated by the Company's Directors is as follows:

Director Name		Audit Comm.	Nomination and Remuneration Comm.	Risk Mgt. Comm.	AGM Meeting
1. Mr. Chakkaphant	Manutsathit	-	1/1	4/4	1/1
2. Mrs. Malipa	Manutsathit	-	1/1	4/4	1/1
3. Mrs. Suratn	Petchmunee	-	-	-	1/1
4. Mr. Supachak	Manutsathit	-	-	-	1/1
5. Mr. Chai	Jroongtanapibarn	4/4	1/1	4/4	1/1
6. Mr. Pirom	Chamsai, Ph.D.	4/4	1/1	4/4	1/1
7. Mr. Monkhon	Kittipoomvong	4/4	1/1	4/4	1/1

Secretary of sub-committee is Mrs. Suratn Petchmunee

#### 5.7 The Meeting without Attendance of Management

The independent directors may hold a meeting without attendance of management as it sees appropriate. In some circumstances, the audit committee may request particular executive to clarify issue as it sees fit.

#### 5.8 Conflict of interest

The Company's information that may be considered as a related items has been informed to the auditor who shall identify the note to the company's financial statements if it is found that the items that may significantly pose the conflict of interest.

Furthermore the Board of Directors has established the policy and procedure for directors and executives to report on conflict of interest to ensure that they are abided by their fiduciary duties in the way that they must not have interest, whether directly or indirectly in the matter under their decision. Directors and executives are required to disclose any material interest in transactions or matters affecting the corporation through the established form approved by the Board of Directors, where those directors and executives shall be excluded from decision making involving transactions in which they have interests or are connected. The corporate secretary is responsible for receiving reports from directors and executives who disclose their interests and those of their related parties to the chairman of the Board of Directors and the Chairman of Audit Committee.

## 8.2 Sub-Committee

The Board of Directors had appointed the four sub-committees to deal their roles & responsibility. The details of each committee are as following

### 1. Executive Board of Directors

#### 1.1 Names of members of the Executive Board of Directors

1. Mr. Chakkaphant	Manutsathit	Chairman of the Executive Board of Directors
2. Mrs. Malipa	Manutsathit	Executive Director
3. Mrs. Suratn	Petchmunee	Executive Director
4. Mr. Supachak	Manutsathit	Executive Director

#### 1.2 The scopes of authority and responsibilities of the Executive Board of Directors:

- Supervise the operations of the Company to ensure that they are according to the policies of the Board of Directors and the laws, conditions, rules, and regulations of the Company, except for the items may be disputes, interested in or in conflict with Company or its subsidiaries by executive directors that can be done only when the resolution of the meeting of the Board of Directors attended by the independent directors is obtained.
- Determine paths of development and expansion of business in accordance with the policies of the board of directors.
- Evaluate, prepare and improve the system and regulation of work in the company.

4. Evaluate and scrutinize the information or facts regarding business operations that will be presented to the Board of Directors for consideration.
5. Evaluate the structure of salaries and other benefits of employees.
6. Proceed other tasks as appointed by the Board of Directors.
7. As for business approvals that may bind the company as borrower, the Executive Board of Directors is authorized to carry out actions valued not exceeding Baht 100 million. If exceeding Baht 100 million, approval must be sought from the Board of Directors.

The executive board has no authority to act anything to meet requirement as the related items and the acquisition or disposal of Company's major assets, including the Company's Board of Directors shall not authorize or assign the executive board to act on the said items in lieu of the Company's Board of Directors.

## 2. Audit Committee

### 2.1 Members of the Audit Committee

- |                |                      |                             |
|----------------|----------------------|-----------------------------|
| 1. Mr. Chai    | Jroongtanapibarn*/** | Chairman of Audit Committee |
| 2. Mr. Pirom   | Chamsai, Ph.D.*      | Member of Audit Committee   |
| 3. Mr. Monkhol | Kittipoomvong *      | Member of Audit Committee   |

Remark \* Independent director

\*\* Mr.Chai Jroongtanapibarn has particular knowledge and experien review the financial statements.

### 2.2 The scopes of the authority and responsibilities of the Audit Committee:

1. To review the Company's financial reporting in accordance with the financial reporting standard and the disclosure is adequate.
2. Review that the Company has an internal control system and appropriate and effective internal audits.
3. Review the Company complies with to the applicable law on the Securities and Stock Exchange, regulations and requirements of Stock Exchange or the laws related to the business of the Company.
4. Consider the appointment and termination for the person who has the independence to act as the Company's external auditor and propose audit fee of such a person, including a meeting with the external auditor without management attended the meeting at least once a year.
5. Review the accurate and complete disclosure of Company's information in case of the related transactions or items or situations where conflict of interests may occur.
6. Prepare the audit committee report with the signature of the audit committee chairman to be included in the Company's annual report. At least the following information must be includes:
  - a. Comments on the accurate, complete and reliable of financial report
  - b. Comments on adequate internal control system of the Company
  - c. Comments on the implementation of the applicable law on the Securities and Stock Exchange, regulations and requirements of the Stock Exchange or the laws related to the business of the Company.
  - d. Comments on the appropriate of the auditor
  - e. Comments on the conflict of interests
  - f. The number of audit committee's meeting and the number of each audit committee's attendance
  - g. Overall audit committee's comments or suggestions received from implementing under charter
  - h. Other comments or information to the shareholders or investors under the duties and responsibilities appointed from the Board Director
7. Act as Board of Directors appoint with the approval of the audit committee.  
Under the first paragraph, the audit committee has direct responsibility to the Board of Directors and the Board of Directors still has responsibility to the third party.
8. Within the audit committee scope, where the transaction or activity is found or in doubt that it will significantly affect to the financial status and the company performance, the audit committee shall report to the Board of Directors for correction or modification by reasonable time.

Tenure: The chairman of the audit committee and the members of the audit committee will hold their positions for a term of three years each.

### 3. Nomination and Remuneration Committee

#### 3.1 Members of the Nomination and Remuneration Committee

1.	Mr.Pirom	Chamsai, Ph.D*	Chairman of Nomination/ Remuneration Committee
2.	Mr.Monkhol	Kittipoomvong*	Member of Nomination/ Remuneration Committee
3.	Mr.Chai	Jroongtanapibarn*	Member of Nomination/ Remuneration Committee
4.	Mr.Chakkaphant	Manutsathit	Member of Nomination/ Remuneration Committee
5.	Mrs.Malipa	Manutsathit	Member of Nomination/ Remuneration Committee

Remark \* Independent director

#### 3.2 The scopes of authority and responsibilities of Nomination and Remuneration Committee:

1. Select and appoint persons to become members of the Board of Directors, according to the resolution of the Board of Directors.
2. Determine the selection process for the Board of Directors members to replace members who complete their tenure.
3. Consider to select persons to be appointed as a director of Company to replace directors that have completed their tenure, to be presented to the Board of Directors and the meeting of shareholders for approval.
4. Consider to select persons to hold the position of management of the Company, according to the resolution of the Board of Directors.
5. Propose method of paying remuneration to the Board of Directors and other committees appointed by the Board of Directors.
6. Propose the other remunerations as deemed reasonable and appropriated.

Tenure: The chairman of the risk management committee and members are appointed for a term of three years each.

### 4. Risk Management Committee

#### 4.1 Members of the Risk Management Committee

1.	Mr.Monkhol	Kittipoomvong*	Chairman of Risk Management Committee
2.	Mr.Chai	Jroongtanapibarn*	Member of Risk Management Committee
3.	Mr.Pirom	Chamsai, Ph.D.*	Member of Risk Management Committee
4.	Mr.Chakkaphant	Manutsathit	Member of Risk Management Committee
5.	Mrs.Malipa	Manutsathit	Member of Risk Management Committee

Remark \* Independent director

#### 4.2 The scope of authority and responsibilities of the risk management committee

1. Specify the Company's risk management framework in accordance with the risk management policy to support Board of Directors' policies about the risk management in the level of risk that can be accepted. Review of the risk management and execution as to ensure that the Company's risks are adequate and appropriate managed to accepted level and practice continuously.
2. Develop and review strategic in risk management plans.
3. Report quarterly operating results and/or yearly and/or when events may have a significant impact to the Board of Directors

Tenure: The chairman of the risk management committee and members are appointed for a term of three years each.

### 8.3 Nomination and appointment of Director and top Management

#### 8.3.1 Nomination of Director

For an appointment of a director, the Nomination and Compensation Committee consisting of 3 Independent Directors out of the total 5 members of the Nomination and Compensation Committee having the duty and responsibility in selection and screening a person qualified to be a Company's Director who should be knowledgeable and capable in business administration and management, have integrity and readiness in management of his own duty. At least 1 member of the Nomination and Compensation Committee shall have the financial knowledge and capability and the important is a Company's Director shall be a person whose qualifications shall not contradict to any provisions of the Stock Exchange of Thailand or the Company's Articles of Association. The Company's Board of Directors shall consider and appoint according to the proposal of the Nomination and Compensation Committee before proposing to the Shareholders' Meeting for approval.

Appointment procedure of Company's Director, The Shareholders' Meeting shall elect the directors according to the following rules and procedure:

1. One shareholder has one vote per one share.
2. Each shareholder shall use all his votes according to (1) for election of one person or several persons to be the director(s) but cannot separate his votes to anyone more or less than the others.
3. The persons receiving the votes shall be elected to be the directors according to the number of directors to be available or to be elected at that time and in sequence ranging from the highest votes. In case the elected persons receiving the equal votes and exceeding the number of directors to be available or to be elected at that time, the Chairman shall be the one who casts a final vote.

In case a position of director is vacant due to other reasons beyond the retirement by his term, the Board shall elect a person whose qualifications and characteristics shall not be disqualified according to the Public Limited Companies Act to be a director participating in the next Board of Directors' Meeting unless the term of such director is less than two (2) months. In that regard, the newly elected person shall assume a position of director according to the remaining term of the director he replaced. However, the resolution of the Board shall consist of the votes not less than three fourth (3/4) of the number of remaining Directors.

#### 8.3.2 Nomination of the top management

For nomination of a person to assume the top management position; for example, the Chief Executive Officer, the Executive Board shall primarily consider to screen a person whose qualifications are completed, appropriate, knowledgeable, skillful and experienced beneficial to the operation of the Company and having good understanding in Company's business, as well as, being able to manage the work to achieve the objective and targets set by the Board of Directors. The Executive Board, then, shall propose to the Nomination and Compensation Committee for consideration and approval before proposing to the Board of Directors for further consideration and approval.

#### 8.3.3 Development of Directors and Management Team

The Board of Directors has continuously supported and facilitated the training program and education of those associated with the good corporate governance such as directors, audit committee members, executives, corporate secretary by relevant institutions such as the SET, the SEC, or the Thai Institute of Directors Association (IOD). The Company provides the internal training program by professional lecturer to the middle and top management to serve beneficially their capability and duties.

Director & Management trainee in 2018		Inhouse training (Course)	Public training (Course)	Total hour
1. Mr. Chakkaphant	Manutsathit	-	10	32
2. Mr. Supachak	Manutsathit	-	14	60
3. Mrs.Suratn	Petchmunee	-	4	27
4. Mr.Wattana	Dechbun	-	1	6
Total		-	29	125

#### 8.3.4 Orientation for New Directors and Executives

The Board of Directors assigns the Company secretary to prepare information for all new directors and executives so as to inform them of their roles, duties and responsibilities as well as compliance with the Company's corporate governance policies and practices.

#### 8.4 Supervision of the operation of subsidiary company

In the past, the Company has the practice guidelines for appointment of a director in a subsidiary company that an appointed person shall obtain an approval from the Company's Board of Directors as well and that appointed person shall have a duty to perform for the interest of the subsidiary company.

Besides, the Articles of Association of the subsidiary company has enforced that the principle of the transactions of the revenues from acquisition or disposition of the assets shall be in consistent to that of the Company including storing the data and bookkeeping of the subsidiary company shall be audited and consolidated into the Financial Statements of the Company as scheduled.

#### 8.5 Supervision of the use of inside information

8.5.1 The Company had notified a director and an executive upon assuming the duties about the notifications concerned of the Securities and Exchange Commission which regulated that a director and an executive shall have a duty to report the change in holding the securities to the Securities and Exchange Commission according to Article 59 of the Securities and Exchange Act B.E. 2535 within 30 days from the date of the change in holding the securities and to notify the Company's Secretary for recording the change. In addition, the legal punishment had also been notified in case of violation or non-compliance with such provision.

8.5.2 The Company had notified the prohibition of disclosure of the information of Financial Statement or other information which affects the price of securities of the Company to the third party or the party who is not involved, the prohibition of trading the securities during a period of 1 month prior to the information of Financial Statement or other information which affects the price of securities of the Company shall be known to the public and the prohibition of trading the Company's securities until the disclosure of such information to the public. Non-compliance with those notifications shall be deemed disciplinary misconduct by the Company.

#### 8.6 Business ethics

The company has provided and disclosed business ethics with the objective of allowing the directors and employees of Team Precision Public Company Limited adhere to the guidelines of this conduct and relevant laws for company benefits and beneficial to increase the value and sustainability of the business as well as to build confidence and trust from all stakeholders as follows.

##### 8.6.1 Providing a code of business conduct manual

##### 1 Business ethics of Board of Directors

Directors of Team Precision Public Company Limited shall adhere to the guidelines for conducting in accordance with the principles of good corporate governance as defined in this policy in corporate management and corporate governance principles in order to ensure that the business operations are efficient and achieve the objectives.

The business ethics of the board are as follows

- Perform duties with honesty, fairness and morality.
- Decide and perform duties with independence
- Private transaction operations or other trade must be separated from the operation of the company
- Disclose benefits from private businesses or other businesses including any subject that appear to interfere with the interests of the company.
- Do not use legal gaps for the benefit of personal unlawful



## 2. Business ethics of employees

It is an official standard provision regarding to employee's behavior which is an important part of ethics and practices that the company expects employees to treat customers, suppliers, creditors, competitors, stakeholders and others in doing business as well.

The ethical requirements of employees are as follows

- Relationship with customers
- Relationships with suppliers and partners including creditors
- Relationships with shareholders and financial groups
- Relationships with employees
- Relationships with other people
- Policies violation
- Complaints

8.6.2 Communication through various communication channel to disclose business ethics to employees, stakeholders such as announcements, via electronic media within the company and public relations to stakeholders that are public.

8.6.3 The monitoring of compliance with the criteria will be reviewed by the senior executives for appropriateness. In case of violation, the employees will be subject to disciplinary action according to the procedures determined by the company.

8.6.4 The company requires the company secretary / Internal Audit Department to serve as the complaints of corporate governance and business ethics.

## 8.7 Audit Fee

Team Precision and its subsidiaries paid the audit fee as follows:

Audit Fee	Team Precision (Thailand)	Team Precision (Denmark)
Audit Fees	Baht 950,000	DKK 66,300
Other Fees	*Baht 30,000	DKK 4,300

\* Checking the compliance with Board of Investment's privilege condition Baht 30,000 per license

## 8.8 Whistle Blowing Policy

The stakeholders may inform the inappropriate behavior of the organization's officers by sending the letter or e-mail directly to the Investor Relation Department or Internal Audit Department which reports to the Audit Committee at 152/8 Moo 3 Tanyaburi-Lumlookka Rd., Rangsit, Tanyaburi, Pathumthani 12110 or email address: [ir@teampcba.com](mailto:ir@teampcba.com) or [intaudit@teampcba.com](mailto:intaudit@teampcba.com). And provide protection to those who claim not to have been done at a fair and retention of personal information such as confidential. In case the Company performs investigation and finds the issue(s) then Company shall immediately take corrective action and punish disciplinary penalty.

Moreover, the Company provides the channel for the stakeholders to complain the illegal & unethical behaviors of the top executive and the inappropriate financial report to Audit Committee. In order to present the Company's fairness and transparency, stakeholders can directly communicate to Chairman of Audit Committee as above address or E-mail address: [chairmanac@teampcba.com](mailto:chairmanac@teampcba.com)

## 8.9 Succession Plan for Chief Executive Officer

The Company has partially arranged for key positions, such as Chief Executive Officer for preparing the readiness in executive development for the benefits of work succession.

**Social Responsibility****Performing the business with good governance**

With a commitment to be a leading organization in performing the business in order to build the reliability for the shareholders and stakeholders of all parties concerned about the business operation to increase the value of the organization and to promote the sustainable growth, the Company has focused on the importance of performing the business with good governance.

The Company adheres to the principle of performing the business with good governance and promotes the employees of all levels to perform their duties carefully and honestly by adhering to the rules and regulations, guidelines and disciplines towards all groups of stakeholders such as the shareholders, customers, business counterparts and competitors with fairness and not to seek for an interest for their own which shall be in conflict with the interest of the Company, including the confidentiality of performing the business towards the stakeholders, as well as, the commitment to the business counterparts for the fair business operation.

The Company has provided the rules, regulations and practice guidelines with an objective to prevent a corruption or an impact towards the decision making in practice which may cause a reciprocal benefit or unfairness to other parties concerned.

Furthermore, the Company had designated the guidelines of performing the duties for the management and the employees thru the Company's vision, mission and fair business operation, as well as, an anticipated goal and responsibilities towards the stakeholders.

**Anti-Corruption**

The Company had participated to be a member of Private Sector Collective Action Coalition against Corruption (CAC) to announce our intention of anti-corruption on April 9, 2013.

Team Precision PCL is committed to winning business through honest competition. Bribery harms not only our Company, but also the communities where we do business. For these reasons, Team Precision PCL has a zero-tolerance approach to bribery and corruption wherever it operates. This applies to all officers, directors, employees and temporary employees, and all intermediaries, agents and third parties who perform services for or on behalf of Team Precision or its subsidiaries, and bribery by strictly complying as follows:

- Communicating with the business counterparts about the confirmation and realization of anti-corruption and managing to provide a channel of acknowledgement of the policy and information regarding the equal and fair procurement. Besides, it is an opportunity to build an understanding in the work implementation method and mutual business operation. As for a procurement of products and services, the guidelines had been designated that 2-3 standard and quality manufacturers or distributors of the products and services are required to be selected for the procurement. Also, the Company has opened a channel of complaint for the business counterparts in case they do not receive the fairness in doing the business with the Company or being threatened or requested for the bribery from the Company's staffs; for example, a communication channel thru email, etc.
- Owing to the Company's Work Rules and Regulations and the practice, the guidelines had been precisely designated for the employees not to accept any gifts or gratuities for any other benefits from a person in charge of doing the business with the organization, either a business counterpart, a subcontractor or a contractor in order to prevent a problem of non-transparency, a corruption and unfairness in business operation including a transaction with the government which requires to be done correctly and straightforwardly when contacting the government officials or government agencies by avoiding a conduct which may convince the government or the government officials to perform inappropriately.

### The labor practice

For the business has been performed in compliance with the laws and in consistent to the commitment with the business counterparts in order for the fair business operation. The Company shall apply the principle of justice in administration management of the wages, benefits and other employment conditions. Also, the Company shall recognize the right and freedom of the employee gathering, not to exercise the forced labor or child labor and shall perform to provide the equal opportunity for all employees, the good working environment, an arrangement of an activity giving an opportunity for the employees to participate in building the good relationship and harmony among the employees and towards the organization, a recruitment without a sexual discrimination and the right of believing in religion, etc. In this connection, the Company shall focus on taking care of the employees fairly with dignity as a part of the Company by complying with the Labor Protection Act and Thai labor standard including the laws and other rules and regulations concerned as follows:

For employment, an appointment, transfer and payment of remuneration shall be performed with fairness by considering the qualifications, education, experience, physical condition and other provisions required for a particular position. Besides, the Company has provided a Provident Fund in order to promote the employees to have the savings and the Company shall contribute the same rates as those of the employees.

For welfare, the medical treatment and occupational safety shall be regarded as the Company's responsibility to look after the welfares of the employees and to maintain the working condition to be proper, safe and hygienic. Also, the Company shall strictly adhere to comply with the labor laws and significantly consider the good welfares for the employees.



*Annual Physical examination for all employees*



*Doctor visit and consult services*



*Work Safety & Environmental Awareness Promotion Activities*

**Employee Participation** Company was organized to promote the involvement of employees such as social care, volunteer contribution to society, activities on national tradition event.



Thai culture traditional activities and festival

### **Community or Society Joint Development For the Sustainable Society Joint Development Project**

The Company has focused on building the good relationship and giving the assistance to the community and society which is regarded as a part of social and environmental plan and activity constantly implemented by the Company by supporting the community and school in activity participation.



Doing activities to develop nearby communities such as temples and government agencies



The voluntary camp to donate for necessities to the Mongkratae in Kanjanaburi province.





Festive activities or employee participation and relaxing



Launch "Friend Help Friend" Project to air and renovate employee's house for better living.

#### **Awareness and preparedness training to employees.**

Company pay attention to provide training of emergency preparedness and response to Contract service vendor for life safety and serious injury avoidance.



*First aids and serious injury avoidance*



Basic firefighting training and emergency respond team

For lodging a complaint

The Company had designated to allow an employee to lodge a complaint to the Company regarding an unfair treatment, inappropriate conduct or negligence of the Work Rules and Regulations or a contract or an agreement mutually prepared by having the guidelines for a complainant to follow according to the process or complaint procedure designated by the Company in the Company's Work Rules and Regulations.

**Respect of Human Right**

The Company had designated in the Work Rules and Regulations in order to prevent not to express an impolite manner, an abuse or a sexual harassment and had designated the disciplinary measure for the violation by announcing for acknowledgement and opening a channel for receiving the complaints. Besides, the Company has promoted "Breast Feeding Mother" in order to build an immunity to the children by arranging an area for the employees who are the mothers so that they can pump their breasts and have their milk stored in a place provided by the Company which is under the supervision of a nurse team of the Company.

**Customer Responsibility**

The Company is aware of an importance of the satisfaction of the business counterpart that it affects the success of the business. The Company, therefore, has the intent to seek for a method to respond the customer need more efficiently and effectively by practicing the following guidelines:

- Deliver the quality products and services according to the customer's requirement.
- Provide the accurate, adequate and updated information to the customers so that they will know the products and services without being exaggerated misleading the customers about the quality, quantity or any conditions of such products or services.
- Contact the customer with commitment in order to receive trust from the customers and provide a systemized complaint procedure for the customers about the quality, quantity and safety of the products including the quick response or delivery and implementation.

The Company has annually considered and reviewed the complaints significantly incurred from the manufacture of the Company's products by having an Executive Meeting or the Management Review. Moreover, the Company has arranged a Customer Satisfaction Survey or Customer Satisfaction Index (CSI) in order to respond and improve the customer satisfaction and the Company's service, as well as, provide the accurate and adequate information to the customers in order to be useful for the administration management of either a manufacturer, customers and business counterparts.

**Environmental Conservation**

The Company has foreseen an importance of the preparation of social and environmental management system in order to accelerate the working procedure of the Company thru the standard of administration management and to allow the social and environmental management of several contexts to consistently become a part of the daily activity implementation plan of the employees of all levels. Presently, the Company has obtained the certification of environmental management system standards as follows:

- **ISO14001 : 2015** – Environmental management system standard
- **OHSAS18001** – Health and occupational safety management standard

Inspection of Environmental Condition

The Company shall strictly comply with the environmental laws and provisions of the government sector constantly and continuously by monitoring the working environment either air, dust or noise whether they meet all the standard criteria which will not affect or destroy the environment and resources of the community,



*Environmental impact inspection in manufacturing area and Work station*

**Energy Conservation**

The Company had combined the principle of social responsibility with the business in order to create the Green Business and utilize as the direction of business implementation in the future by focusing on the implementation of energy conservation and promoting the efficient resources utilization. As a result, the Company had designated the guidelines for energy management and committed to sustainable development by communication with the employees of the organization to understand, as well as, implementation of inspection, monitoring and improving the implementation projects, including promoting the training for the employees to have the knowledge and awareness of the importance of energy conservation which the Company has implemented an energy conservation including the safety and health of the Company's employees, as well as, the visitors visiting or having the business with the Company. Also, the Company has utilized as the guideline of business implementation and continuous improvement; for example,

- Resources and energy conservation by an efficient utilization, prevention of pollution and control of emission to have the least impact towards the environment.
- Arrangement of the work place, provision of safety gears and prevention of any accident or incident.
- Compliance with the laws, provisions, rules and regulations, provisions of labor standard and labor law concerned including supporting the customer's provision regarding the occupational health, safety, environment and social and labor responsibility.
- Plant Chiller Improvement in supporting of energy consumption project
- Energy conservation collaboration Project 2018



*Solar Rooftop Installation Project for long term energy saving and environmental conservation*

**10. Internal control and risk management****10.1 Summary of the Company's Board of Directors concerning the internal control system of the Company**

The Company's Board of Directors had evaluated the internal control system from the Evaluation Report of the Auditing Committee and had summarized that the Company has adequate and appropriate internal control system owing to the evaluation of 5 components which are the internal control system of the organization, risk assessment, operational control, information systems and data communication and monitoring system.

The Risk Management Committee agreed to establish a working risk management in order to manage and hedge the risk arising from overdue receivables and inventories of the Company. So that the risk in such matters are regulated in a reasonable time.

In addition, the Company's Auditor did not have any observation concerning the internal control system regarding the preparation and proposal of the consolidated Financial Statements including risk assessment due to the presentation of the data contradicts to the matters of fact which is the subject matter of the Financial Statements as shown on the Independent Auditor's report dated 27<sup>th</sup> February 2019.

**10.2 Internal Auditing Manager and Corporate Governance Manager**

Mr. Boonchoke Somsuksawaskul has been approved by the Auditing Committee to assume a position of the Manager of Internal Auditing Department of the Company in order to perform the tasks of auditing the internal control system and monitoring the result of work performance in accordance with the stipulated system, regulations and practice.

The Auditing Committee is of an opinion that he is qualified to perform the duty as assigned and capable to manage auditing the Company's internal control system efficiently.

However, the consideration and approval to appoint, discharge and transfer the Internal Auditing Manager of the Company shall obtain the consent of the Auditing Committee.



**11. Connected Transaction**

The Company has transactions with related companies which are related by holding shares, or subsidiary director by Company's executive, or co-directors as disclosed in note to financial statements No.23. And there are loan between Company and subsidiaries. The calculation is based on the trading price of its normal business agreement.

**The Policy of Connected Transactions**

If there are any connected transactions with connected parties which may lead to conflict, those transactions must be approved by the Board of Directors with prior approval by Audit Committee, and according to regulations by the Stock Exchange of Thailand. Thus, if there are any directors related to that considered matter, they have to inform the Board of Directors, and cannot express their opinion as well as cannot vote for that matter. Furthermore, to consider for approval any related party transactions, the Company will specify to process transparently for the ultimate benefit of the company as they do with third parties.

## 12. Financial Highlights

Mr. Apiruk Ati-anuwat, Certified Public Accountant Registration No. 5202 from Dr.Virach & Associates Office Co., Ltd , had express an opinion on these financial statements as at December 31,2018 and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, As follows:

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

### Financial summary of Team Precision Public Company Limited and Subsidiary

Description	Audited (Unit: Thousand Baht)		
	2018	2017	2016
Current assets	1,281,132	598,317	578,378
Investments in subsidiaries	19,967		
Property, plant and equipment – net	462,715	404,695	421,974
Non current assets	3,622	3,074	9,649
<b>Total Assets</b>	<b>1,767,436</b>	<b>1,006,086</b>	<b>1,010,001</b>
Current liabilities	906,691	226,895	231,381
Non Current liabilities	77,453	76,007	79,135
<b>Total Liabilities</b>	<b>984,144</b>	<b>302,902</b>	<b>310,516</b>
Paid-up capital	637,063	637,063	637,063
Premium on common stocks	42,543	42,543	42,543
Retained earnings	52,128	26,786	23,237
Other components of shareholders' equity	51,558	(3,208)	(3,358)
<b>Shareholders' Equity</b>	<b>783,292</b>	<b>703,184</b>	<b>699,485</b>

Description	Audited (Unit: Thousand Baht)		
	2018	2017	2016
Revenue from sales	1,918,758	1,230,984	1,120,050
Other income	10,714	19,614	22,636
<b>Total Revenues</b>	<b>1,929,472</b>	<b>1,250,598</b>	<b>1,142,686</b>
Cost of sales	1,747,328	1,131,189	1,087,970
Loss on dimution inventory values	4,921	(21,770)	(65,946)
Selling ,administrative expenses and directors	143,681	135,461	132,432
Finance Costs	3,956	1,400	1,656
<b>Total Expenses</b>	<b>1,899,886</b>	<b>1,246,280</b>	<b>1,156,112</b>
Share of loss from investments in associate hold by subsidiary	13,685		
Income tax expenses	1,239	769	(4,705)
<b>Net Profit (Loss)</b>	<b>14,662</b>	<b>3,549</b>	<b>(8,721)</b>

**Financial Ratio**

<b>Liquidity Ratio:</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>
Current Ratio	Times	1.41	2.64	2.50
Quick Ratio	Times	0.80	1.58	1.85
Operating Cash Flow Ratio	Times	-0.53	-0.06	0.33
Receivable Turnover	Times	4.54	5.29	5.16
Collection Period	Days	79.29	68.07	69.72
Inventory Turnover	Times	4.11	4.82	4.72
Sales Period	Days	87.65	74.64	76.23
Account Payable Turnover	Times	4.95	5.60	5.96
Payable Payment Period	Days	72.71	64.31	60.36
Cash Cycle	Days	94.23	78.40	85.59

<b>Profitability Ratio:</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>
Gross Profit Margin	%	8.93	8.11	2.86
Profit Margin	%	0.76	0.29	-0.78
Return on Equity	%	1.97	0.51	-1.24

<b>Efficiency Ratio:</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>
Return on Assets	%	1.06	0.35	-0.88
Return on Fixed Assets	%	17.03	15.92	13.49
Total Assets Turnover	Times	1.38	1.22	1.13

<b>Financial Policy Ratio:</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>
Debt to Equity Ratio	Times	1.26	0.43	0.44
Interest Coverage Ratio	Times	-75.13	-9.06	37.86

<b>Share Information:</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>
Book Value per Share	Baht	1.23	1.10	1.11
Earnings per Share	Baht	0.02	0.006	-0.17
Cash Dividend per Share *	Baht	-	-	0.05
Stock Dividend per Share *	Baht	-	-	-
Par Value	Baht	1.00	1.00	1.00

\*Cash & Stock Dividend based on the rate of announcement in a year

### 13. Management Discussion and Analysis:MD&A

#### Revenue

Team Precision Public Company Limited and subsidiaries ("the Company") had operation for the year 2018 by total revenue from sales of 1,919 million Baht which increased by 56% from those previous year of 1,231 million Baht. The increase was from sales of raw material worth of 194 million baht and from obtaining more orders from both new customer and existing customers in USA and Europe.

Category	2018		2017		Variance	
	Mio.Baht	%	Mio.Baht	%	Mio.Baht	%
Industrial Control	1,320	69	778	63	542	79
Telecommunications	23	1	9	1	14	2
Automotive	155	8	170	14	-15	-2
Medical	176	9	241	20	-65	-9
Other	245	13	33	2	212	30
<b>Total Revenue</b>	<b>1,919</b>	<b>100</b>	<b>1,231</b>	<b>100</b>	<b>688</b>	<b>100</b>

#### Other Income

Other income in year 2017 and 2016 were 11 million Baht and 20 million Baht, respectively. In 2017, it was gain on exchange rate 4 million Baht. The remaining other incomes were selling raw material & indirect supply left over from production, gain from sold fixed asset and interest and other services.

#### Cost of sales and gross margin

The cost of sales (excluding loss from diminution in inventories value) in year 2018 and 2017 were 1,747 million Baht and 1,131 million Baht, respectively. The gross margin in year 2017 was 9 % of sales which slightly increased from 8% of previous year. The increase in gross margin percentage was from change in sales proportion of goods with different margin.

#### (Reverse) loss on diminution in inventories values

In year 2018 and 2017, the Company reversed loss on diminution in inventory values by 5 million Baht and 22 million Baht respectively. due to company policy.

#### Selling expenses

For the selling expenses in year 2018 and 2017 were 30 million Baht and 25 million Baht, respectively. The majority expenses were employee benefit expenses, export handling expenses, travelling and exhibition for business with overseas customers.

#### Administrative expenses

For the administrative expenses in year 2018 and 2017 were 112 million Baht and 108 million Baht, respectively. The majority expense were employee benefit expenses with the amount of 66 million Baht and 66 million Baht, respectively. The remaining expenses were legal consultant, depreciation, electrical and office expenses.

#### Net profit ( loss)

The Company had the net profit for the year 2018 of 14.7 million baht after deducting the share of loss from investment in associate held by its subsidiary of 13.7 million Baht, compared with the net profit of 3.5 million Baht for the year 2017. The share of loss from investment in associate was due to the delay in production and shipment. The associate is in the process of production improvement to fulfill the order.

## Comparison of Financial Position for year 2018 vs 2017

### Total Assets

As at December 31, 2018 and 2017, the Company recorded total asset of 1,767 million Baht and 1,006 million Baht, respectively and increased of 761 million Baht or equivalent to 76 %. The majority changes were due to trade accounts receivable, inventories and land and other particulars as follows;

### Trade accounts receivable

As at December 31, 2018 and 2017, our net trade accounts receivable amounted to 622 million Baht and 216 million Baht, respectively. This increase was 406 million Baht

#### Comparison of trade accounts receivable aging

Trade	31/12/2018		31/12/2017	
	Amount (Million Baht)	%	Amount (Million Baht)	%
Current	306.9	49.2	158.2	73.3
Overdue within 3 months*	248.5	39.9	55.7	25.8
Over 3-6 months*	65.8	10.6	1.8	0.8
Over 6-12 months	2.1	0.3	0.3	0.1
<b>Total</b>	<b>623.3</b>	<b>100</b>	<b>216</b>	<b>100</b>
Less: Allowance for doubtful accounts	(1.8)		(0.2)	
<b>Trade accounts receivable-net</b>	<b>621.5</b>	<b>100</b>	<b>216</b>	<b>100</b>

\*

\*\*The amount of 248.5 million Baht was the Overdue within 3 months. One of the reason was 134 million Baht from associate and 65.8 million Baht for the over 3 -6 months ,The Company received in the amount of 114.4 million baht in February 2018.

### Other receivables

As at December 31, 2018 and 2017 our other receivables amounted to 4 million Baht which is slightly increased . The mainly driven by prepaid expenses and recoverable expenses.

### Inventories

As of December 31, 2018 and 2017 total net inventories were 537 million Baht and 229 million Baht, respectively. This increase was 34% for order in the first quarter in 2019. However,the Company has continuously managed its stock in accordance with Company's strategy of minimum inventory. To serve order and continuous production by being business partner with its suppliers.

The Company set up the allowance for diminution in inventory values in year 2018 and 2017 were 45 million Baht and 40 million Baht, respectively by considering the current condition of inventories.

### Non-current assets

As of December 31, 2018 and 2017, the total non-current assets were 486 million Baht and 408 million Baht , respectively .This increase was 78 million Baht or equivalent to 19 %. The majority non current assets was the additional appraisal value in Land and some machines.

### Source of Funds

#### Liabilities

As of December 31, 2018 and 2017, the total liabilities were 984 million Baht and 303 million Baht, respectively and increased 681 million Baht . The majority particulars were trade accounts payables and advance receipt and others as follows;

#### **Short-term loans from financial institutions**

As at December 31, 2018 and 2017, the short-term loans from financial institutions were 386 million Baht and 16 million Baht, respectively and increased of 370 million Baht due to purchasing of raw materials for more orders.

#### **Trade accounts payables**

As at December 31, 2018 and 2017, the trade accounts payables were 514 million Baht and 191 million Baht, respectively and increased of 370 million Baht due to purchasing of raw materials for more orders.

#### **Other payables**

As at December 31, 2018 and 2017, the other payables were 47 million Baht and 44 million Baht, respectively. These particulars consist of accrued expenses, advance receipt and assets payable.

#### **Non-current liabilities**

As at December 31, 2018 and 2017, the non-current liabilities were 77 million Baht and 76 million Baht, respectively. In 2018, the Company had made the repayment for the long-term loans from financial institutions of 10 million Baht, deferred tax liabilities of 16 million Baht, financial lease liabilities of 2 million Baht and provision of long-term employee benefits by 59 million Baht.

#### **Shareholders' Equity**

As at December 31, 2018 and 2017, total shareholders' equity were 783 million Baht and 703 million Baht, respectively. Therefore, the meeting of the Board of Directors held on February 27, 2019 approved the profit allocation for legal reserve and the omission of dividend payment for the year 2018.

#### **Cash Flow Liquidity**

Cash flow from operating activities of the Company in year 2018 and 2017 were (302) million Baht and (15) million Baht, respectively. The decrease activities were from changing of trade account receivable of (415) million Baht, inventories of (313) million Baht and trade accounts payable of 328 million Baht.

Cash flow used in investing activities of the Company in year 2018 and 2017 were 88 million Baht and 30 million Baht, respectively. In 2018 the Company had the purchase of investment in associate of 34 million Baht, purchase of machines and equipments of net 46 million Baht and purchase of intangible assets by 1.2 million Baht.

Cash flow provided from financing activities of the Company in year 2018 and 2017 were 347 million Baht and 1 million Baht, respectively. The reasons were the increase in short-term loans from financial institutions of 372 million Baht and the repayment for long-term loans from financial institutions of 23 million Baht.

The Company had cash and cash equivalents in the amount of 96 million Baht at year-end 2018, which is enough to pay the debt and operating in the year 2019. However, the Company still has the credit facilities of working capital from financial institution which could sustain in our operation without any obstacle.

#### **Factors to Future Operation or Financial Position**

The Company opened a letter of credit in the amount of 33,024 US dollars for raw material purchase at December 31, 2018. The Company has provided letter of credit and trust receipt facilities with totaling limit amount of 374 million Baht for the purchase of raw materials to support production.

The global economic crisis in Asia, Europe and American regions, including the risk of the existing trade war, could cause the greater economic deceleration on the decline in stock market and price of consumer goods across the world. The Company, as a provider of manufacturing and handling service, is aware of the effect from the possible uncertainty in end customer's demand which affects the Company's production order. Finally, the Company would maintain continuously its excellence in quality standard of product and service as well as cost control management to encourage its competitiveness in global market, to maintain existing customer base with higher satisfaction, and to penetrate new market for future expansion.

#### **14. Investment information for investors**

Investors can search for more information from Company's Report Form 56-1 at [www.set.or.th](http://www.set.or.th) or Company's website at <http://www.teampcba.com>

### Responsibility of the Board of Directors to the Financial Statements

The Board of Directors is responsible for the consolidated statement of financial statements of the Company and its subsidiaries, including financial information that appeared in the annual report. Those financial statements have been prepared in all material respects in accordance with Thai Financial Reporting Standards. The appropriate accounting policies are applied consistently with adequate disclosure of material information in the notes to the financial statements for shareholders and investors.

The Board of Directors has assigned the Audit Committee which is composed of all independent directors to review the quality of financial statements and the effectiveness of the internal control system to ensure that accounting records are booked properly and accurately in order to safeguard the Company's assets. The opinions of the Audit Committee have been reported in the annual report.

The Board of Directors is of the opinion that the overall internal control systems of the Company can be regarded as "satisfying". Therefore, the Board is confident that the Company's financial statements as of 31 December 2018 reliable and are audited in accordance with Thai Standards on Auditing by the Company's auditor; so they reflect the financial position, financial performance and cash flows of the Company as required by Thai Financial Reporting Standards.



Mr.Chakkaphant Manutsathit  
Chairman of the Board



The Audit Committee of Team Precision Public Company Limited is comprised of three independent directors. The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on sound risk management and internal control practices.

For the year 2018, the Audit Committee held four meetings to review the Company's financial statements which had been certified by the external auditor and to discuss other related activities of the Company in compliance with the rules and regulations of the Stock Exchange of Thailand as well as good internal control

practices.

In such meetings, the Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. The Audit Committee also verified and accepted every quarterly financial statements and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective action plans were established to eliminate or reduce the associated risks.

The Internal Auditor serves to identify and verify internal control weaknesses within the Company by carrying out audit activities systematically. The reports on compliance with good internal control practice and procedures with recommendations were discussed with the relevant management team to incorporate their agreed action plans and submitted to the Audit Committee. Furthermore, the Internal Auditor has held regular meetings with the Audit Committee to give updates on audit results. The Audit Committee is fully committed to ensure that both corrective and preventive actions are taken in an effective and timely manner.

The Board of Directors with the Audit Committee approved the policy and reports for related party transactions in 2018.

The Audit Committee provided the following opinions:

1. The Company's financial reports 2018 are accurate, complete and reliable
2. The Company's assets are safeguarded, proper accounting records are maintained, and resources are utilized effectively and efficiently.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's business.
4. Mr.Apiruk Ati-anuwat of Dr.Virach & Associates Office Co., Ltd, the Company's auditor, is suitable and provided appropriate services
5. The related transactions arising in 2018 were rational and made for the optimal benefits of the Company
6. In 2018, the number of the audit Committee meetings, and the attendance of such meetings by each committee member were as follows;

Mr.Chai	Jroongtanapibarn	Chairman	4/4
Mr.Pirom	Chamsai, Ph.D.	Member	4/4
Mr.Monkhol	Kittipoomvong	Member	4/4
7. Audit Committee performed its duties in accordance with its charter, approved by the Board of Directors.

Accordingly, the Audit Committee has recommended to the Board of Directors that Dr.Virach Aphimeteetamrong, Certified Public Accountant No.1378 and/or Mr. Chaiyakorn Aunpitipongsa, Certified public Accountant No 3196 and/or Mr.Apirak Atianuwat, Certified Public Accountant No 5202 and/or Mr.Preecha Suan, Certified public Accountant No 6718 of Dr.Virach & Associates Office Co.,Ltd., be re-appointed as the Company's auditor for the fiscal year ending 31 December 2019. The re-appointment of the auditor and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 26 April 2019.

Mr.Chai Jroongtanapibarn  
Chairman of the Audit Committee  
27 February 2019



**AUDITOR'S REPORT**

**To The Shareholders of  
Team Precision Public Company Limited**

***Opinion***

I have audited the accompanying consolidated financial statements of Team Precision Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2018, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Team Precision Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Team Precision Public Company Limited and its subsidiaries and of Team Precision Public Company Limited as at December 31, 2018, and 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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. The completeness of allowance for diminution in inventories.

As at December 31, 2018, as described in Note 7 to the financial statements, the Company has reduced allowance for diminution in inventories amount of Baht 44.61 million. According to Note 3.4, the Company has provided allowance for diminution in inventories by considering the current condition of inventories whether it is deteriorated or obsolete, which may result the completeness of recording allowance for diminution in inventories.

I have audited the accuracy and completeness of inventories data to be set up the allowance for diminution in inventories and the accounting policy of allowance for diminution in inventories including the valuation of inventories which stated at cost or net realizable value, whichever is the lower. All audited to ensure the allowance for diminution in inventories are properly recorded and complete.

Based on our testing, in my opinion, allowance for diminution in inventories are properly recorded and complete.

2. The completeness of the revenue recognition from export sales.

According to Note 3.1 sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

As at December 31, 2018, as described in Note 22 to the financial statements, the Company has export sales amount of Baht 1,831.09 million accounted for 95.43% of total sales. The terms of export sales have many conditions. Each of the conditions, the significant risks and rewards of ownership to buyer are different, which may result the accuracy and completeness of the revenue recognition from export sales.

I have assessment and testing of revenue recognition system, cut-off and examine the accuracy of related supporting documents of the revenues from export. All audited to ensure the revenue recognition from export sales are properly recorded and complete.

Based on our testing, in my opinion, the revenue recognition from export sales are properly recorded and complete.

***Other Information***

Management is responsible for the other information. The other information comprise the information included in annual report, but does not include the financial statements and my auditor's report thereon. The annual report 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, 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.

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 our 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 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.



(Mr. Apiruk Ati-anuwat)  
Certified Public Accountant Registration No. 5202

Dr. Virach & Associates Office Co., Ltd.  
Bangkok : February 27, 2019

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

**ASSETS**

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL	
				STATEMENTS	
	NOTES	2018	2017	2018	2017
Current Assets					
Cash and cash equivalents	3.2 and 4	96,215,949	138,762,910	92,598,661	136,173,577
Trade and other receivables	3.3 and 5	625,457,816	219,719,500	625,570,155	219,976,334
Short-term loans to related parties	6	6,895,582	-	7,344,792	-
Inventories	3.4 and 7	537,391,908	229,176,985	536,634,648	229,624,036
Other current assets					
Refundable value added tax		4,073,130	973,556	3,952,481	648,224
Others		11,097,320	9,684,299	11,097,320	9,684,299
Total other current assets		15,170,450	10,657,855	15,049,801	10,332,523
Total Current Assets		1,281,131,705	598,317,250	1,277,198,057	596,106,470
Non-current Assets					
Investments in associate	3.5 and 8	19,966,868	-	-	-
Investments in subsidiaries	3.6 and 9	-	-	43,422,371	9,788,311
Property, plant and equipment	3.7 and 10	462,715,490	404,695,079	462,715,490	404,695,079
Intangible assets	3.8 and 11	1,519,445	1,138,242	1,519,445	1,138,242
Other non-current assets		2,102,412	1,936,182	2,102,412	1,936,182
Total Non-current Assets		486,304,215	407,769,503	509,759,718	417,557,814
TOTAL ASSETS		1,767,435,920	1,006,086,753	1,786,957,775	1,013,664,284

Notes to the financial statements form an integral part of these statements.

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**  
**LIABILITIES AND SHAREHOLDERS' EQUITY**

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	NOTES	2018	2017	2018	2017
<b>Current Liabilities</b>					
Short-term loans from financial institu	12	385,631,908	16,362,887	385,631,908	16,362,887
Trade and other payables	13	514,348,427	191,468,195	512,969,610	191,525,462
Current portion of long- term liabilities					
Long-term loans from financial instit	14	-	13,138,880	-	13,138,880
Financial leases payable	15	1,552,009	1,455,699	1,552,009	1,455,699
Accrued interest expenses		483,835	6,953	483,835	6,953
Other current liabilities		4,674,902	4,462,808	4,674,902	4,462,808
Total Current Liabilities		906,691,081	226,895,422	905,312,264	226,952,689
<b>Non-current Liabilities</b>					
Long-term loans from financial institut	14	-	9,854,160	-	9,854,160
Financial leases payable	15	1,996,302	3,548,837	1,996,302	3,548,837
Deferred tax liabilities	3.9 and 16	16,238,863	381,915	16,238,863	381,915
Provision for long-term employee bene	17	59,217,596	62,221,571	59,217,596	62,221,571
Total Non-current Liabilities		77,452,761	76,006,483	77,452,761	76,006,483
<b>TOTAL LIABILITIES</b>		<b>984,143,842</b>	<b>302,901,905</b>	<b>982,765,025</b>	<b>302,959,172</b>
<b>Shareholders' Equity</b>					
Share capital					
Authorized share capital					
637,063,385 common stocks of Baht 1 par value		637,063,385	637,063,385	637,063,385	637,063,385
Issued and paid-up share capital					
637,063,385 common stocks at Baht 1 each		637,063,385	637,063,385	637,063,385	637,063,385
Premium on common stocks		42,543,406	42,543,406	42,543,406	42,543,406
Retained earnings (Deficits)					
Appropriated					
Legal reserve	18	62,793,000	61,395,000	62,793,000	61,395,000
Unappropriated		(10,665,170)	(34,608,812)	6,944,210	(30,296,679)
Other components of shareholders' equity		51,557,457	(3,208,131)	54,848,749	-
Total Shareholders' Equity		783,292,078	703,184,848	804,192,750	710,705,112
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,767,435,920</b>	<b>1,006,086,753</b>	<b>1,786,957,775</b>	<b>1,013,664,284</b>

Notes to the financial statements form an integral part of these statements.

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	NOTES	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
<b>Revenues</b>					
Sales	22	1,918,757,751	1,230,983,794	1,918,757,751	1,230,983,794
Other incomes					
Gain on exchange rate		4,294,696	5,668,442	4,220,168	5,835,929
Others		6,419,889	13,945,359	6,419,889	13,945,359
Total other incomes		10,714,585	19,613,801	10,640,057	19,781,288
<b>Total Revenues</b>		<b>1,929,472,336</b>	<b>1,250,597,595</b>	<b>1,929,397,808</b>	<b>1,250,765,082</b>
<b>Expenses</b>					
Cost of sales		1,747,327,672	1,131,189,109	1,748,571,544	1,132,405,634
(Reverse) loss on diminution inventory	7	4,921,626	(21,770,230)	4,921,626	(21,770,230)
Selling expenses		29,517,184	25,043,916	29,517,184	24,767,342
Administrative expenses		111,539,560	108,016,268	110,610,991	107,438,957
Directors' remuneration	18	2,624,400	2,400,000	2,624,400	2,400,000
Finance costs		3,955,864	1,400,187	3,954,184	1,400,042
<b>Total Expenses</b>	20	<b>1,899,886,306</b>	<b>1,246,279,250</b>	<b>1,900,199,929</b>	<b>1,246,641,745</b>
Share of loss from investments in associate hold by subsidiary	8	13,685,398	-	-	-
<b>Profit before Income Tax</b>		<b>15,900,632</b>	<b>4,318,345</b>	<b>29,197,879</b>	<b>4,123,337</b>
Income Tax Expenses	3.10 and 16	1,238,810	769,049	1,238,810	769,049
<b>Profit for the years</b>		<b>14,661,822</b>	<b>3,549,296</b>	<b>27,959,069</b>	<b>3,354,288</b>
<b>Other comprehensive income (loss) :</b>					
Revaluation surplus on assets	10	68,560,936	-	68,560,936	-
Component of income tax		(13,712,187)	-	(13,712,187)	-
Revaluation surplus on assets-net of tax		54,848,749	-	54,848,749	-
Translation of financial statement differences		(83,161)	150,086	-	-
Actuarial gain from employee benefit plan	17	11,585,771	-	11,585,771	-
Component of income tax		(905,951)	-	(905,951)	-
Actuarial gain from employee benefit plan-net of tax		10,679,820	-	10,679,820	-
<b>Other comprehensive income for the years</b>		<b>65,445,408</b>	<b>150,086</b>	<b>65,528,569</b>	<b>-</b>
<b>Total comprehensive income for the years</b>		<b>80,107,230</b>	<b>3,699,382</b>	<b>93,487,638</b>	<b>3,354,288</b>
<b>Earnings Per Share</b>	3.14				
Basic earnings per share		0.023	0.006	0.044	0.005
The number of common stocks used in computation (shares).		637,063,385	637,063,385	637,063,385	637,063,385

Notes to the financial statements form an integral part of these statements.

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**CONSOLIDATED**

	Note	BAHT						Total	Total shareholders' equity
		Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits)	Legal reserve	Inappropriate Revaluation surplus on asset	Translation of financial statement differences		
<b>Beginning balances, January 1, 2017</b>		637,063,385	42,543,406	61,395,000	(38,158,108)	-	(3,358,217)	(3,358,217)	699,485,466
Total comprehensive income for the year 2017		-	-	-	3,549,296	-	150,086	150,086	3,699,382
<b>Ending balances, December 31, 2017</b>		637,063,385	42,543,406	61,395,000	(34,608,812)	-	(3,208,131)	(3,208,131)	703,184,848
Revaluation surplus on assets - net of tax		-	-	-	-	54,848,749	-	54,848,749	54,848,749
Comprehensive income (loss) for the year 2018		-	-	-	14,661,822	-	(83,161)	(83,161)	14,578,661
Actuarial gain from employee benefit plan - net of tax		-	-	-	10,679,820	-	-	-	10,679,820
Total comprehensive income (loss) for the year 2018		-	-	-	25,341,642	54,848,749	(83,161)	54,765,588	80,107,230
Legal reserve	18	-	-	1,398,000	(1,398,000)	-	-	-	-
<b>Ending balances, December 31, 2018</b>		<b>637,063,385</b>	<b>42,543,406</b>	<b>62,793,000</b>	<b>(10,665,170)</b>	<b>54,848,749</b>	<b>(3,291,292)</b>	<b>51,557,457</b>	<b>783,292,078</b>

Notes to the financial statements form an integral part of these statements.



**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**THE SEPARATE FINANCIAL STATEMENTS**

	Note	BAHT					
		Issued and paid-up share capital	Premium on common stocks	Retained earnings (deficits)		Other components of shareholders' equity Revaluation surplus on assets	Total
				Legal reserve	Inappropriate		
Beginning balances, January 1, 2017		637,063,385	42,543,406	61,395,000	(33,650,967)	-	707,350,824
Total comprehensive income for the year 2017		-	-	-	3,354,288	-	3,354,288
Ending balances, December 31, 2017		637,063,385	42,543,406	61,395,000	(30,296,679)	-	710,705,112
Revaluation surplus on assets - net of tax		-	-	-	-	54,848,749	54,848,749
Comprehensive income for the year 2018		-	-	-	27,959,069	-	27,959,069
Actuarial gain from employee benefit plan - net of tax		-	-	-	10,679,820	-	10,679,820
Total comprehensive income for the year 2018		-	-	-	38,638,889	54,848,749	93,487,638
Legal reserve	18	-	-	1,398,000	(1,398,000)	-	-
Ending balances, December 31, 2018		637,063,385	42,543,406	62,793,000	6,944,210	54,848,749	804,192,750

Notes to the financial statements form an integral part of these statements.

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL	
	2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before Income Tax	15,900,632	4,318,345	29,197,879	4,123,337
<b>ADJUSTMENTS TO RECONCILE PROFIT (LOSS) BEFORE INCOME TAX</b>				
TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	58,571,396	60,919,029	58,571,396	60,919,029
Amortization of intangible assets	860,884	1,632,523	860,884	1,632,523
Increase in doubtful debts	1,582,629	189,446	1,582,629	189,446
Increase (decrease) in provision for diminution in inventories	4,921,626	(21,770,230)	4,921,626	(21,770,230)
Loss on disposal of deteriorated inventories	86,256	8,016,544	86,256	8,016,544
Share of loss from investments in associate	13,685,398	-	-	-
Unrealized gain on exchange rates	(869,804)	(3,488,366)	(815,625)	(3,485,451)
Amortization of value added tax	-	329,653	-	329,653
Gain on disposal of equipment	(1,262,376)	(1,068,378)	(1,262,376)	(1,068,378)
Loss from unused equipment	28,533	112,296	28,533	112,296
Interest expenses	3,955,864	1,400,187	3,954,184	1,400,042
Long-term employee benefits expenses	8,690,671	9,299,436	8,690,671	9,299,436
Profit from operation before changes in operating assets and liabilities items	106,151,709	59,890,485	105,816,057	59,698,247
<b>(INCREASE) DECREASE IN OPERATING ASSETS ITEMS</b>				
Trade and other receivables	(415,286,096)	19,570,639	(414,448,733)	20,100,175
Inventories	(313,222,805)	(76,658,986)	(312,018,494)	(77,024,736)
Other current assets	(5,322,678)	(1,278,093)	(5,527,361)	(1,234,253)
Other non-current assets	759,513	570,291	759,513	570,291
<b>INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS</b>				
Trade and other payables	328,099,886	(22,240,752)	325,866,772	(22,510,478)
Other current liabilities	212,094	862,009	212,094	862,009
Provision for long-term employee benefits	(108,875)	-	(108,875)	-
<b>CASH USED IN OPERATION</b>	<b>(298,717,252)</b>	<b>(19,284,407)</b>	<b>(299,449,027)</b>	<b>(19,538,745)</b>
Interest expenses paid	(3,478,982)	(1,400,577)	(3,477,302)	(1,400,432)
Income tax expenses paid	(714,408)	(876,267)	(714,408)	(876,267)
Proceeds from withholding tax refund	581,140	504,618	581,140	504,618
Proceeds from value added tax	-	6,058,589	-	6,058,589
Translation of financial statement differences	(83,161)	150,086	-	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(302,412,663)</b>	<b>(14,847,958)</b>	<b>(303,059,597)</b>	<b>(15,252,237)</b>

Notes to the financial statements form an integral part of these statements.

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL	
	2018	2017	2018	2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in short-term loans to related parties	(6,895,582)	-	(7,294,809)	-
Purchase of investments in associate	(33,652,266)	-	-	-
Purchase of investments in subsidiaries	-	-	(33,634,060)	-
Purchase of building and equipment	(47,713,145)	(36,234,258)	(47,713,145)	(36,234,258)
Proceeds from disposal of equipment	1,562,379	1,086,737	1,562,379	1,086,737
Purchase of intangible assets	(1,242,087)	(171,000)	(1,242,087)	(171,000)
Proceeds from dissolution of subsidiary	-	5,101,389	-	5,101,389
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(87,940,701)</b>	<b>(30,217,132)</b>	<b>(88,321,722)</b>	<b>(30,217,132)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in short-term loans from financial institutions	372,255,668	16,362,887	372,255,668	16,362,887
Repayment for long-term loans from financial institutions	(22,993,040)	(14,401,000)	(22,993,040)	(14,401,000)
Repayment for financial lease payables	(1,456,225)	(731,515)	(1,456,225)	(731,515)
<b>NET CASH PROVIDED FROM FINANCING ACTIVITIES</b>	<b>347,806,403</b>	<b>1,230,372</b>	<b>347,806,403</b>	<b>1,230,372</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(42,546,961)</b>	<b>(43,834,718)</b>	<b>(43,574,916)</b>	<b>(44,238,997)</b>
<b>CASH AND CASH EQUIVALENTS AS AT JANUARY 1,</b>	<b>138,762,910</b>	<b>182,597,628</b>	<b>136,173,577</b>	<b>180,412,574</b>
<b>CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,</b>	<b>96,215,949</b>	<b>138,762,910</b>	<b>92,598,661</b>	<b>136,173,577</b>
<b>ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS</b>				
<b>NON-CASH FLOWS ITEMS COMPRISE:</b>				
Increase in vehicles from finance leases payable	-	4,303,154	-	4,303,154
Increase in equipment from assets payable	2,762,803	3,232,990	2,762,803	3,232,990
Decrease in equipment from return equipment to assets payal	(2,116,541)	-	(2,116,541)	-
Increase in non-current assets from transferring	876,267	581,140	876,267	581,140
Increase in non-current assets from transferring	648,224	-	648,224	-
Decrease in provision for long-term employee benefits	(11,585,771)	-	(11,585,771)	-
Increase in deferred tax liabilities of adjustment of actuarial estimates from	905,951	-	905,951	-
Increase in retained earnings	10,679,820	-	10,679,820	-
Increase in revaluation surplus on assets	68,560,936	-	68,560,936	-
Increase in deferred tax liabilities of revaluation surplus on a	13,712,187	-	13,712,187	-

Notes to the financial statements form an integral part of these statements.

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**1. GENERAL INFORMATION**

<b>1.1 Legal status</b>	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
<b>1.2 Company and factory Location</b>	<ul style="list-style-type: none"> <li>- 198 Moo 13, Tambol Dong Khee-Lek, AmphurMuang Prachinburi, Prachinburi, Thailand.</li> <li>- 152/8, 152/9, 152/15 Moo 3, Thunyaburi-Lumlukga Road, Tambol Rungsit, Amphur Thunyaburi, Pathumtani, Thailand.</li> </ul>
<b>1.3 Type of business and Operations</b>	<ul style="list-style-type: none"> <li>1. Producing and assembling printed circuit and electronics circuit board.</li> <li>2. Investing in its associate and subsidiaries which carry on business according to Notes 8 and 9 to the financial statements, respectively.</li> </ul>

**2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

**2.1** The consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission. Except the financial statements of subsidiaries, Team Precision (Europe) ApS are prepared in accordance with the accounting standards of Denmark and the financial statements of TPA Holding LLC are prepared in accordance with the accounting standards of United States of America. And the financial statements of associate, Team Precision America, LLC are prepared in accordance with the accounting standards of United States of America. In preparation of the consolidated financial statements, the financial statements of the subsidiaries and associate are adjusted to be under the same accounting policies as parent company.

**2.2** These consolidated financial statements included the financial statements of Team Precision Public Company Limited with its subsidiaries and the equity in associate as follows:

COMPANIES	% HOLDING		ESTABLISHED IN
	2018	2017	
<u>SUBSIDIARIES</u>			
Team Precision (Europe) ApS	100.00	100.00	Denmark
TPA Holding LLC	100.00	-	United States of America
<u>ASSOCIATE HELD BY TPA HOLDING LLC</u>			
Team Precision America, LLC	20.00	-	United States of America

**2.3** These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.4** Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated in the consolidation.

**2.5 The accounting standards that became effective in the current accounting year are as follows:**

**Thai Accounting Standards (TAS)**

- |     |                       |  |
|-----|-----------------------|--|
| 1.  | TAS 1 (revised 2017)  | Presentation of Financial Statements                                     |
| 2.  | TAS 2 (revised 2017)  | Inventories  |
| 3.  | TAS 7 (revised 2017)  | Statement of Cash Flows  |
| 4.  | TAS 8 (revised 2017)  | Accounting Policies, Changes in Accounting Estimates and Errors          |
| 5.  | TAS 10 (revised 2017) | Events after the Reporting Period  |
| 6.  | TAS 11 (revised 2017) | Construction Contracts   |
| 7.  | TAS 12 (revised 2017) | Income Taxes   |
| 8.  | TAS 16 (revised 2017) | Property, Plant and Equipment  |
| 9.  | TAS 17 (revised 2017) | Leases   |
| 10. | TAS 18 (revised 2017) | Revenue  |
| 11. | TAS 19 (revised 2017) | Employee Benefits  |
| 12. | TAS 20 (revised 2017) | Accounting for Government Grants and Disclosure of Government Assistance |
| 13. | TAS 21 (revised 2017) | The Effects of Changes in Foreign Exchange Rates                         |
| 14. | TAS 23 (revised 2017) | Borrowing Costs  |
| 15. | TAS 24 (revised 2017) | Related Party Disclosures  |
| 16. | TAS 26 (revised 2017) | Accounting and Reporting by Retirement Benefit Plans                     |
| 17. | TAS 27 (revised 2017) | Separate Financial Statements  |
| 18. | TAS 28 (revised 2017) | Investments in Associates and Joint Ventures                             |
| 19. | TAS 29 (revised 2017) | Financial Reporting in Hyperinflationary Economies                       |
| 20. | TAS 33 (revised 2017) | Earnings Per Share   |
| 21. | TAS 34 (revised 2017) | Interim Financial Reporting  |
| 22. | TAS 36 (revised 2017) | Impairment of Assets   |
| 23. | TAS 37 (revised 2017) | Provisions, Contingent Liabilities and Contingent Assets                 |
| 24. | TAS 38 (revised 2017) | Intangible Assets  |
| 25. | TAS 40 (revised 2017) | Investment Property  |
| 26. | TAS 41 (revised 2017) | Agriculture  |

**Thai Financial Reporting Standards (TFRS)**

- |     |                        |  |
|-----|------------------------|--|
| 27. | TFRS 2 (revised 2017)  | Share-based Payment  |
| 28. | TFRS 3 (revised 2017)  | Business Combinations  |
| 29. | TFRS 4 (revised 2017)  | Insurance Contracts  |
| 30. | TFRS 5 (revised 2017)  | Non-current Assets Held for Sale and Discontinued Operations |
| 31. | TFRS 6 (revised 2017)  | Exploration for and Evaluation of Mineral Resources          |
| 32. | TFRS 8 (revised 2017)  | Operating Segments   |
| 33. | TFRS 10 (revised 2017) | Consolidated Financial Statements                            |
| 34. | TFRS 11 (revised 2017) | Joint Arrangements   |
| 35. | TFRS 12 (revised 2017) | Disclosure of Interests in Other Entities                    |
| 36. | TFRS 13 (revised 2017) | Fair Value Measurement                                       |

### **Thai Accounting Standard Interpretations (TSIC)**

- |                            |   |
|----------------------------|---|
| 37. TSIC 10 (revised 2017) | Government Assistance - No Specific Relation to Operating Activities      |
| 38. TSIC 15 (revised 2017) | Operating Leases - Incentives   |
| 39. TSIC 25 (revised 2017) | Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders |
| 40. TSIC 27 (revised 2017) | Evaluating the Substance of Transactions in the Legal Form of a Lease     |
| 41. TSIC 29 (revised 2017) | Service Concession Arrangements : Disclosure                              |
| 42. TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services              |
| 43. TSIC 32 (revised 2017) | Intangible Assets - Web Site Costs  |

### **Thai Financial Reporting Standard Interpretations (TFRIC)**

- |                             |  |
|-----------------------------|--|
| 44. TFRIC 1 (revised 2017)  | Changes in Existing Decommissioning, Restoration and Similar Liabilities   |
| 45. TFRIC 4 (revised 2017)  | Determining Whether an Arrangement Contains a Lease  |
| 46. TFRIC 5 (revised 2017)  | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds             |
| 47. TFRIC 7 (revised 2017)  | Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies |
| 48. TFRIC 10 (revised 2017) | Interim Financial Reporting and Impairment   |
| 49. TFRIC 12 (revised 2017) | Service Concession Arrangements  |
| 50. TFRIC 13 (revised 2017) | Customer Loyalty Programmes  |
| 51. TFRIC 14 (revised 2017) | TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |
| 52. TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate   |
| 53. TFRIC 17 (revised 2017) | Distributions of Non-cash Assets to Owners   |
| 54. TFRIC 18 (revised 2017) | Transfers of Assets from Customers   |
| 55. TFRIC 20 (revised 2017) | Stripping Costs in the Production Phase of a Surface Mine  |
| 56. TFRIC 21 (revised 2017) | Levies   |

These accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have any significant impact on the financial statements.

## **2.6 The Federation of Accounting Professions has issued the new accounting standards but not yet effective.**

Effective for fiscal years beginning on or after January 1, 2019 are as follows:

### **Thai Accounting Standards (TAS)**

- |                           |  |
|---------------------------|--|
| 1. TAS 1 (revised 2018)   | Presentation of Financial Statements                                     |
| 2. TAS 2 (revised 2018)   | Inventories  |
| 3. TAS 7 (revised 2018)   | Statement of Cash Flows  |
| 4. TAS 8 (revised 2018)   | Accounting Policies, Changes in Accounting Estimates and Errors          |
| 5. TAS 10 (revised 2018)  | Events After the Reporting Period  |
| 6. TAS 12 (revised 2018)  | Income Taxes   |
| 7. TAS 16 (revised 2018)  | Property, Plant and Equipment  |
| 8. TAS 17 (revised 2018)  | Leases   |
| 9. TAS 19 (revised 2018)  | Employee Benefits  |
| 10. TAS 20 (revised 2018) | Accounting for Government Grants and Disclosure of Government Assistance |
| 11. TAS 21 (revised 2018) | The Effects of Changes in Foreign Exchange Rates                         |
| 12. TAS 23 (revised 2018) | Borrowing Costs  |
| 13. TAS 24 (revised 2018) | Related Party Disclosures  |
| 14. TAS 26 (revised 2018) | Accounting and Reporting by Retirement Benefit Plans                     |
| 15. TAS 27 (revised 2018) | Separate Financial Statements  |

16. TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
17. TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
18. TAS 33 (revised 2018)	Earnings Per Share
19. TAS 34 (revised 2018)	Interim Financial Reporting
20. TAS 36 (revised 2018)	Impairment of Assets
21. TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
22. TAS 38 (revised 2018)	Intangible Assets
23. TAS 40 (revised 2018)	Investment Property
24. TAS 41 (revised 2018)	Agriculture

#### **Thai Financial Reporting Standards (TFRS)**

25. TFRS 1	First-time Adoption of Thai Financial Reporting Standards
26. TFRS 2 (revised 2018)	Share-based Payment
27. TFRS 3 (revised 2018)	Business Combinations
28. TFRS 4 (revised 2018)	Insurance Contracts
29. TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
30. TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
31. TFRS 8 (revised 2018)	Operating Segments
32. TFRS 10 (revised 2018)	Consolidated Financial Statements
33. TFRS 11 (revised 2018)	Joint Arrangements
34. TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
35. TFRS 13 (revised 2018)	Fair Value Measurement
36. TFRS 15	Revenue from Contracts with Customers

#### **Thai Accounting Standard Interpretations (TSIC)**

37. TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
38. TSIC 15 (revised 2018)	Operating Leases - Incentives
39. TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders
40. TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
41. TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
42. TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs

**Thai Financial Reporting Standard Interpretations (TFRIC)**

- |     |  |  |
|-----|--|--|
| 43. | TFRIC 1 (revised 2018)   | Changes in Existing Decommissioning, Restoration and Similar Liabilities   |
| 44. | TFRIC 4 (revised 2018)   | Determining Whether an Arrangement Contains a Lease  |
| 45. | TFRIC 5 (revised 2018)   | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds             |
| 46. | TFRIC 7 (revised 2018)   | Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies |
| 47. | TFRIC 10 (revised 2018)  | Interim Financial Reporting and Impairment   |
| 48. | TFRIC 12 (revised 2018)  | Service Concession Arrangements  |
| 49. | TFRIC 14 (revised 2018) TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction |  |
| 50. | TFRIC 17 (revised 2018)  | Distributions of Non-cash Assets to Owners   |
| 51. | TFRIC 20 (revised 2018)  | Stripping Costs in the Production Phase of a Surface Mine  |
| 52. | TFRIC 21 (revised 2018)  | Levies   |

Effective for fiscal years beginning on or after January 1, 2020 are as follows:

**Thai Accounting Standards (TAS)**

- |    |        |                                     |
|----|--------|-------------------------------------|
| 1. | TAS 32 | Financial Instruments: Presentation |
|----|--------|-------------------------------------|

**Thai Financial Reporting Standards (TFRS)**

- |    |        |                                    |
|----|--------|------------------------------------|
| 2. | TFRS 7 | Financial Instruments: Disclosures |
| 3. | TFRS 9 | Financial Instruments              |

**Thai Financial Reporting Standard Interpretations (TFRIC)**

- |    |          |   |
|----|----------|---|
| 4. | TFRIC 16 | Hedges of a Net Investment in a Foreign Operation           |
| 5. | TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

Management of group companies is evaluating the impact of such accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations on the financial statements in the year when they are adopted.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenues and expenses recognition

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest income is recognized on an accrual basis based on the effective rate method.

Other income and expenses are recognized on an accrual basis.

### 3.2 Cash and cash equivalents

Cash and cash equivalents are cash on hand and fixed deposit at financial institutions due not more than 3 months from the acquisition date with no obligation.

### 3.3 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for the estimated losses that may be incurred from the uncollected accounts receivable.

### 3.4 Inventories

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

The Company set up provision for diminution in value of inventories whenever the goods are obsolete and deteriorated by considering the current condition of inventories.

### 3.5 Investments in associate

Associate is company in which the group of the Company has significant influence and power to participate in determining the financial and operating policies of the associate but not up to the level of governing such policies. Investments in associate shown in the consolidation are presented by the equity method.

### 3.6 Investments in subsidiaries

Subsidiaries are companies in which the group of the Company has power to govern the financial and operating policies. The Company included the subsidiaries in the consolidated financial statements since the date that the group Company has power to govern until the date of the power to govern is ended. The investments in subsidiaries for the separate financial statements are presented by the cost method.

### 3.7 Property, plant and equipment

Land is stated at appraisal value and the Company has the policy to appraise its values in every 3-5 years by the independent appraiser. During this period, if there is any factor which materially affects to the value of assets, the Company will reappraise the value by an expert in that year. The revaluation surplus on assets is recorded in revaluation surplus on assets in the statements of comprehensive income in other components of equity.

In 2018, the Company has appraised its land by the independent appraiser by comparing market information (Market Approach) in determination fair value. Plant and equipment are stated at cost. Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets:

	<u>Years</u>
Land improvement	5
Buildings and improvement	5-30
Machinery and equipment	5-10
Computer and accessories	3
Other	5

### 3.8 Intangible assets

Intangible assets mean acquired right for using computer software which are capitalized based on the acquiring costs incurred and bring to use as intended. These costs are amortized by the straight-line method through the estimated useful life of 3-10 years.

### 3.9 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or additional tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets/liabilities.

As each statement of financial position date, the Company reviews and adjusts the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets or deferred tax liabilities to be utilised.

### **3.10 Income tax expenses**

Income tax expenses are calculated from profit/loss for the year consist of current tax and deferred tax. Income tax expenses recognized in statements of comprehensive income unless part of transaction recorded in shareholders' equity recorded directly to equity.

### **3.11 Leases**

#### **Operating leases**

Leases where most of the substantial risks and rewards of ownership of assets still remain with the leasing company are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statements of comprehensive income on a straight-line basis over the lease term.

#### **Financial leases**

Leases which transfer to the Company most of substantial risks and rewards of ownership other than legal title, are accounted for as financial lease. At the inception of the lease, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals. Interest or financial charges are recognized in the statements of comprehensive income in proportion to the principal balance.

### **3.12 Foreign currency transactions**

Foreign currency transactions incurred during the year are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the statements of financial position are converted to Baht at the rate of exchange in effect on that date.

Gains or losses on exchange rates fluctuation are credited or charged to operations during the year.

For preparation of the consolidated financial statements, the financial statements of the subsidiaries denominated in foreign currencies are converted to Baht based on the following exchange rates:

- Assets and liabilities were translated by the average exchange rate at the end of the year.
- Shareholders' equity and depreciation were translated by the exchange rate in effect on the transaction dates.
- Revenues and expenses were translated by the average exchange rate for the year.

The translation of financial statement differences in foreign currencies was shown under Shareholders' Equity.

### **3.13 Forward exchange contracts**

Foreign currency transactions which are covered by forward exchange contract, the Company will record at fair value. Gains or losses on exchange rates are credited or charged to operations of each year.

### **3.14 Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the annual net profit (loss) by the number of weighted average common stocks held by outsiders during the year.

### **3.15 Employee benefits**

#### Short-term employee benefits

The Company and its subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

#### Long-term employee benefits

##### Defined contribution plan

The Company provides a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the operations in the incurred year.

#### Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

#### **3.16 Presentation currency**

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest Baht unless otherwise stated.

#### **3.17 Significant accounting judgments and estimates**

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgments on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, provision for diminution in inventories, depreciation of plant and equipment, revaluation surplus on assets, amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

#### 4. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Cash	60,000	60,000	60,000	60,000
Deposits at financial institutions	96,155,949	138,702,910	92,538,661	136,113,577
Total	96,215,949	138,762,910	92,598,661	136,173,577

#### 5. TRADE AND OTHER RECEIVABLES

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>Trade accounts receivable</u>				
Current	306,873,208	158,224,499	306,873,208	158,481,333
Overdue within 3 months	248,478,014	55,723,225	248,590,353	55,723,225
Over 3-6 months	65,841,429	1,777,634	65,841,429	1,777,634
Over 6-12 months	2,036,098	270,425	2,036,098	270,425
Over 12 months	60,566	-	60,566	-
Total	623,289,315	215,995,783	623,401,654	216,252,617
<u>Less</u> : Allowance for doubtful accounts	(1,772,075)	(189,446)	(1,772,075)	(189,446)
Trade accounts receivable-net	621,517,240	215,806,337	621,629,579	216,063,171
<u>Other receivables</u>				
Recoverable expenses	1,149,548	1,576,334	1,149,548	1,576,334
Other	2,791,028	2,336,829	2,791,028	2,336,829
Total other receivables	3,940,576	3,913,163	3,940,576	3,913,163
Total trade and other receivables	625,457,816	219,719,500	625,570,155	219,976,334

## 6. SHORT-TERM LOANS TO RELATED PARTIES

PARTICULARS	BAHT					
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATE PER ANNUM	
	2018	2017	2018	2017	2018	2017
Team Precision America, LLC						
Beginning balances	-	-	-	-		
Increase during the period (USD 100,000)	-	-	3,115,990	-		
Increase during the period (USD 212,500)	6,895,582	-	-	-		
<u>Less</u> Settlement during the periods (USD 100,000)	-	-	(3,115,990)	-		
Ending balances	6,895,582	-	-	-	0.00 - 3.00	-
TPA Holding LLC						
Beginning balances	-	-	-	-		
Increase during the period (USD 227,500)	-	-	7,294,809	-		
Unrealized gain on exchange rates	-	-	49,983	-		
Ending balances	-	-	7,344,792	-	-	-
Total	6,895,582	-	7,344,792	-		

Short-term loans to related party are unsecured loans.

## 7. INVENTORIES

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Raw materials	450,715,678	218,200,962	449,958,418	218,648,013
Work in process	75,250,029	31,143,562	75,250,029	31,143,562
Finished goods	27,824,274	14,890,554	27,824,274	14,890,554
Raw materials in transit	28,210,080	4,628,434	28,210,080	4,628,434
Total	582,000,061	268,863,512	581,242,801	269,310,563
<u>Less</u> : Allowance for diminution in inventory values	(44,608,153)	(39,686,527)	(44,608,153)	(39,686,527)
<b>Inventories-net</b>	<b>537,391,908</b>	<b>229,176,985</b>	<b>536,634,648</b>	<b>229,624,036</b>

## 8. INVESTMENTS IN ASSOCIATE

BAHT

ASSOCIATE	% Holding		CONSOLIDATED			
			Equity Method		Cost Method	
	2018	2017	2018	2017	2018	2017
Team Precision America, LLC	20	-	19,966,868 (USD 656,981)	-	33,652,266 (USD 1,077,300)	-

ASSOCIATE	TYPE OF BUSINESS	PAID – UP SHARE CAPITAL	
		Dec. 31, 2018	Dec. 31, 2017
Team Precision America, LLC	Design and distribution part of electronics circuits board and printed circuits	USD 1,062,844	-

The financial statements of associate which are applied for recording the investments in associate by the equity method in the consolidated financial statements as at December 31, 2018, included recording by the equity method on the consolidated statements of comprehensive income for the year ended December 31, 2018, audited by other certified public accountant.

The share of profit (loss) from investments for using the equity method which are recorded in the consolidated statements of comprehensive income for the year ended December 31, 2018, as follows:

BAHT

SHARE OF PROFIT(LOSS) FROM INVESTMENTS FOR USING THE EQUITY METHOD FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED	
	2018	2017
Team Precision America, LLC	(13,685,398)	-

**Summarized financial information of associate**

Financial information of the associate is summarized, as follow:

MILLION BAHT

ASSOCIATE	Total assets		Total liabilities		Total revenues		Profit (loss) for the years	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Team Precision America, LLC	269.15	-	302.84	-	292.40	-	(68.43)	-

**9. INVESTMENTS IN SUBSIDIARIES**

SUBSIDIARY COMPANIES	% HOLDING		COST METHOD	
	2018	2017	2018	2017
Team Precision (Europe) ApS	100	100	9,788,311 (Baht) (DKK 1,500,000)	9,788,311 (Baht) (DKK 1,500,000)
TPA Holding LLC	100	-	33,634,060 (Baht) (USD 1,077,300)	- -
TOTAL			43,422,371 (Baht)	9,788,311 (Baht)

SUBSIDIARY COMPANIES	TYPE OF BUSINESS	PAID-UP CAPITAL		DIVIDEND (BAHT)	
		2018	2017	2018	2017
Team Precision (Europe) ApS	Trading electronics components and distributing electronics Products	DKK 500,000	DKK 500,000	-	-
TPA Holding LLC	Investments	USD 1,077,300	-	-	-

The financial statements of Team Precision (Europe) ApS, its subsidiary in the foreign country were audited by other certified public accountant, and were used to prepare consolidated financial statements for the years ended December 31, 2018 and 2017 by having assets as at December 31, 2018 and 2017, the amount of Baht 21.43 million and Baht 11.42 million, respectively and having total revenues for the years ended December 31, 2018 and 2017 the amount of Baht 83.94 million and Baht 44.53 million, respectively.

The financial statements of TPA Holding LLC, its subsidiary in the foreign country were audited by other certified public accountant, and were used to prepare consolidated financial statements for the year ended December 31, 2018 by having assets as at December 31, 2018 the amount of Baht 27.28 million, and no revenues from operation.

TPA Holding LLC, its subsidiary in the foreign country called for shares subscription, the Company had paid for shares subscription amount of Baht 33.63 million (USD 1,077,300) in March 2018.



# 10.PROPERTY, PLANT AND EQUIPMENT

Particulars	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS									Total
	Land	Land improvement	Building and improvement	Machinery and accessories	Vehicles	Cooling systems	Electricity and telephone systems	Office furniture and fixtures	Assets under construction	
<b>Cost</b>										
January 1, 2017	59,860,924	8,222,538	255,562,432	697,660,106	32,331,478	61,815,146	44,500,572	70,295,929	36,336	1,230,285,461
Increase	-	-	89,000	14,390,109	5,518,159	485,012	-	3,355,205	19,932,917	43,770,402
Disposal/ Unused	-	-	(32,356)	(938,311)	(4,832,098)	(197,705)	(84,275)	(7,164,850)	-	(13,249,595)
Transferred in (out)	-	-	-	10,046,445	442,990	-	-	60,538	(10,549,973)	-
December 31, 2017	59,860,924	8,222,538	255,619,076	721,158,349	33,460,529	62,102,453	44,416,297	66,546,822	9,419,280	1,260,806,268
Increase	-	134,020	-	25,202,000	-	42,000	3,700	3,275,232	21,818,996	50,475,948
Disposal / Unused	-	-	-	(10,277,526)	(465,000)	-	-	(1,696,738)	(2,116,541)	(14,555,805)
Transferred in (out)	-	-	506,123	8,260,660	-	-	-	-	(8,766,783)	-
December 31, 2018	59,860,924	8,356,558	256,125,199	744,343,483	32,995,529	62,144,453	44,419,997	68,125,316	20,354,952	1,296,726,411
<b>Accumulated depreciation</b>										
January 1, 2017	-	8,091,208	115,112,773	505,673,503	23,300,024	49,404,805	39,713,058	67,015,729	-	808,311,100
Depreciation for the year 2017	-	42,954	5,687,564	46,485,091	2,432,144	1,810,223	2,107,649	2,353,404	-	60,919,029
Depreciation–Disposal / Unused	-	-	(32,355)	(839,215)	(4,832,095)	(187,819)	(84,271)	(7,143,185)	-	(13,118,940)
December 31, 2017	-	8,134,162	120,767,982	551,319,379	20,900,073	51,027,209	41,736,436	62,225,948	-	856,111,189
Depreciation for the year 2018	-	49,926	5,592,860	45,360,974	2,535,584	1,656,292	835,112	2,540,648	-	58,571,396
Depreciation–Disposal / Unused	-	-	-	(9,972,985)	(464,999)	-	-	(1,672,744)	-	(12,110,728)
December 31, 2018	-	8,184,088	126,360,842	586,707,368	22,970,658	52,683,501	42,571,548	63,093,852	-	902,571,857
<b>Additional appraisal value</b>										
January 1, 2018	-	-	-	-	-	-	-	-	-	-
Increase	68,560,936	-	-	-	-	-	-	-	-	68,560,936
December 31, 2018	68,560,936	-	-	-	-	-	-	-	-	68,560,936
<b>Net book value</b>										
December 31, 2017	59,860,924	88,376	134,851,094	169,838,970	12,560,456	11,075,244	2,679,861	4,320,874	9,419,280	404,695,079
December 31, 2018	128,421,860	172,470	129,764,357	157,636,115	10,024,871	9,460,952	1,848,449	5,031,464	20,354,952	462,715,490

In 2018, the Company has appraised its land by the independent appraiser by comparing market information (Market Approach) in determination fair value. The appraisal value is higher than the cost amount of Baht 68,560,936 million. The company is recorded in revaluation surplus on assets.

#### 11. INTANGIBLE ASSETS

BAHT	
PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
	Computer software
<b><u>Cost</u></b>	
January 1, 2017	31,127,387
Increase	171,000
Unused	(36,750)
December 31, 2017	31,261,637
Increase	1,242,087
December 31, 2018	32,503,724
<b><u>Accumulated amortization</u></b>	
January 1, 2017	(28,527,622)
Amortization for the year 2017	(1,632,523)
Amortization –Unused	36,750
December 31, 2017	(30,123,395)
Amortization for the year 2018	(860,884)
December 31, 2018	(30,984,279)
<b>Net book value</b>	
December 31, 2017	1,138,242
December 31, 2018	1,519,445

**12. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS**

BAHT

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Short –term loans from financial institutions	95,000,000	-
Trust receipt	290,631,908	16,362,887
Total	385,631,908	16,362,887

As at December 31, 2018 and 2017, short term loans from financial institutions bear interest at 2.15% -3.80% per annum.

**13. TRADE AND OTHER PAYABLES**

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Trade accounts payables	466,815,094	146,661,380	465,800,379	146,962,489
Accrued expenses	10,671,702	10,960,584	10,307,600	10,716,742
Advance receipt	30,960,261	28,264,765	30,960,261	28,264,765
Assets payable	2,748,648	3,261,511	2,748,648	3,261,511
Others	3,152,722	2,319,955	3,152,722	2,319,955
Total	514,348,427	191,468,195	512,969,610	191,525,462

**14. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS**

BAHT

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Long-term loans from financial institutions	-	22,993,040
<u>Less</u> : Portion due within one year	-	(13,138,880)
Long-term loans from financial institutions - net	-	9,854,160

Details of long-term loans as follows:

Credit line (USD)	Repayment conditions	Collateral
2.00 Million (Borrowing in September 2014)	1. Repayment by quarterly of USD 100,000 commencing from December 2014 and will be ended in August 2019. 2. Quarterly interest payment. 3. Interest rate is at LIBOR + 2.5% per annum In March 2018, the Company has repaid the remaining amount.	None

The portion of long-term liabilities due within one year has been shown under current liabilities.

#### 15. FINANCIAL LEASES PAYABLE

The Company has entered into financial lease agreements for vehicles, under the minimum payment as follows:

PARTICULARS	BAHT CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Less than 1 year	1,720,545	1,720,545
More than 1 but within 4 years	2,084,002	3,804,547
Total minimum lease payable	3,804,547	5,525,092
<u>Less</u> Deferred interest	(256,236)	(520,556)
	3,548,311	5,004,536
<u>Less</u> Current portion of liabilities under financial lease	(1,552,009)	(1,455,699)
Financial lease payable-net	1,996,302	3,548,837

Liabilities under financial leases are fixed for monthly payment which will be finished within 2021.

The portion of liabilities under financial leases due within one year was shown under current liabilities.

## 16. INCOME TAX

Corporate income taxes of the Company for the years ended December 31, 2018 and 2017, are calculated from the accounting profit (loss) and adjusted with some other revenues and expenses which are exempted from income tax or being disallowable expenses in tax computation purposes.

Non-BOI business operation or non-taxable privileges, the tax computation was calculated at the rate of 20 percent for years 2018 and 2017.

BOI business operation, income tax is calculated according to the privileges which are granted (see also Note 19).

Corporate income tax of the overseas subsidiaries have been calculated by applying those statutory rates.

Income taxes expenses recognized in statements of comprehensive income consist:

PARTICULARS FOR THE YEARS ENDED DECEMBER 31,	BAHT	
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Corporate income tax for the years	-	-
Amortization and reversal of temporary differences assets/liabilities on temporary differences	1,238,810	769,049
Income tax expenses	1,238,810	769,049

As at December 31, 2018 and 2017, the deferred tax assets/liabilities arose from the following temporary differences:

PARTICULARS	BAHT	
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
<b><u>Tax rate of 20%.</u></b>		
<b>Temporary differences in the statements of comprehensive income</b>		
Allowance for doubtful accounts	571,824	189,044
Provision for diminution in inventories	12,051,062	8,068,356
Depreciation rate different from tax rates	(45,049,923)	(20,316,881)
Provision for long-term employee benefits	23,490,857	19,682,816
(Gain) loss on disposal of deteriorated inventories	693,230	(222,060)
Other	139,324	51,289
	(8,103,626)	7,452,564
<b>Temporary differences in the other comprehensive income</b>		
- <b>Recognized in retained earnings</b>		
Provision for long-term employee benefits	(4,529,756)	-
Revaluation surplus on assets	(68,560,936)	-
<b>Total</b>	(81,194,318)	7,452,564
<b><u>Tax rate of 10% (BOI)</u></b>		
<b>Temporary differences in the statements of comprehensive income</b>		
Depreciation rate different from tax rates	-	(23,142,109)
Provision for long-term employee benefits	-	4,417,829
<b>Total</b>	-	(18,724,280)
Deferred tax assets (liabilities) calculated from tax rate of 20%.	(16,238,863)	1,490,513
Deferred tax liabilities calculated tax rate of 10% (BOI)	-	(1,872,428)
<b>Total deferred tax liabilities</b>	(16,238,863)	(381,915)

## 17. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits for the years ended December 31, 2018 and 2017, which are compensations on employees' retirement, are as follows

PARTICULARS	BAHT	
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Defined benefit obligation at beginning of years	62,221,571	52,922,135
Actuarial gain from employee benefit plan	(11,585,771)	-
Current service cost	7,301,247	7,791,232
Interest cost	1,389,424	1,508,204
Benefits paid during the years	(108,875)	-
Defined benefit obligation at end of years	59,217,596	62,221,571

Long-term employee benefit expenses included in statements of comprehensive income for the years ended December 31, 2018 and 2017 amount of Baht 8,690,671 and Baht 9,299,436, respectively.

Principle actuarial assumptions at the calculation date were as follows:

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Discount rate	2.75%	2.85%
Future salary increase rate	1-5%	1.2-5%
Disability rate	5%	5%
Staff turnover rate	0-53%	0-63%

On December 31, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 12.30 million. The Company has not recorded the effect of the change in the financial statements for the year 2018.

## 18. DIVIDEND PAYMENT, LEGAL RESERVE AND DIRECTORS' REMUNERATION

On April 27, 2018, the Ordinary General Shareholders' Meeting No.1/2018 was held and has a resolution not paying dividends, and approved to pay directors' remuneration at maximum Baht 2.73 million.

On April 20, 2017, the Ordinary General Shareholders' Meeting No.1/2017 was held and has a resolution not paying dividends, and approved to pay directors' remuneration at maximum Baht 2.40 million.

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set aside a portion not less than 5% of annual net profit for legal reserve until this reserve is not less than 10% of authorized capital. Such reserve is not allowed to pay for dividend. In 2018, the Company has appropriated retained earnings for legal reserve amount Baht 1,398,000.

## 19. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company was granted some promotional privileges from the Board of Investment as follows:

1. Promotional certificates Nos.	1759/2539	1760/2543	1696/O./2546 (Replace No. 1057/2534)	1218(2)/2550	1355(1)/2553	
2. Date of promotional certificates	12/11/1996	04/10/2000	21/03/1991	06/03/2007	24/3/2010	
3. Date of generating income	01/12/1996	10/11/2004	13/11/1990	06/07/2007	17/2/2011	
4. The promotional privileges for manufacturing of	component or accessories used with electronics products	printed circuit board assembly (PCBA)	production or assemble electronics products	printed circuit board assembly (PCBA) and electronics products	medical products, electronic products	printed circuit board assembly printed circuit (PCBA)
5. Important privileges and benefits which are granted : 5.1 Exemption from corporate income tax on net profit from promotional operations commencing from the generating revenue date.	8 years (expired on Nov. 30, 2004)	8 years (expired on Nov. 9, 2012)	-	5 years (expired on Jul.5, 2012 or tax values not over Baht 251.94 million)	8 years (will be expired on Feb. 16, 2019)	5 years (will be expired on Feb. 16, 2016) or (tax values not over Baht 162.80 million) (revised on Nov.14, 2016)
5.2 Allowance to deduct from taxable income at 5% of the increment in export of previous year, commencing from the generating revenue date.	10 years (expired on Nov. 30, 2006)	10 years (expired on Nov. 9, 2014)	10 years (expired on Nov. 12, 2000)	-	-	-
5.3 Allowance of reduction the corporate income tax from promotional net profit at 50% of normal rate after the exemption for corporate income tax is ended.	5 years (expired on Nov. 30, 2009)	5 years (expired on Nov. 9, 2017)	-	-	5 years (will be expired on Feb. 16, 2024)	-
5.4 Exemption from income tax on dividends from promoted business which was exempted from income tax as 5.1	8 years (expired on Nov. 30, 2004)	8 years (expired on Nov. 9, 2012)	-	5 years (expired on Jul. 5, 2012)	8 years	5 years



**PROMOTIONAL PRIVILEGES (continued)**

1. Promotional certificates Nos.	1356(1)/2553		59-1112-0-00-1-0	59-1186-0-00-1-0
2. Date of promotional certificates	24/3/2010		4/7/2016	26/7/2016
3. Date of generating income	23/2/2011		-	-
4. The promotional privileges for manufacturing of	electronic products for industrial	printed circuit board assembly printed circuit (PCBA)	electronic products, part and/or electronic equipment, component or accessories used with electronics products	medical products, electronic products, part and/or electronic equipment, component or accessories used
5. Important privileges and benefits which are granted : 5.1 Exemption from corporate income tax on net profit from promotional operations commencing from the generating revenue date.	8 years (will be expired on Feb. 22, 2019)	8 years (will be expired on Feb. 22, 2019) or (tax value not over Baht 26.77 million)	8 years or (tax value not over Baht 159.40 million)	8 years or (tax value not over Baht 356.60 million)
5.3 Allowance of reduction the corporate income tax from promotional net profit at 50% of normal rate after the exemption for corporate income tax is ended.	5 years (will be expired on Feb. 22, 2024)	-	5 years	5 years
5.4 Exemption from income tax on dividends from promoted business which was exempted from income tax as 5.1	8 years	8 years	8 years	8 years

As a promoted industry, the Company must strictly comply with certain terms and conditions stipulated in the promotional certificates.

**20. EXPENSES BY NATURE**

PARTICULARS	CONSOLIDATED		BAHT THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Increase in the changes of finished goods and work in process	(57,040,187)	(12,564,110)	(57,040,187)	(12,564,110)
Raw material and consumables used	1,395,657,016	747,900,460	1,396,415,851	748,602,816
Director and management benefit expenses	35,757,472	36,106,266	35,757,472	36,106,266
Employee benefit expenses	294,886,074	289,637,478	294,886,074	289,637,478
Depreciation and amortization expenses	59,432,280	62,551,552	59,432,280	62,551,552
Finance costs	3,955,864	1,400,187	3,954,184	1,400,042
(Reverse) Loss on diminution inventory values	4,921,626	(21,770,230)	4,921,626	(21,770,230)
Other expenses	162,316,161	143,017,647	161,872,629	142,677,931
<b>TOTAL</b>	<b>1,899,886,306</b>	<b>1,246,279,250</b>	<b>1,900,199,929</b>	<b>1,246,641,745</b>

## 21. FOREIGN CURRENCY TRANSACTIONS

21.1 The Company has a policy to cover foreign exchange exposure of assets and liabilities in foreign currencies whereby the Company will deposit money received from sales in foreign currencies with bank for payment of expenses and creditors in foreign currencies.

As at December 31, 2018 and 2017, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies as follows:

(AMOUNT IN THOUSAND)

PARTICULARS	CONSOLIDATED			
	Foreign currencies		Converted to Baht	
	2018	2017	2018	2017
ASSETS				
USD	20,447.00	8,614.48	660,127.14	280,096.48
EUR	9.62	2.94	353.66	113.79
DKK	65.00	65.00	320.16	337.77
TOTAL			660,800.96	280,548.04
LIABILITIES				
USD	20,468.21	4,197.80	667,566.68	137,885.96
EUR	116.78	202.96	4,377.84	7,995.19
TOTAL			671,944.52	145,881.15

(AMOUNT IN THOUSAND)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS			
	Foreign currencies		Converted to Baht	
	2018	2017	2018	2017
ASSETS				
USD	20,605.80	8,577.98	665,254.29	278,909.54
DKK	65.00	65.00	320.16	337.77
TOTAL			665,574.45	279,247.31
LIABILITIES				
USD	20,405.39	4,294.23	665,517.60	141,053.42
EUR	115.59	203.29	4,333.22	8,008.51
DKK	80.02	23.16	402.04	122.53
TOTAL			670,252.86	149,184.46

21.2 As at December 31, 2017, the Company has entered into Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might affect to Baht received from export trade accounts receivable that can be summarized as follow:

(AMOUNT IN THOUSAND)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS		
	Foreign currency	Fair value in Baht	Delivery date
As at December 31, 2017 USD	200	6,510.31	June 2018

## 22. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries operate business of producing and assembling printed circuit and electronics circuit board, and in geographical areas, Thailand and overseas. Both local and export sales are as follows:

BAHT

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS			
	2018	%	2017	%
Export sales	1,831,094,186	95.43	1,162,110,968	94.41
Local sales	87,663,565	4.57	68,872,826	5.59
Total	1,918,757,751	100.00	1,230,983,794	100.00

## 23. TRANSACTIONS WITH RELATED PARTIES

The Company has certain transactions with its related parties which are related through the shareholding or having co-management or co-directors. Therefore, the effects of these transactions were reflected in the accompanying financial statements on the mutual agreement and in normal business

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
1. Team Precision (Europe) ApS	See Note 9	Subsidiary
2. TPA Holding LLC	See Note 9	Subsidiary
3. Team Precision America, LLC	See Note 8	Associate
4. Energy Innovation Co., Ltd.	Distribution of electrical and electronic equipment	Director is shareholder
5. Alpine Technology Manufacturing (Thailand) Co., Ltd.	Distribution of electrical and electronic equipment	Director is shareholder and director
6. Finest Med Design Co., Ltd.	Design and distribution part of electronics circuits board and printed circuits	Major shareholder is shareholder and director

The significant related accounting transactions are as follows:

(THOUSAND BAHT)

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Trade accounts receivables				
- Team Precision (Europe) ApS	-	-	112	257
- Team Precision America, LLC	210,268	-	210,268	-
- Finest Med Design Co., Ltd.	76	120	76	120
Total trade accounts receivables	210,344	120	210,456	377
Other receivable				
- Team Precision America, LLC	1,531	-	1,531	-
Total other receivables	1,531	-	1,531	-
Total trade and other receivables	211,875	120	211,987	377
Short-term loans to related parties				
-TPA Holding LLC	-	-	7,344	-
- Team Precision America, LLC	6,895	-	-	-
Total short-term loans to related parties	6,895	-	7,344	-
Trade accounts payable				
- Team Precision (Europe) ApS	-	-	17,428	8,547
- Team Precision America, LLC	11,557	-	11,557	-
Total trade accounts payable	11,557	-	28,985	8,547

(THOUSAND BAHT)

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Sales				
- Team Precision America, LLC (Mutual agreement)	247,701	-	247,701	-
Total sales	247,701	-	247,701	-
Other income				
- Alpine Technology Manufacturing (Thailand) Co., Ltd.	180	180	180	180
- Team Precision America, LLC (Mutual agreement)	1,865	-	1,865	-
Total other income	2,045	180	2,045	180
Purchase of goods and raw materials				
- Team Precision (Europe) ApS	-	-	83,865	44,532
- Team Precision America, LLC (Mutual agreement)	11,744	-	11,744	-
Total purchase of goods and raw materials	11,744	-	95,609	44,532
Other expenses				
- Energy Innovation Co., Ltd. (Mutual agreement)	217	221	217	221
Total other expenses	217	221	217	221

## 24. COMMITMENT AND CONTINGENT LIABILITIES

24.1 As at December 31, 2018 and 2017, the Company has commitment and contingent liabilities as follows:

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS			
	Foreign currencies		Baht	
	2018	2017	2018	2017
Letters of credit				
- USD	33,024	23,942	5,880,443	-
- EUR	-	69,850	-	-
Letters of guarantee from commercial bank	-	-	3,325,000	3,325,000

As at December 31, 2018 and 2017, the Company has credit lines of letters of credit and trust receipt within Baht 374 million and Baht 450 million, respectively.

### 24.2 Operating lease commitment

The Company has entered into several lease agreements in respect of the lease of vehicles. The terms of the agreements are generally between 1 year to 4 years.

As at December 31, 2018, the Company has future minimum lease payments under these operating leases contracts as follows:

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	BAHT	
Due within 1 year	607,460	
More than 1 but within 3 years	1,212,706	

## 25. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company and its subsidiaries have information relating to financial instruments both in and off statements of financial position as follows :

### 25.1 Accounting policies and procedures

- See Note 3.

### 25.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- Risk from the customers who do not open the bank's letter of credit. In order to reduce such risk, the Company has the policy to provide credit carefully. Moreover, the Company has the policy to analyze regularly the customers' financial position.
- The Company has credit risk with respect to the trade accounts receivable due to the majority of sales are supplied to limited number of customers. In order to reduce such risk, the Company has the policy to increase its production capacity to meet other customers' requirement and to expand wider base of customers to meet the proper customers' proportion.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

### **25.3 Risk relating to interest rate**

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. The Company expects that it can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

### **25.4 Risk from exchange rate**

The Company and its subsidiaries have risk from the fluctuation in foreign exchange rates, due to some debtors and creditors arisen from trading in foreign currencies. The Company will provide the forward exchange contract in case of Baht currency is highly fluctuated and it is appropriate for the situation.

### **25.5 Fair value of financial instruments**

The following methods and assumptions are used to estimate the fair value of financial instruments :

- Financial assets shown at book value which equals to estimated fair value.
- Financial liabilities shown at book value which equals to estimated fair value.

## **26. CAPITAL MANAGEMENT**

The objectives of the Company in capital management are to maintain its ability to continue as a going concern and to maintain appropriate capital structure for return to the shareholders and other stakeholders.

## **27. FINANCIAL STATEMENTS APPROVAL**

These financial statements are duly approved by the Company's directors on February 27, 2019.



**Team Precision**

**Public Company Limited**

บริษัท ทีมพีริซิชั่น จำกัด (มหาชน)

152/8 Moo 3, Rangsit,  
Tanyaburi, Pathumthani  
12110, THAILAND

152/8 หมู่ 3 ธัญบุรี-ลำลูกกา  
ตำบลรังสิต อำเภอธัญบุรี  
ปทุมธานี 12110

Telephone +66 (0) 2577 2350  
Fax +66 (0) 2577 1705

โทรศัพท์ : 02 577 2350  
โทรสาร : 02 577 1705

[www.teampcba.com](http://www.teampcba.com)