



Annual Report Year 2021

(Form 56-1 One Report)

As of 31 December 2021

Team Precision Public Company Limited

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Part 1 STRUCTURE AND BUSINESS OPERATIONS

1. Structure and Business Operation

1.1 Structure and Business Operations

Team Precision Public Company Limited "TEAM" or "Company" was first registered under Teamtronics Co., Ltd., on September 17, 1990, at a commercial building in Pathumthani Province for business manufacturing and contract manufacturing of electronics circuit boards and later moved to Rangsit at 152/8 Moo 3 Tanyaburi – Lamlooka Road, Rangsit, Tanyaburi, Pathumthani on 3,200 sqm by having history and important development as follow,

- 2539** : Establishment of Team Precision Co., Ltd at Prachinburi province 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 4.5 acres of land.
- 2542** : Restructuring of shareholding by having Team Precision Co., Ltd hold 99.99% shares of Teamtronics Co., Ltd
- 2543** : Registered as a public company under the name of Team Precision Public Company Limited
- 2544** : Listed on Market for Alternative Investment (MAI)
- 2546** : Mergers and acquisitions Teamtronics and Team Precision under the name of Team Precision.
Increase the registered capital of 150 million Baht to 200 million baht
- 2547** : Listed on Stock Exchange of Thailand (SET) on January 1, 2004.
New building for the production in Pathumthani province on 1 acre
- 2549** : Increased capital to 305 million Baht
Establishment of Denmark office conducting a procurement activity (Holding 100%)
- 2550** : Increased capital to 458 million Baht
Building the second production facility at Prachinburi on 21 acres of land
- 2551** : Increased capital to 580 million Baht
Establishment of Denmark office conducting a procurement activity (Holding 100%)
- 2555** : 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 573.96 million Baht to 644.74 million Baht to support stock dividend totaling 70.78 million Baht on May 17,2012
- 2556** : 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.
- 2559** : Team Precision (Singapore) PTE LTD. has registered the dissolution under the laws of foreign country
- 2561** : Establishment of a subsidiary in the United States of America (the "TPA Holding") to jointly invest in a newly established entity in the United States of America (the "Team Precision America")
- 2563** : The company has approved the subsidiary, TPA Holding LLC to exercise of the Exit Option to sell all of 20% of the shares in Team Precision America, LLC. (Associate) to Technology Partners America, LLC (Former shareholders)
- 2564** : Disposal of investments in TPA Holding LLC

1.1.1 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 focuses on creating added value for customers by providing total solution from design to production of ready-to-sell electronic products with world class quality. Creating value adding for customers while building long-term relationships with the company's partners with the goal of expanding the business to cover many continents and in many industries in order to diversify business risks and create long-term business stability. The company aims to generate good and stable returns in the long run for shareholders.

1.1.2 Changes and Developments

-None-

1.1.3 Company Information

| | | |
|----------------------------|---|---|
| Company Name | : | Team Precision Public Company Limited |
| Head office Address | : | 198 Moo 13 Dong-khee-Lek Muang Prachinburi 25000 |
| Business type | : | Electronic circuit board manufacturing and assembly |
| Company registration no | : | 0107543000058 |
| Telephone | : | +66 (0) 2577 2350 |
| Website | : | http://www.teampcba.com |
| Registered capital | : | 637,063,385 shares |
| Common Stock | : | 1 Baht per share |
| Issued and paid-up capital | : | 637,063,385 Baht |

1.2 Characteristics of Business**1.2.1 The Company's revenue structures by product category**

| Category | 2021 | | 2020 | | 2019 | |
|----------------------|-----------------|------------|-----------------|------------|-----------------|------------|
| | Mio. Baht | % | Mio. Baht | % | Mio. Baht | % |
| Industrial Control | 2,006.31 | 80 | 1,486.91 | 80 | 1,692.59 | 79 |
| Telecommunications | 37.02 | 1 | 19.12 | 1 | 26.05 | 1 |
| Automotive | 243.46 | 10 | 183.80 | 10 | 196.65 | 9 |
| Medical | 138.88 | 6 | 100.86 | 5 | 105.10 | 5 |
| Other | 74.57 | 3 | 76.14 | 4 | 133.01 | 6 |
| Total Revenue | 2,500.24 | 100 | 1,866.83 | 100 | 2,153.40 | 100 |

1.2.2 Description of Products

The company conduct a total business solution from designing, Printed Circuit Board Assembly (PCBA) to a complete box build. The company is expertise and flexible in managing production with a high mix low volume type production and a low mix high volume production

(1) Products and Services

The Company's main business is printed circuit board assembly services and complete box building of electronic products and deliver to customers or consumers in order to increase competition for customers. The Company has wide range of experience assembled various products in various industries as follows,

Industrial Control the Company has manufactured the components of several industrial products such as cooling control products, snowplow control unit, security system, radioactive detector, data logger and POS (Point of sale system) printer

Telecommunications Wireless networking equipment

Automotive Car radio control, leather upholstery, electronic, sensor system device Intelligent side lighting.

Medical Hearing aids for the unilateral deaf, hearing air sanitizer, handheld health checking device, TENS device (transcutaneous electrical nerve stimulation), cane for Parkinson patient and other health and medical products.

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

Specialty Products Sound and a translation system in the large conference room and other sound related electronic products.

The Company offers product design development services as an extension of customer's design team by working closely with customer design team to designing complete products for customers. These services will speed up the customer's design process and assure the customer that the finished design is suitable for mass production and optimizing transportation cost. After the design is completed, the company offers a prototype production service to provide a real sample approval for mass production.

The company consider about the quality and continue to enhance and increase the efficiency of the production process by using various production techniques. This is to enable the Company to deliver world-class quality products at competitive prices in the market to customers.

In addition, the Company has received privilege certificates from the Office of the Board of Investment in the manufacture of electronic products, manufacturing of parts and/or electronic devices. or parts and/or equipment used for electronic production with the right and benefit of corporate income tax exemption on net profit, tax exempted from dividends from promoted businesses, and permitted to deduct annual losses from net profits However, each benefit depend on the details and conditions of each privilege received.

The Company focuses on creating added value for customers by providing total solution from design to production of ready-to-sell electronic products with world class quality. Creating value adding for customers while building long-term relationships with the company's partners with the goal of expanding the business to cover many continents and in many industries in order to diversify business risks and create long-term business stability. The company aims to generate good and stable returns in the long run for shareholders.

(2) Marketing and Competition within the Industry

(A) Marketing Policy

The Company emphasizes on delivering total solution and delight customer by emphasizing long-term cooperation with customers, deliver quality products according to international standards by applying international standards in the production process and continuously increase the efficiency of production process by using various production techniques to shorten the time to market (Time to Market) in order to enhance and continuously uplifting quality and be able to maintain and compete sustainably in the global market.

The Company's target customers are companies with their product owner or electronic product designers (Design House). medical products automotive industry products Telecommunication products and consumer products, etc.

The company focuses on effective selling channels in order to help the company to expand its customer base, expanding to other customers in the market and finding new investment opportunities in the region such as America, Europe and Asia

(B) Industry condition and competition

The company pays attention to the importance of effective cost management whether it is a competitive purchase of raw materials and continually upgrade the production process by applying international standards and principles in order to deliver quality products and able to compete sustainably in the market. The company has set important key performance indicators to ensure that the company has good competitiveness in the market and is ready to adjust its strategy to meet the demand, market competition, and the rapid change of economic condition.

As for the trend of the electronics industry in 2022, it is expected that there will be a growth in production and export of electronic products by about 5.0 and 8.0 percent, respectively, compared to the previous year. This is because the world economy has recovered from the COVID-19 outbreak and the adjustment of semiconductor manufacturers from the chip shortage situation and increasing in development of the 5G technology network, and the data center and as a result, this increases the electronic products both at home and abroad. (Source: Office of Industrial Economics)

(3) Procurement of products or services

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 the assembly of finished products. Those raw materials are 85% imported from abroad and the remaining 15% are purchased domestically where the Company shall procure the raw materials or cooperate with the customers in procurement raw materials.

The main cost of Company's business is raw materials which are necessary to have good quality as per customers specification. 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 delivery schedules. The Company also has a risk of price negotiation, and the volume of purchase which may affect the price of a raw material. Since most of distributors of electronic components are in abroad with the mentioned risk, the Company had established procurement office in Denmark 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 on important raw materials by 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.

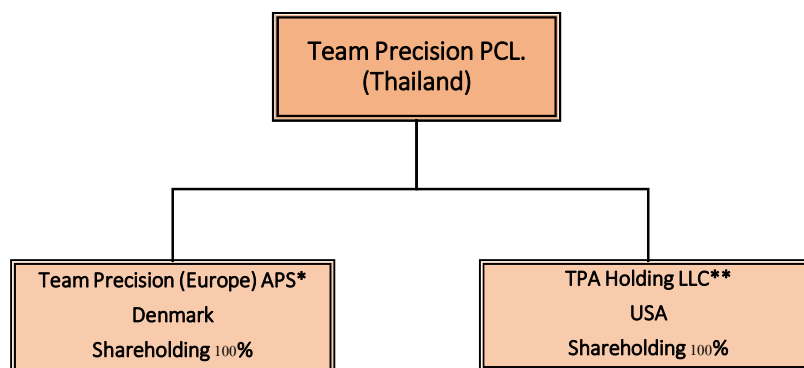
(4) Assets for the Business Operation

The Company's main assets are land, buildings and machinery have the following details

| Main asset | Net book value (Million Baht) | Ownership | Obligation |
|---|----------------------------------|-----------|------------|
| Land at Prathumthani province 9 rai 2 Ngan 95 square Wah | 54.85 | Owner | -None- |
| Land at Prachinburi province 83 rai 24 squares Wah | 73.40 | Owner | -None- |
| Building and Building improvement | 122.78 | Owner | -None- |
| Machine and equipment | 164.75 | Owner | -None- |
| Vehicle | 3.95 | Owner | -None- |
| Other asset | 31.0 | Owner | -None- |
| Intangible asset | 1.98 | Owner | -None- |
| Total | 452.71 | | |

1.3 The shareholding structure of the Group

1.3.1 The shareholding structure of the Group



*Team Precision (Europe) ApS conduct a trading business of electronic components and electronic products.

**Dissolution per decision of the Board of Directors of Team Precision Public Company Limited No.9/2021

1.3.2 Changes and Developments

-None-

1.3.3 Relationship with the business group of the large 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 27 to the financial statements)

1.3.4 Shareholder

Top 10 shareholders as of the as of March 8, 2022, are as follows,

| No. | Name | Shares | % |
|-----|----------------------------|-------------|-------|
| 1 | Mr. Supachak Manutsathit | 129,412,677 | 20.31 |
| 2 | Ms. Patravadee Manutsathit | 64,032,639 | 10.05 |
| 3 | Ms. Patrawan Manutsathit | 63,706,339 | 10.00 |

| | | | | |
|----|-----------------|----------------|------------|------|
| 4 | Mr. Chakkaphant | Manutsathit | 44,188,633 | 6.94 |
| 5 | Mr. Anant | Manutsathit | 35,833,288 | 5.63 |
| 6 | Ms. Manusaporn | Manutsathit | 34,000,000 | 5.34 |
| 7 | Mr. Attaphon | Manutsathit | 34,000,000 | 5.34 |
| 8 | Ms. Malipa | Manutsathit | 27,000,000 | 4.24 |
| 9 | Mr. Anant | Raweesaengsoon | 11,500,000 | 1.80 |
| 10 | Mr. Weerawat | Sirayophas | 11,374,161 | 1.79 |

Source of data: Thailand Securities Depository Co., Ltd

1.4 Number of registered capital and paid-up capital

The company has registered capital and paid up 637.06 million Baht consist of common share of 637.06 million shares at value 1 baht per share (as of March 8, 2022)

1.5 Issuing other securities

-None-

1.6 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 other necessity, such as the various expansion of the business in the future.

| Details of paying dividend | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------------------------------|-------------|-------------|--------------|-------------|
| Dividend Policy | Not less than 40% of net profit | | | | |
| Net Profit and (loss) (Baht) | 3,354,288 | 27,959,069 | 20,514,085 | (43,071,284) | 201,739,527 |
| No. of share (share) | 637,063,385 | 637,063,385 | 637,063,385 | 637,063,385 | 637,063,385 |
| Dividend paid per share in cash (Baht/share), | -None- | -None- | -None- | -None- | 0.16 |
| - Interim Dividend | -None- | -None- | -None- | -None- | 0.05 |
| - Final Dividend | -None- | -None- | -None- | -None- | 0.11 |
| Total dividend payment (Baht) | -None- | -None- | -None- | -None- | 101,930,141 |
| - Interim Dividend* | -None- | -None- | -None- | -None- | 31,853,169 |
| - Final Dividend** | -None- | -None- | -None- | -None- | 70,076,972 |
| Proportion of dividend payment | -None- | -None- | -None- | -None- | 50.29 |

*Company paid interim dividend amount 31,853,169.25 Baht on 7 September 2021.

** The final dividend payment amount 70,076,972 will propose to shareholders to approve on April 26, 2022

2. Risk Assessment

2.1 Risk Assessment

The Company has the risk factor which may have direct impact to the business and have the mean of manage as per following,

1. Business risk

Because the company does business with most of the customers who are abroad therefore, there is a risk of changing market conditions of customers in many factors both from external and internal factors. External factors for example are from the economic, politics, and trade policies of each country as well as the economic situation of the world or region. The internal factors are from customers as well, such as mergers and acquisitions, change in purchasing policy or changing the products sold. These are the risks that can cause uncertainty in shifting and changing in demand for products. The company therefore implements a policy to diversify risks in both various manufacturing industries and selling to various regions in order to reduce the impact that may be caused by such factors and to reduce business risks and this policy has always been adhered to by the Company. In addition, business operations based on sales with large customers are still considered a business risk that the company pays attention to and therefore the Company continues to expand its new customer base.

2. Natural disaster risk

Natural disasters such as floods and storms are risks that may affect both on demand and supply. Even such event may have a rare occurrence but if it does, it may cause loss of property and loss of life of employees. However, the Company has Business Continuity Plan (BCP) and has made various insurance plans to ensure that there is adequate protection against damage that may occur in all cases.

3. Exchange rate risk

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 risk of the exchange rate by Natural Hedge Method and use the financial instrument to secure the foreign currency in advance (Forward Contract). The Company has no speculation policy on currency rates where the Company will not hold any foreign currency without any planned to use in future. This will mitigate risks from fluctuations in US currency.

4. Debt collection risk

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 payment schedules.

The Company has a policy of monitoring the Customer Credit Evaluation of both new customers and old customers closely and constantly from reliable source of information providers 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 who is considered to have a risk of default payment, the Company shall agree with the customer in a case-by-case basis in order to prevent such risk such as making an advance payment before product delivery or to arrange a Letter of Credit or a Standby Letter of Credit or a Bank Guarantee. Furthermore, the Company will consider and apply for the credit insurance. This insurance will cover the potential default in payment of a customer where the insurer will grant a credit limit based on the terms and conditions. Applying the insurance is another option to transfer the risk to the insurer.

5. Risk of quality labor supply

Due to the higher demand of labor force in Thailand and higher wages, the Company aware the risk of the labor shortage and the budgeting. 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 process continues to enhance the efficiency of the 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 the present including investment in semi-automation in the production line and start to use the robot
- 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 electronics business both in the quality and the price as well as 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 to source from 2-3 quality distributors per raw material
- Communicate and jointly plan with the business counterparts on 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 an agreement with the customer about the supply of the specific or unique raw materials required by 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.
- Has a subsidiary company 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. COVID-19 risk

Due to the Coronavirus pandemic (COVID-19) that has spread throughout the world including Thailand which impact the overall economy in the country, the Company was aware of this incident and therefore, the Company arranges the preventive measures for the COVID-19 such as following:

- Prepare prevention surveillance guideline according to the guidelines of the Department of Communicable Disease Control Ministry of Health to both outsiders and employees of the Company

- Establish a working group to follow up on the situation closely and continuously.
- Making announcements about the COVID-19 situation to increase awareness among employees while at work and at home
- Perform a random Antigen Test Kit (ATK) every week for employees.
- Maintain social distance in the workplace and always wear gloves while in the production line and perform cleaning the area regularly
- Adapting technology to allow employees to work in different locations, such as online meetings (Video Conference)
- Reduce or avoid unnecessary travel, such as use the pick-up method postal parcel instead of self-travel.
- Organizing the work area and provide the necessary supporting equipment to be readily available when needed
- Monitor the effectiveness of the control measures in the factory and hold the risk management working group committee meeting to adjust the measure according to the changes in situation.

3. Driving Business for Sustainability

3.1 Policy and goal of the sustainability management

Sustainability Management Policies and Goals of the company are as follows:

- Be socially and environmentally responsible
- Respect for human rights and free from corruption
- Create value to the Company in a sustainable and stable manner by
 - Satisfy customer needs in full of design to distribution as well as listen to and present new ideas as possible. This is our service
 - Continuous Improvement - Lean Sigma-based manufacturing, a world-class quality system with a commitment to excellence.
 - Make a difference by being certified to international standards
 - Market Expansion – Balance the business by diversifying markets into multiple regions and serving multiple industries.
 - Develop valuable assets of the company – Company personnel by listening and caring with full attention
 - Flexibility in global supply chain management – reflecting changing market demands with agile decision making
- Constantly modify the information system to be up to date
- Manage financial statements under changing economic conditions and maintain company growth

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Businesses value chain

The company procure each raw material by recruiting 2-3 quality distributors to ensure that the company has enough supply to produce in a timely manner. After purchasing raw materials, raw materials will be brought from abroad and enter the country. The Company will choose a reliable transportation service provider with standard. Overseas shipments are transported by sea and air, depending on the nature of raw materials which will undergo proper legal and customs clearing procedures, especially dangerous raw materials such as batteries.

After the raw materials are delivered to the factory, the company will inspect the raw materials according to international standards and will store the raw materials according to the recommended storage in the datasheet of each raw material in order to keep the raw materials in good condition and ready to use.

The Company will use raw materials to assemble products to meet the standards and per requirements of customers.

As for the delivery process, the Company will communicate with the customer to determine the delivery date, which will depend on the commercial terms of each customer. The Company has a specific service team to serve customer both before and after sales service.

3.2.2 Stakeholder analysis in the business value chain

The company has identified the stakeholders and always listened to suggestions and needs from stakeholders in order to improve and uplift the company to be sustainable as following,

| Stakeholder | Expectation | Fulfillment |
|----------------------------|--|---|
| Customer | <ul style="list-style-type: none"> Quality products. On time delivery Reasonable price No infringing on intellectual property and copyrights. | <ul style="list-style-type: none"> Perform satisfaction survey Meet with customers to listen to suggestions. Continuously enhance the production efficiency to increase competition Comply with the laws relating to intellectual property or copyright |
| Employee | <ul style="list-style-type: none"> The workplace is safe and clean. Reasonable and fair income. Treat equally. Progression and advancement in work. | <ul style="list-style-type: none"> Comply with laws and regulations on occupational health, safety, and environment. Promote good corporate culture Respect human rights principles Evaluate performance fairly Provide training for employees to increase their potential |
| Shareholders and investors | <ul style="list-style-type: none"> Performance and good returns from the company. Good corporate governance in the Company. Have a good risk management and internal control system | <ul style="list-style-type: none"> The company has continued to grow. Supervise and operate business with transparency. Organized and audited by the Risk Committee and the Internal Control Committee. |
| Creditor | <ul style="list-style-type: none"> On time payment Building good relationship | <ul style="list-style-type: none"> Pay punctually by analyzing the income and cashflow |
| Partners | <ul style="list-style-type: none"> On time payment and perform based on agreed terms and conditions Build credibility Transparency in the bidding process | <ul style="list-style-type: none"> Discuss and negotiate fairly on both sides Strictly pay and follow the contract Internal audit for any purchasing activities |
| Community and Society | <ul style="list-style-type: none"> Socially responsible Develop community and society with sustainability Solve and listen to the problem | <ul style="list-style-type: none"> Comply with the Health and Safety standard Continue to develop community and society Perform activities for society that will have a sustainable impact |

3.3 Sustainability management on environment

3.3.1 Policy and practices

The Company realizes the importance of health and safety in the Company as well as to prevent and solve environmental problems that may affect the business operations and services of the organization. Therefore, the Company has established and follow the guideline effectively and systematically in accordance with the requirements of the occupational health, safety, and environment standards by following standards ISO 45001 and ISO 14001 requirements as following,

- Commitment to compliance with laws and regulations on occupational health, safety and working environment as well as to comply with the requirements of customers and the risks which may arise from directly and indirectly conducting business activities

- Committed to protect the environment by maximizing resource utilization, including the prevention of pollution and problems on health, safety, and environment that may arise from conduct business operations which may affect the community. The Company focus on planning to minimize the potential impact and reducing the rate of waste to maximize efficiency
- Committed to manage risks from disasters, accidents, including accidents occupational illness by analyzing and plan to reduce risks, prevention, control of hazards as well as prepare to cope in order to minimize any chance of loss if an accident that may occur
- Committed to promote awareness of occupational health, safety, and working environment to employees at all levels and related persons by ensuring that activities are carried out in consultation and participation of operators or worker representatives as well as to review the policy on health, safety and working environment management by the management at an appropriate time

3.3.2 Safety and environmental performance

The company has a systematic safety and environmental management in compliance with the ISO 45001 and ISO 14001 whether it is garbage and waste disposal or to prevent and solve any environmental problems which may be caused by business operations and services

1. Electric power management

- Switching to energy-saving LED bulbs for lighting throughout the company
- Installation of a system to control the energy consumption of the air conditioning system
- Improve and inspect electrical equipment for more efficient use
- Installation of solar cell within the company

2. Water Management

- Reduce water usage in order to suit each activity
- Regularly inspect the water system and sanitary ware to prevent water leakage
- Improve the installation of water-saving sanitary ware
- Install an automatic water supply system and semi-automatic to reduce water use

3. Management of waste management, waste, and pollution

- waste classification
- Reducing the use of paper
- Installation of wastewater treatment systems before releasing water to the outside Company
- Installation of air pollution treatment system in the production process

4. Safety Management

- Promote awareness and instill a safety culture environmental protection and social responsibility on a continuous and consistent basis
- Set a target of "zero" accidents at work, raising the level of safety standards to exceed those required by law, by having to develop, improve, and have safety control measures. including safety equipment and safety training that supports appropriate and adequate
- Arrange consultation and participation of operators or worker representatives to do planning, analysis, assessment to reduce risks protection against danger and prepare to minimize any chance of loss from various accidents

3.4 Sustainability management on social

3.4.1 Policy and practices

The Company is aware of and has established policies on human rights as follows:

- Treat all employees and employees equally without discrimination and assign appropriate tasks according to their abilities with a reasonable return
- No illegal labor and workers under the age of 18, including worker representatives and partners and/or stakeholders
- Take care and protect the safety of employees and the Company's assets without affecting the rights and safety of others and protecting personal rights and keeping confidentiality on the use of personal information
- Respect the rights, honor, and treat employees, representative workers of the Company Workers, agents and partners with equality and consideration of human dignity

3.4.2 Social performance

The Company has social and community performance in the aspect of customers, employees, partners, including stakeholders as follows:

- Develop employees' potential by supporting training, knowledge and necessary resources while creating a safe working environment, stimulate creativity, and work at full potential and capability
- Respond to needs and create customer satisfaction both in terms of quantity and quality of goods and services according to the contract
- Strengthen and promote the participation of communities and related stakeholders with openness to listen and consult with transparent and constructive, treat each other equally and respect the differences as well as supporting the development of quality of life and the strength of the community
- Cooperate with government agencies, industry association, business partner, civil society, and other stakeholders to participate in the development and/or application of good industry sustainability standards and practices

4. Management Discussion and Analysis: MD&A

4.1 Analysis of operations and financial result

Revenue Team Precision Public Company Limited and its subsidiaries (“Company”) achieved total sales revenue for the year 2021 of 2,500.24 million Baht or an increase of 34% from the previous year. This is because the Company has gained more orders around the world in every industry including industrial, medical, and telecommunication industry where these industries are the industries that our customers are in. In addition, even though there is a global chip shortage, the Company manage and do advance planning as well as cooperates with partners to bring in raw materials to produce and deliver to customers as planned.

| Transaction | 2021 | | 2020 | | Increase (Decrease) | |
|-------------------------|-----------------|------------|-----------------|------------|---------------------|-------------|
| | Mi. Baht | % | Mil. Baht | % | Mi. Baht | % |
| Sales | 2,500.24 | 100 | 1,866.83 | 100 | 633.41 | 34 |
| - Europe | 696.88 | 28 | 559.69 | 30 | 137.19 | 25 |
| - USA | 1,199.73 | 48 | 870.18 | 47 | 329.55 | 38 |
| - Asia | 603.63 | 24 | 436.96 | 23 | 166.67 | 37 |
| Interest income | 0.09 | 100 | 0.05 | 100 | 0.04 | 80 |
| Other income: | 16.74 | 100 | 31.66 | 100 | (14.92) | (47) |
| - Gain on exchange rate | 7.32 | 44 | 14.83 | 47 | (7.50) | (47) |
| - Others | 9.42 | 56 | 16.83 | 53 | (7.41) | (47) |
| Total income | 2,517.07 | 100 | 1,898.54 | 100 | 618.53 | 33 |

Other Income The company has other income for the year 2021 and 2020 total amount is 16.74 million baht and 31.66 million baht respectively. The Company gain from foreign exchange of 7.32 million Baht and the remaining of 9.42 million Baht are mostly from consumables left over from production, profit from the sale of the property and other service fees, etc.

Cost of sales and gross margin Cost of sales that does not include loss from devaluation of inventories for the year 2021 and 2020 amounted to 2,162.12 million Baht and 1,696.89 million Baht, respectively. The company was able to make a gross profit of 338.12 million Baht, increasing from 169.94 million Baht in last year or an increase of 99 percent. The gross margin increased from 9% to 14% despite the unstable market situation. The Company remains committed to increasing gross margins by increasing sales from existing and new customers, reducing variation in production, and reducing or eliminating unnecessary costs by optimizing production by investing in new machines and applying automation to production processes.

| Transaction | 2021 Mil. Baht | 2020 Mil. Baht | Increase (Decrease) Mil. Baht |
|---------------------|-------------------|-------------------|----------------------------------|
| Revenue | 2,500.24 | 1,866.83 | 633.41 |
| Cost of Sales | 2,162.12 | 1,696.89 | 465.23 |
| Gross Margin | 338.12 | 169.94 | 168.18 |

Selling expenses Selling expense for the year 2021 and 2020 amounted to 29.96 million Baht and 27.96 million Baht, respectively. Most of the expenses were employee expenses, and expenses for exporting, etc.

Administrative expenses administrative expenses for the year 2021 and 2020 amounted to 120.37 and 107.47 million Baht, respectively, an increase of 12.9 million Baht. Most of the expenses came from the company reducing short-term loans to its subsidiaries, the debtor transfers the right to receive debt and accrued interest.

Net profit for the year 2021, the Company has a net profit of 202.67 million Baht, compared to 2020, which has a net loss of 16.18 million Baht. This is due to increased sales and the production cost has been continuously controlled to be within the budget.

Total Assets The total assets of the Company at the end of 2021 and 2020 amounted to 1,860.42 million Baht and 1,418.05 million baht respectively, an increase of 442.37 million baht or 31%. The detail of the total asset is compare as following

1) Cash Equivalents

| PARTICULARS | 2021 Mil.Baht | 2020 Mil.Baht | Increase (Decrease) Mil.Baht |
|-------------------------------|------------------|------------------|------------------------------------|
| Bank deposits - Savings | 176.73 | 104.22 | 72.51 |
| Bank deposits - Current | 0.26 | 26.42 | (26.16) |
| Total cash equivalents | 176.99 | 130.65 | 46.35 |

2) Trade and other receivables

Accounts receivable as of December 31, 2021, and 2020 amounted to 307.45 and 308.70 million Baht, respectively, a decrease of 1.24 million Baht, where there is a better collection despite of the increasing in income compared to year 2020. Details aging of the account receivable are show as following,

| Accounts receivable | 31 December 2021 | | 31 December 2020 | | Increase (Decrease) | |
|---------------------------------------|------------------|------------|------------------|------------|---------------------|------------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| Current | 231.81 | 75 | 235.07 | 76 | (3.26) | (1) |
| Overdue within 3 months* | 75.53 | 25 | 73.59 | 24 | 1.94 | 3 |
| Over 3-6 months | 0.10 | 0 | 0.03 | 0 | 0.07 | 212 |
| Over 6-12 months | 0.02 | 0 | 0.01 | 0 | 0.01 | 114 |
| Total | 307.45 | 100 | 308.70 | 100 | (1.24) | 0 |
| Less: Allowance for doubtful accounts | (0.90) | 100 | (0.07) | 100 | (0.83) | 1,128 |
| Trade accounts receivable net | 306.55 | 100 | 308.63 | 100 | (2.08) | (1) |

*Out of 75.53 million Baht was overdue within 3 months, the Company has already collected 65 million Baht between January - February 2022.

3) Other receivables

Other receivables at the end of 2021 amounted to 13 million Baht, most of which were prepaid expenses and deferred expense.

4) Inventories

The Company has inventories as of December 31, 2021, and 2020 are as follows

| Inventory | 2021 | | 2020 | | Increase (Decrease) | |
|---|---------------|------------|---------------|------------|---------------------|--------------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| Raw materials | 813.96 | 90 | 410.81 | 87 | 403.15 | 98 |
| Work in process | 54.73 | 6 | 68.93 | 14 | (14.2) | (21) |
| Finished goods | 52.49 | 6 | 33.32 | 7 | 19.16 | 58 |
| Raw materials in transit | 27.34 | 3 | 28.15 | 2 | (0.81) | (3) |
| Total | 948.52 | 105 | 541.21 | 110 | 407.31 | 75.26 |
| Less Allowance for diminution in inventory values | (46.88) | (5) | (50.96) | (10) | (4.08) | (8) |
| Inventories-net | 901.64 | 100 | 490.25 | 100 | 411.39 | 83.91 |

Inventories as of December 31, 2021, and 2020 amounted to 901.64 and 490.25 million Baht, respectively, an increase of 83.91% due to the Company's purchase of raw materials to support higher orders. The company continues to manage its inventory according to the strategy and establishing relationships and negotiating with raw material suppliers on a regular basis

The Company has set aside allowance for diminution in value of inventories and defective and obsolete inventories by considering the current condition of inventories. This is in accordance with the Company's policy of setting allowance for diminution in inventories value.

Non-current assets

Non-current assets as of December 31, 2021, and 2020 amounted to 453.82 million Baht and 462.17 million Baht, respectively. Most of the items came from debt repayment and long-term receivables from debt composition and the Company bought more machines

Source of Funds

1) Liabilities

Total liabilities as of December 31, 2021, and 2020 amounted to 908.12 and 642.31 million Baht, respectively, an increase of 265.81 million Baht, of which most liabilities were used as working capital for business operations, which are as follows:

Short-term loans from financial institutions

Short-term loans from financial institutions as of December 31, 2021, and 2020 amounted to 121.71 and 46.40 million Baht, respectively, an increase of 75.31 million Baht due to more raw material purchases according to customer orders.

Trade and other accounts payables

The company has trade accounts payable. and other current payable as at December 31, 2021 and 2020 are as follows:

| Accounts Payables | 2021 | | 2020 | | Increase (Decrease) | |
|-------------------------|---------------|------------|---------------|------------|---------------------|--------------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| Trade accounts payables | 524.09 | 95 | 324.98 | 87 | 199.11 | 61.27 |
| Accrued expenses | 20.13 | 4 | 16.59 | 5 | 3.54 | 21.34 |
| Asset payables | 1.95 | 1 | 23.86 | 6 | (21.91) | (91.83) |
| Others | 7.30 | - | 10.18 | 2 | (2.88) | (28.29) |
| Total | 553.47 | 100 | 375.61 | 100 | 177.86 | 47.35 |

Trade accounts payable as of December 31, 2021, increased by 199.11 million Baht due to more raw material purchases to support incoming orders in 2022.

Non-current liabilities

Other non-current liabilities as of December 31, 2021, and 2020 amounted to 104.59 and 104.23 million Baht, slightly increased from the previous year.

2) Shareholders' Equity

Shareholders' equity as of December 31, 2021, and 2020 amounted to 952 and 776 million Baht, respectively. The Board of Directors' meeting on February 22, 2022, resolved to propose dividend payments to shareholders for the fiscal year 2021 amount 637,063,385 shares at the rate of 0.16 baht per share, totaling 101,930,141.60 Baht or equivalent to 50.29% of the net profit in accordance with the dividend payment policy. By the resolution of the Board of Directors' meeting on August 10, 2021, it was resolved to approve the payment of interim dividends (For the results of the period January 1, 2021 – June 30, 2021) at the rate of 0.05 Baht per share, representing the amount of 31,853,169.25 baht on September 7, 2021. Therefore, the final dividend to be paid will be at the rate of 0.11 Baht per share, representing the amount of 70,076,972.35 baht

Liquidity

1. Cashflow Liquidity

The company's cash flow from operating profit in 2021 and 2020 is 281.43 and 129.05 million Baht, respectively or an increase of 152.38 million Baht. However, the Company has increased inventories and accounts payable to support future orders and as a result, cash flow from operating activities in 2021 was at 98.84 million Baht, down from 265.34 million Baht in 2020.

Cash flows from investing activities in 2021 and 2020 amounted to 80 million Baht and (8) million Baht, respectively, with increasing numbers. This is because in 2021, the Company has invested in new machines as well as the automation system that has been applied in the production process

Cash flow from financing activities in 2021 amounted to 15 million Baht due to an increase of 72 million baht in short-term loan from financial institutions, 25 million baht was paid for assets and liabilities under lease agreements, and interim dividends were paid 32 million Baht.

Overall, the Company's cash and cash equivalents increased from 130.65 million baht at the end of the year 2020 to 176.99 million Baht at the end of 2021, and it is still sufficient to pay Company's debts and able to operate in 2022. In addition, the Company still have available credit limit with the financial institution in order to be used as a working capital without any issues.

2. Obligations and liabilities that may arise in the future

The company has available letters of credit and the amount of trust receipts that can be used to support the purchase of raw materials that will be used to support production next year

4.2 Factors may affect future operation or financial position

From the situation of the epidemic of the Covid-19 virus that remains uncertain depending on the length of the prevention of each country and the trade war and technological war, it is a challenge in the global economy that must be monitored. Company as a contract manufacturer and deliver product on behalf of customers realized that there may be an impact to the consumer based on these situations which will impact the production order. However, the Company continue to commit to maintaining a high level of excellence in the quality of products and services, paying attention to the details of the customer's needs along with continuous cost control in order to increase the competition in the world

market. This is to maintain the existing customer base and find new markets in different regions of the world to further increase the company's products and sales.

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

4.3 Financial Highlights

Certified Public Accountant's Report gave an opinion that the financial statements show the financial position as of December 31, 2021, the operating results and cash flow of Team Precision Public Company Limited and its subsidiaries are in accordance with financial reporting standards.

Summary of financial statements as of December 31, 2021, are summarized as follows:

Team Precision Public Company Limited and its subsidiaries Income statement as of December 31, 2021

| Description | Audited (Unit: Million Baht) | | |
|--|------------------------------|-----------------|-----------------|
| | 2021 | 2020 | 2019 |
| Revenue | 2,500.24 | 1,866.83 | 2,153.40 |
| Other income and Interest income | 16.83 | 31.71 | 38.65 |
| Total Income | 2,517.07 | 1,898.54 | 2,192.05 |
| Cost of sales | 2,162.12 | 1,696.89 | 2,027.41 |
| Loss on diminution inventory values | (4.08) | 5.26 | 1.10 |
| Selling, administrative and directors' expense | 155.01 | 211.67 | 143.97 |
| Total Expenses | 2,313.05 | 1,913.82 | 2,172.48 |
| Finance income | 1.15 | 1.59 | |
| Finance Costs | (0.75) | (4.38) | (9.06) |
| Share of loss from investments in associate hold by subsidiary | - | (0.71) | (12.53) |
| Income Tax Revenues (Expenses) | (1.75) | 2.60 | 9.62 |
| Profit (loss) for the years | 202.67 | (16.18) | 7.60 |

Team Precision Public Company Limited and its subsidiaries Balance Sheet as of December 31, 2021

| Description | Audited (Unit: Million Baht) | | |
|--|------------------------------|-----------------|-----------------|
| | 2021 | 2020 | 2019 |
| Current assets | 1,406.61 | 955.88 | 1,027.04 |
| Investments in subsidiaries | 0 | 0 | 7.44 |
| Property, plant and equipment – net | 450.74 | 417.46 | 438.94 |
| Non-current assets | 3.07 | 44.71 | 5.52 |
| Total Assets | 1,860.42 | 1,418.05 | 1,478.94 |
| Current liabilities | 803.53 | 538.08 | 594.43 |
| Non-Current liabilities | 104.59 | 104.23 | 93.43 |
| Total Liabilities | 908.12 | 642.31 | 687.86 |
| Paid-up capital | 637.06 | 637.06 | 637.06 |
| Premium on common stocks | 42.54 | 42.54 | 42.54 |
| Retained earnings | 224.23 | 45.15 | 61.33 |
| Other components of shareholders' equity | 48.48 | 50.99 | 50.15 |
| Shareholders' Equity | 952.31 | 775.74 | 791.08 |

Team Precision Public Company Limited and its subsidiaries
Cashflow statement as of December 31, 2021

| Description | Audited (Unit: Million Baht) | | |
|--|------------------------------|---------------|--------------|
| | 2021 | 2020 | 2019 |
| Cash provided from operating activities | 98.84 | 265.34 | 150.06 |
| Cash flows from investing activities | (80.10) | (7.68) | (27.21) |
| Cash flows from Financing activities | 14.88 | (191.80) | (151.28) |
| Exchange rates effects on cash and cash equivalents | 13.43 | (0.17) | (2.83) |
| Net increase in cash and cash equivalents | 47.05 | 65.69 | (31.26) |
| Cash and cash equivalents as at January 1, | 130.64 | 64.95 | 96.21 |
| Less Cash and cash equivalents transferred out from disposal of subsidiary (supplementary statement) | (0.70) | - | |
| Cash and cash equivalents as at December 31, 2021 | 176.99 | 130.64 | 64.95 |

Team Precision Public Company Limited and its subsidiaries
Financial Ratios

| Liquidity Ratio: | | 2021 | 2020 | 2019 |
|---------------------------|-------|--------|--------|--------|
| Current Ratio | Times | 1.75 | 1.78 | 1.73 |
| Quick Ratio | Times | 0.62 | 0.84 | 0.92 |
| Operating Cash Flow Ratio | Times | 0.15 | 0.47 | 0.20 |
| Receivable Turnover | Times | 7.81 | 4.70 | 3.92 |
| Collection Period | Days | 46.09 | 76.65 | 91.92 |
| Inventory Turnover | Times | 2.90 | 3.21 | 3.69 |
| Sales Period | Days | 124.02 | 112.13 | 97.47 |
| Account Payable Turnover | Times | 4.65 | 4.65 | 4.66 |
| Payable Payment Period | Days | 77.35 | 77.50 | 77.18 |
| Cash Cycle | Days | 92.77 | 111.27 | 112.20 |

| Profitability Ratio | | 2021 | 2020 | 2019 |
|---------------------|---|-------|-------|------|
| Gross Profit Margin | % | 13.52 | 9.10 | 5.85 |
| Profit Margin | % | 8.11 | -0.87 | 0.35 |
| Return on Equity | % | 23.46 | -2.07 | 0.97 |

| Efficiency Ratio | | 2021 | 2020 | 2019 |
|------------------------|-------|-------|-------|-------|
| Return on Assets | % | 12.36 | -1.12 | 0.47 |
| Return on Fixed Assets | % | 58.23 | 8.15 | 14.62 |
| Total Assets Turnover | Times | 1.53 | 1.29 | 1.33 |

| Financial Policy Ratio | | 2021 | 2020 | 2019 |
|-------------------------|-------|--------|-------|-------|
| Debt to Equity Ratio | Times | 0.95 | 0.83 | 0.87 |
| Interest Coverage Ratio | Times | 134.95 | 60.98 | 16.19 |

| Share Information | | 2021 | 2020 | 2019 |
|---------------------------|------|------|-------|------|
| Book Value per Share | Baht | 1.49 | 1.22 | 1.24 |
| Earnings per Share | Baht | 0.32 | -0.03 | 0.01 |
| Cash Dividend per Share * | Baht | 0.05 | - | - |
| Stock Dividend per Share | Baht | 1.00 | 1.00 | 1.00 |

*Cash Dividend is based on the rate of announcement in a year

5. General information and other important information**5.1 General information and other important information**

| | | |
|-----------|---|--|
| Registrar | : | Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand. |
| Telephone | : | 0-2009-9999, 02-009-9000 |
| Fax | : | 0-2009-9991 |
| Auditor | : | Dr. Virach & Associates Office Co., Ltd. 518/3 Panunee Building, 7 th Floor, Ploenchit Road Lumpinee District, Pathumwan, Bangkok 10330 |
| Telephone | : | 02-250-0634 |
| Fax | : | 02-255-2518 |

5.2 Other important information

-None-

5.3 Legal Disputes

-None-

Part 2 CORPORATE GOVERNANCE

6. Corporate Governance

6.1 Overview of Corporate Governance Policies and Guidelines

The Company has established policies and guidelines for corporate governance principles and to allow the Company's business operations to grow steadily and increase the confidence of investors as well as all related parties. The Company, therefore, sets a policy for corporate governance by having the Board of Directors to comply with the following practices:

- Will manage the work with caution and responsible for performing their duties with adequate competence and efficiency for the maximum benefit of the shareholders
- Operate with transparency and able to sufficiently disclose information to all concerned parties.
- Always conduct business with appropriate risk control and management.
- Manage to avoid conflicts of interest, take responsibility for their own decisions and actions.

The Company adheres to the principles of corporate governance in line with the good practice of The Stock Exchange of Thailand which is a criterion for formulating such policies and manuals and is consistent with the ASEAN CG Scorecard, which covers the following contents:

Section1 Rights of Shareholders

In 2021, the Company held a total of one shareholders' meeting, which was an annual general meeting where it was held at the Company. The Company uses the Record date method for collecting the names of shareholders who are eligible to attend the meeting by assigning Thailand Securities Center to prepare and the Company to deliver the notice. Appointment of the meeting and sending information supporting the meeting for various agendas to the shareholders are 21 days in advance of the meeting date. Each agenda contains the opinions of the Board of Directors, together with the method of voting and vote counting prior to the meeting of the shareholders and use of ballot

The company has also published information about the notice of the shareholders' meeting along with all information on the Company website both Thai and English, 30 days in advance of the Annual General Meeting of Shareholders so that shareholders have time to study the information.

Section2 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.
- 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 2022 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 2021 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.

Section 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 ISO 45001 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 wastewater 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

Section4 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 Certify 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 2021 Annual Report (Form 56-1 One report) 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 One report as at December 31, 2021 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 or facsimile No. 02-5771705, 02-5772355.
- 4.6 The non-financial indicator of Company performance is the level of customer satisfaction which had 88% in the year 2021.

Section 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. 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.
 6. The appointment of the determination of authority of independent committee and sub-committees.
 7. 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 vote 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 six directors, as follows:

- Three executive directors who are also management, representing 50% of total number of directors.
 - Three independent directors, representing 50% 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

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 past 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 2021 the Board met four times for regular meetings and five times for special meetings, totaling nine 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 quorums. The committee will vote on the Board of Directors 's meeting shall be not less than two-thirds of all the directors.

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 executive to clarify issue as it sees fit.

6.2 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.

(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

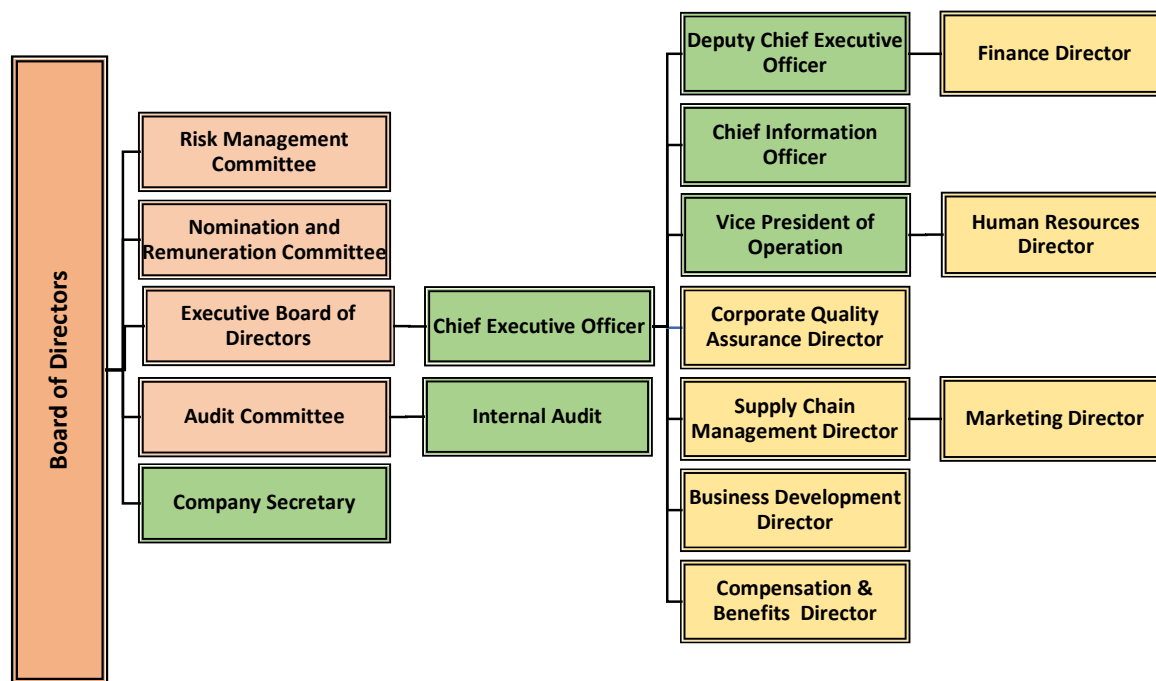
It is an official standard provision regarding to employee's behavior which is an important part of ethics and practices that the company expects employees to treat customers, suppliers, creditors, competitors, stakeholders, and others in doing business as well. The ethical requirements of employees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

The company has 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. monitoring of compliance with the criteria will be reviewed by the senior executives for appropriateness. I case of violation, the employees will be subject to disciplinary action according to the procedures determined by the company. The company require the company secretary / Internal Audit Department to serves as the complaints of corporate governance and business ethics.

7. Governance Structure and Important Information about the Board of Directors, Sub-Committee, Management, Employees and Others

7.1 Managerial Structure



7.2 Information about the Board of Directors

7.2.1 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.

7.2.2 Name of member of the Board of Directors as of December 31,2021.

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

The authorized person is two directors signing together, except Mr. Chai Jroongtanapibarn, Mr. Pirom Chaemsai, and Mr. Mongkol Kittipoomwong.

7.2.3 The scopes of authority and responsibilities of the Board of Directors of the company as follow:

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 instead of the board.

7.3 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

7.3.1 Executive Board of Directors

Names of members of the Executive Board of Directors as of December 31, 2021

| | | | |
|----|-----------------|-------------|------------------------------------|
| 1. | Mr. Chakkaphant | Manutsathit | Chairman of The Board of Directors |
| 2. | Mrs. Malipa | Manutsathit | Executive Director |
| 3. | Mr. Supachak | Manutsathit | Executive Director |

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 and scrutinize the information or facts regarding business operations that will be presented to the Board of Directors for consideration.
- Evaluate the structure of salaries and other benefits of employees.
- Proceed other tasks as appointed by the Board of Directors.
- 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 100 million Baht. If exceeding 100 million Baht, the 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.

7.3.2 Audit Committee

Members of the Audit Committee as of December 31, 2021

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

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

- To review the Company's financial reporting in accordance with the financial reporting standard and the disclosure is adequate.
- Review that the Company has an internal control system and appropriate and effective internal audits.
- 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.
- 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.
- 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.
- 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 including:
 - o Comments on the accurate, complete, and reliable of financial report
 - o Comments on adequate internal control system of the Company
 - o 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.
 - o Comments on the appropriate of the auditor
 - o Comments on the conflict of interests
 - o The number of audit committee's meeting and the number of each audit committee's attendance
 - o Overall audit committee's comments or suggestions received from implementing under charter
 - o Other comments or information to the shareholders or investors under the duties and responsibilities appointed from the Board Director
- 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.
- 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.

7.3.3 Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee as of December 31,2021

| | | | |
|----|-----------------|--------------------|---|
| 1. | Ph.D. Pirom | Chamsai * | 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

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

- Select and appoint persons to become members of the Board of Directors, according to the resolution of the Board of Directors.
- Determine the selection process for the Board of Directors members to replace members who complete their tenure.
- Consider selecting 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.
- Consider selecting persons to hold the position of management of the Company, according to the resolution of the Board of Directors.
- Propose method of paying remuneration to the Board of Directors and other committees appointed by the Board of Directors.
- Propose the other remunerations as deemed reasonable and appropriated.

Tenure: The chairman of the Nomination and Remuneration and members are appointed for a term of three years each.

7.3.4 Risk Management Committee

Members of the Risk Management Committee as of December 31, 2021

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

The scope of authority and responsibilities of the risk management committee

- 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.
- Develop and review strategic in risk management plans.
- 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.

7.4 The Management Team

7.4.1 The Management Team

For nomination of a person to assume the top management position; for example, the Chief Executive Officer, the Executive Board shall primarily consider screening 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.

Name of the members of the Management Team as of December 31, 2021

| | | | |
|----|-----------------|-------------------|---|
| 1. | Mr. Chakkaphant | Manutsathit | Chief Executive Officer |
| 2. | Mr. Supachak | Manutsathit * | Deputy Chief Executive Officer |
| 3. | Mrs. Malipa | Manutsathit | Chief Information Officer |
| 4. | Mr. Manolo | Villaluz Momongan | Supply Chain Management / Marketing Director |
| 5. | Mr. Aviroot | Kongcharoen | Corporate Quality Assurance |

*Mr. Supachak Manutsathit, Deputy Chief Executive Officer, appointed as Company Secretary and Mrs. Rattana Wongkrajang, Senior Accounting Manager and Finance Department as Financial Director (Acting) Effective from December 1, 2021, due to Mrs. Suratn Petchmune was retirement on 1 December 2021.

The scope of authority and responsibilities of the Chief Executive Officer

- 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.
- 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.
- 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.
- 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.

7.4.2 Compensation Policy for Executive Director and Executive

The Company has a policy to pay compensation whereby the Board of Directors approves the remuneration of the top executives.

7.4.3 Total remuneration of executive directors and executives

Monetary compensation

- (1) Monetary compensation**, includes salary and other incomes that the company paid to executives are as below:

| ปี | Total Executive | Amount (Baht) |
|------|-----------------|---------------|
| 2021 | 7 | 34,103,917 |
| 2020 | 7 | 30,478,356 |

Other compensation

(1) Provident fund

The Company has made contributions to the provident fund to the Company's management and employees at the rate of 3% of salary for benefits in the event of death, disability, resignation, or retirement depending on the length of service working with the company. The Company established Employee 's Choice Structure to allow employees to choose the fund policies that fit their requirements. There were five consisting plans as follow

| 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% |

The Company sets a period for members to voluntarily change their investment policy to the fund 2 times a year. For the year ended December 31, 2021, the Company's provident fund contributions paid to employees amounted to 4.25 million Baht.

(2) Long term Employee Benefits

The Company has set aside a provision for severance pay for employees upon retirement for the year ended December 31, 2021, amounting to Baht 96.65 million Bhat based on actuarial assumptions.

(3) Group Accident Insurance

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

7.5 Employee Information

As of December 31, 2021, the Company has a total of 916 employees. Contributions to provident funds, bonuses, social security contributions as well as welfare recorded as expenses for the year 2021, totaling 284.45 million Baht.

7.6 Other important information

7.6.1 Company Secretary

The resolution of Board of Director approved the appoint Mr. Supachak Manutsathit Director, Deputy Chief Executive Officer, as Company Secretary effective on 1 December 20021 onward due to the retirement of Ms. Suratn Petchmune, details as per Attachment 1

7.6.2 Accounting Supervision

The resolution of Board of Director approved the appoint Mrs. Rattana Wongkrajang, Senior Accounting Manager and Finance Department, as an acting Chief Financial Officer effective on 1 December 20021 onward due to the retirement of Ms. Suratn Petchmune.

7.6.3 Internal Auditing Manager and Corporate Governance Manager

Mr. Boonchoke Somsukswadkul has been approved by the Audit Committee to be the Internal Audit Manager of the Company to carry out the audit of the internal control system and follow up on the performance according to the established systems and procedures. The Audit Committee is of the opinion that the person who has the appropriate qualifications to perform the duties assigned can effectively manage the audit of the Company's internal control system.

In this regard, consideration and approval for the appointment, removal, and transfer of the Company's internal audit supervisor must be approved by the Audit Committee.

7.6.4 Audit Fee

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

| Audit Fee | Team Precision (Thailand) | Team Precision (Denmark) |
|------------|---------------------------|--------------------------|
| Audit Fee | 1,035,000 Baht | 70,600 DKK |
| Other Fees | - | - |

Excluding the service fee of the compliance with Board of Investment's privilege condition by Baht 30,000 per license

8. The Report of Corporate Good Governance

8.1 Summary of the Board's Performance of the previous year

8.1.1 Recruiting, developing, and evaluating the performance of the Board of Directors

(1) 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 will have the following 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 behaviour, 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

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.

8.1.2 The Meeting attendance of the Board of Directors

(1) Meeting attendance of the Board of Directors

The attendance of the Board of Directors Meeting in 2021 are as follows

| Name | Position | Board Meeting | |
|--------------------------------|---|-----------------------------|-------------------|
| | | Attendance of Board Meeting | Attendance of AGM |
| 1. Mr. Chakkaphant Manutsathit | Chairman of The Board of Director Nomination and Remuneration Committee Risk Management Committee | 9/9 | 1/1 |
| 2. Mrs. Malipa Manutsathit | Director Nomination and Remuneration Committee Risk Management Committee | 9/9 | 1/1 |
| 3. Mrs. Suratn Petchmune | Director Company Secretary | 8/9 (Due to retirement) | 1/1 |
| 4. Mr. Chai Jroongtanapibarn | Independent Director Chairman of the Audit Committee Nomination and Remuneration Committee Risk Management Committee | 9/9 | 1/1 |
| 5. Mr. Pirom Chamsai, Ph.D. | Independent Director Audit Committee Chairman of Nomination and Remuneration Committee Risk Management Committee | 9/9 | 1/1 |
| 6. Mr. Monkhol Kittipoomvong | Independent Director Audit Committee Nomination and Remuneration Committee Chairman of Risk Management Committee | 9/9 | 1/1 |
| 7. Mr. Supachak Manutsathit | Director | 9/9 | 1/1 |

(2) Remuneration of Director

The Board of Directors must present it to the shareholders' meeting for approval. However, the determination of remuneration for directors will be considered and opinions will be submitted by the Nomination and Remuneration Committee, which has a review of the mission Responsibilities in relation to industries of the same or similar size and nature

The Company has paid directors' remuneration in monetary form only as follows:

| Name | Position | 2021 | |
|--------------------------------|---|------------------|--------------|
| | | 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 | 302,500 | - |
| 4. Mr. Supachak Manutsathit | Director | 330,000 | - |
| 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 | - |
| Total Remuneration *** | | 2,702,500 | - |

** Mrs. Suratn Petchmunee had retirement on 1 December 2021

*** Remuneration or compensation pay annually.

Subcommittee's Remuneration -None-

Other of compensation -None-

8.1.3 Supervision of the operation of subsidiary company

In the past, the Company had guidelines for appointing a director in a subsidiary to be approved by the Board of Directors. A person appointed to be a director in a subsidiary has a duty to act for the benefit of the subsidiary Company

In addition, the subsidiary has regulations on transactions related to revenue recognition or disposition of assets which the regulation is consistent with the Company's regulation as well as supervising the collection of information and accounting records of the subsidiaries so that the company can examine and consolidate financial statements in a timely manner.

However, the Company does not have any agreements between the Company and other shareholders in managing the subsidiaries and associated companies (shareholders' agreement)

8.1.4 Compliance with policies and guidelines for corporate governance

(1) Prevention of conflicts of interest

The Company has notified the information of the companies that may have conflict of interest to the auditor, which the auditor will specify in the notes of the Company financial statements if there's a significant conflict of interest.

In addition, the Board of Directors has established policies and guidelines for directors and executives in reporting conflicts of interest to ensure that directors and executives perform their duties with care and honesty in decision making without personal interests whether directly or indirectly by stipulating measures for directors and executives to disclose information about their personal interests in any transaction that may have an impact on the company through a form approved by the Board of Directors. Such directors or executives will be excluded from participating in the decision-making

process in which they have the conflict of interest. The company secretary is responsible for receiving the conflict-of-interest report of directors and executives and send to the chairman of the board and the chairman of the audit committee.

(2) The use of inside information to seek benefit

The Company has notified directors, executives, when first taking office, about the related announcement of the Securities and Exchange Commission (SEC) that directors and executives has a duty to report changes in securities holdings to SEC in accordance with Article 59 of the Securities and Exchange Act B.E. 2535 within 30 days from the date of the change in securities holdings and to notify the Company secretary to acknowledge in order to prepare a memorandum of changes and also notifies the penalties if there is a violation or non-compliance with the said requirements.

The Company has notified not to disclose the financial or other related information to outside personnel or any related person which may impact to the stock price and prohibit the trading of security within 1 months before the financial statement or any other information is publicly available as well as not trading the security until such information is publicly available. Non-compliance with those notifications shall be deemed disciplinary misconduct by the Company

(3) Anti-Corruption

The Company has 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 compete in business with honest. Bribery harms not only to the Company, but also to the stakeholders and communities where we do business. For these reasons, the Company 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.
- From 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.

(4) 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 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 of

the Company performs investigation and finds the issue(s) then Company shall immediately take corrective action and punish disciplinary penalty.

8.2 Summary of the performance of the Board of Directors in the past year

The attendance of the meeting and the performance report of the Audit Committee are shown in attachment 6.

8.3 Summary of the performance of other sub-committees

The attendance of the sub-committees meetings as follows:

| Director Name | | Audit Committee | Nomination and Remuneration Committee | Risk Management committee | AGM Meeting |
|--------------------|------------------|-----------------|---------------------------------------|---------------------------|-------------|
| 1. Mr. Chakkaphant | Manutsathit | - | 2/2 | 4/4 | 1/1 |
| 2. Mrs.Malipa | Manutsathit | - | 2/2 | 4/4 | 1/1 |
| 3. Mrs.Suratn | Petchmune | - | - | - | 1/1 |
| 4. Mr. Supachak | Manutsathit | - | - | - | 1/1 |
| 5. Mr. Chai | Jroongtanapibarn | 4/4 | 2/2 | 4/4 | 1/1 |
| 6. Mr. Pirom | Chamsai, Ph.D. | 4/4 | 2/2 | 4/4 | 1/1 |
| 7. Mr. Monkhol | Kittipoomvong | 4/4 | 2/2 | 4/4 | 1/1 |

Mrs. Surath Petchmune is the secretary of the Audit Committee, The Nomination and Remuneration Committee, and the Risk Management Committee until 30 November 2021 and Ms. Supachak Manutsathit is the secretary of the Audit Committee, Nomination and Remuneration Committee and Risk Committee From 1 December 2021 onwards

9. Internal control and risk management

9.1 Internal control

9.1.1 Compliance with policies and guidelines for corporate governance

The Board of Directors has assessed the internal control system from the Audit Committee's evaluation report. It can be concluded that from the assessment of the Company's internal control system in 5 aspects which are internal control within the organization, risk assessment operational control, Information and communication systems and tracking systems. The Board of Directors is of the opinion that the Company has an adequate and appropriate internal control system.

The Risk Management Committee is of the opinion that the management should establish a Risk Management Working Group to manage and prevent risks arising from outstanding accounts receivable and inventories of the Company so that such risks are controlled at an appropriate level at all times and reviewed other risks that may arise up in order to put in place appropriate control measures

In addition, the Company's auditor has not have any observations on the internal control system relevant to the preparation and presentation of the financial statements, including the assessment of the risks of misstatement to the significance of the financial statements as shown in the auditor's report dated February 22, 2022

In addition, the Company provides channels for stakeholders to file complaints of illegal acts and the code of conduct of senior management or inaccurate financial reports to the Audit Committee in order to demonstrate fairness and transparency through the Chairman of Audit Committee at the above address or E-mail address: chairmanac@teampcba.com

9.1.2 Opinion of the Audit Committee in the case that differs from the opinion of the Board of Directors

-None-

9.2 Related Transaction

The Company has accounting transactions with related parties which are related by shareholding or management as directors of subsidiaries or joint directors, which are disclosed in the notes to the financial statements no. 26 that it has already been borrowed money between subsidiaries only. The calculation of the purchase price is based on the normal business price and mutual agreement.

The Policy of Related Transactions

If there are any related transactions with related parties which may lead to conflict, those transactions must be approved by the Board of Directors with prior approval by Audit Committee and will proceed according to regulations by the Stock Exchange of Thailand. Thus, if there are any directors has a conflict of interest in the matter to consider then the announcement must be made to the Board of Directors, and that directors must not express their opinion as well as 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.

**Part 3 FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,
2021**

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, 2021, 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, 2021, 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, 2021, as described in Note 7 to the financial statements, the Company has allowance for diminution in inventories amount of Baht 46.88 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 sale of goods are recognized when the Company has transferred control over the goods to the customer.

As of December 31, 2021, as described in Note 25 to the financial statements, the Company has export sales amount of Baht 2,441.79 million accounted for 97.66% of total sales, which is significant to the financial statements. Due to the term of transferring the control to customer is different. Therefore, the revenues recognition from export sale from many condition terms may have effect to the accuracy and completeness of revenues recognition.

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, the result is satisfactory, and I found no material misstatement.

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.

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 22, 2022

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

| | NOTES | BAHT | | | |
|---|------------|----------------------|----------------------|-----------------------------------|----------------------|
| | | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | | 2021 | 2020 | 2021 | 2020 |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash equivalents | 3.2 and 4 | 176,990,999 | 130,645,628 | 173,928,044 | 126,856,671 |
| Trade and other current receivables | 3.3 and 5 | 319,490,564 | 318,895,266 | 319,368,766 | 318,200,721 |
| Current portion of receivables from debt composition | 11 | - | 1,832,263 | - | - |
| Short-term loans to related parties | 3.3 and 6 | - | - | - | - |
| Current contract assets | | 6,540,099 | 11,844,447 | 6,540,099 | 11,844,447 |
| Inventories | 3.4 and 7 | 901,640,246 | 490,250,614 | 901,477,947 | 490,243,513 |
| Other current financial assets | | | | | |
| Receivables from selling forward exchange contract | | - | 933,035 | - | 933,035 |
| Other current assets | | 1,944,558 | 1,474,560 | 1,944,558 | 1,474,560 |
| Total Current Assets | | 1,406,606,466 | 955,875,813 | 1,403,259,414 | 949,552,947 |
| Non-current Assets | | | | | |
| Investments in subsidiaries | 3.6 and 9 | - | - | 9,788,311 | 9,788,311 |
| Receivable from right assignment of accounts receivable | 10 | - | - | - | 37,393,938 |
| Long-term of receivables from debt composition | 11 | - | 35,973,061 | - | - |
| Property, plant and equipment | 3.7 and 12 | 450,735,246 | 417,464,001 | 450,735,246 | 417,464,001 |
| Right-of-use assets | 3.8 and 13 | 368,113 | 4,434,487 | 368,113 | 4,434,487 |
| Intangible assets | 3.9 and 14 | 1,976,013 | 526,301 | 1,976,013 | 526,301 |
| Other non-current assets | | | | | |
| Deposit assets | | 10,000 | - | 10,000 | - |
| Withholding income tax | | 669,134 | 2,003,658 | 669,134 | 2,003,658 |
| Others | | 57,378 | 1,773,105 | 57,378 | 1,773,105 |
| Total other non-current assets | | 736,512 | 3,776,763 | 736,512 | 3,776,763 |
| Total Non-current Assets | | 453,815,884 | 462,174,613 | 463,604,195 | 473,383,801 |
| TOTAL ASSETS | | 1,860,422,350 | 1,418,050,426 | 1,866,863,609 | 1,422,936,748 |

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, 2021

| | NOTES | BAHT | | | |
|--|-------------|--------------|-------------|------------------------|-------------|
| | | CONSOLIDATED | | THE SEPARATE FINANCIAL | |
| | | 2021 | 2020 | 2021 | 2020 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current Liabilities | | | | | |
| Short-term loans from financial institutions | 15 | 121,710,026 | 46,395,285 | 121,710,026 | 46,395,285 |
| Trade and other current payables | 16 | 553,467,685 | 375,611,843 | 552,430,910 | 374,601,935 |
| Accrued interest expenses | | 17,534 | 889 | 17,534 | 889 |
| Current contract liabilities | | 127,994,147 | 114,662,597 | 127,994,147 | 114,662,597 |
| Current portion of long-term liabilities | | | | | |
| leases payable | 3.8 and 17 | 137,090 | 1,409,577 | 137,090 | 1,409,577 |
| Other current financial liabilities | | | | | |
| Payables from selling | | | | | |
| forward exchange contract | | 199,927 | - | 199,927 | - |
| Total Current Liabilities | | 803,526,409 | 538,080,191 | 802,489,634 | 537,070,283 |
| Non-current Liabilities | | | | | |
| Leases payable | 3.8 and 17 | 51,518 | 188,608 | 51,518 | 188,608 |
| Deferred tax liabilities | 3.10 and 20 | 6,768,536 | 4,020,881 | 6,768,536 | 4,020,881 |
| Non-current provisions for employee benefits | 3.11 and 18 | 96,647,968 | 98,899,365 | 96,647,968 | 98,899,365 |
| Other non-current liabilities | | 1,122,060 | 1,122,060 | 1,122,060 | 1,122,060 |
| Total Non-current Liabilities | | 104,590,082 | 104,230,914 | 104,590,082 | 104,230,914 |
| TOTAL LIABILITIES | | 908,116,491 | 642,311,105 | 907,079,716 | 641,301,197 |

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, 2021

| | NOTES | BAHT | | | |
|---|-------|---|----------------------|--------------------------------------|----------------------|
| | | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | | 2021 | 2020 | 2021 | 2020 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| (CONTINUED) | | | | | |
| Shareholders' Equity | | | | | |
| Share capital | | | | | |
| Authorized share capital | | | | | |
| | | 637,063,385 | 637,063,385 | 637,063,385 | 637,063,385 |
| | | 637,063,385 ordinary shares of Baht 1 par value | | | |
| Issued and paid share capital | | | | | |
| | | 637,063,385 | 637,063,385 | 637,063,385 | 637,063,385 |
| | | 637,063,385 ordinary shares at Baht 1 each | | | |
| | | 42,543,406 | 42,543,406 | 42,543,406 | 42,543,406 |
| | | Share premium on ordinary shares | | | |
| Retained earnings (deficits) | | | | | |
| Appropriated | | | | | |
| | 19.2 | 63,706,339 | 63,706,339 | 63,706,339 | 63,706,339 |
| | | Legal reserve | | | |
| | | 160,516,080 | (18,564,300) | 163,219,943 | (14,928,399) |
| | | Unappropriated | | | |
| | | 48,476,649 | 50,990,491 | 53,250,820 | 53,250,820 |
| | | Other components of shareholders' equity | | | |
| | | 952,305,859 | 775,739,321 | 959,783,893 | 781,635,551 |
| | | Total Shareholders' Equity | | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 1,860,422,350 | 1,418,050,426 | 1,866,863,609 | 1,422,936,748 |

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, 2021

| | NOTES | BAHT | | | |
|---|-------------|----------------------|----------------------|-----------------------------------|----------------------|
| | | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | |
| Sales | 25 | 2,500,244,232 | 1,866,830,734 | 2,500,244,232 | 1,866,830,734 |
| Interest income | | 89,714 | 54,760 | 89,555 | 53,540 |
| Other incomes | | | | | |
| Gain on exchange rate | | 7,322,168 | 14,826,782 | 7,207,924 | 14,975,036 |
| Others | | 9,416,748 | 16,831,150 | 9,416,748 | 16,831,150 |
| Total other incomes | | 16,738,916 | 31,657,932 | 16,624,672 | 31,806,186 |
| Total Revenues | | 2,517,072,862 | 1,898,543,426 | 2,516,958,459 | 1,898,690,460 |
| Expenses | | | | | |
| Cost of sales | | 2,162,121,855 | 1,696,885,894 | 2,162,531,100 | 1,697,408,801 |
| Distribution cost | | 29,963,092 | 27,962,007 | 29,963,092 | 27,962,007 |
| Administrative expenses | | 120,370,103 | 107,470,109 | 103,223,901 | 98,390,498 |
| (Reversal) of loss on diminution inventory values | | (4,083,200) | 5,259,578 | (4,083,200) | 5,259,578 |
| Bad debt | | - | 69,019,350 | - | 62,123,768 |
| Loss on debt reduction | 26 | - | - | 32,621,333 | - |
| Loss on investments in dissolution subsidiaries | 9 | 11,730 | - | - | - |
| Loss from investments in associate | 8 | - | 6,727,978 | - | - |
| Directors' remuneration | 19.1 | 2,702,500 | 1,365,000 | 2,702,500 | 1,365,000 |
| Other (gain) loss | | | | | |
| (Gain) loss on measurement at fair value | | 1,132,963 | (933,035) | 1,132,963 | (933,035) |
| Total Expenses | | 2,312,219,043 | 1,913,756,881 | 2,328,091,689 | 1,891,576,617 |
| Profit (loss) from operating activities | | 204,853,819 | (15,213,455) | 188,866,770 | 7,113,843 |
| Finance income | | 1,150,824 | 1,593,679 | 740,401 | 755,496 |
| Finance cost | 23 | (750,929) | (4,380,517) | (741,875) | (4,378,808) |
| Gain and reversal of impairment loss | | | | | |
| (impairment loss) in accordance with TFRS 9 | | | | | |
| Reversal (loss) on expected credit | | (830,561) | (73,644) | 14,625,819 | (15,530,023) |
| Loss from impairment of investments | 9 | - | - | - | (33,634,060) |
| Share of loss from investments in associate used the equity method held by the subsidiary | 8 | - | (710,221) | - | - |
| Profit (loss) before Income Tax | | 204,423,153 | (18,784,158) | 203,491,115 | (45,673,552) |
| Income Tax Revenues (Expenses) | 3.12 and 20 | (1,751,588) | 2,602,268 | (1,751,588) | 2,602,268 |
| Profit (loss) for the years | | 202,671,565 | (16,181,890) | 201,739,527 | (43,071,284) |

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

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

| | BAHT | | | | |
|--|-------|--------------|----------------|--------------------------------------|----------------|
| | NOTES | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | | 2021 | 2020 | 2021 | 2020 |
| Other comprehensive income (loss) | | | | | |
| Components of other comprehensive income (loss) | | | | | |
| that will be reclassified to profit or loss : | | | | | |
| | | (2,513,842) | 842,456 | - | - |
| Components of other comprehensive income | | | | | |
| that will not be reclassified to profit or loss : | | | | | |
| Actuarial gain from employee benefit plan | | 9,258,051 | - | 9,258,051 | - |
| Components of income tax | | (996,067) | - | (996,067) | - |
| Actuarial gain from employee benefit plan-net of tax | | 8,261,984 | - | 8,261,984 | - |
| Other comprehensive income for the year-net of tax | | 5,748,142 | 842,456 | 8,261,984 | - |
| Total comprehensive income (loss) for the years | | 208,419,707 | (15,339,434) | 210,001,511 | (43,071,284) |
| Earnings (loss) Per Share | 3.13 | | | | |
| Basic earnings (loss) per share | | 0.318 | (0.025) | 0.317 | (0.068) |
| The number of ordinary shares 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, 2021
CONSOLIDATED

| | BAHT | | | | | | | |
|--|--|--|------------------------------|----------------|--|--|-------------|----------------------------------|
| | Issued and paid-up share capital | Share premium on ordinary shares | Retained earnings (deficits) | | Other components of shareholders' equity | | | Total shareholders' equity |
| | | | Legal reserve | Unappropriated | Revaluation surplus on assets | Other comprehensive income (loss) | Total | |
| | | | | | | Translation of financial statement differences | | |
| Beginning balances, January 1, 2020 | 637,063,385 | 42,543,406 | 63,706,339 | (2,382,410) | 53,250,820 | (3,102,785) | 50,148,035 | 791,078,755 |
| Comprehensive income (loss) for the year | | | | (16,181,890) | - | 842,456 | 842,456 | (15,339,434) |
| Ending balances, December 31, 2020 | 637,063,385 | 42,543,406 | 63,706,339 | (18,564,300) | 53,250,820 | (2,260,329) | 50,990,491 | 775,739,321 |
| Dividend payment | | | | (31,853,169) | - | - | - | (31,853,169) |
| Profit for the year | | | | 202,671,565 | - | - | - | 202,671,565 |
| Other comprehensive income loss | | | | | | | | |
| Translation of financial statement differences | | | | - | - | (2,513,842) | (2,513,842) | (2,513,842) |
| Actuarial gain from employee benefit plan - net of tax | | | | 8,261,984 | - | - | - | 8,261,984 |
| Comprehensive income (loss) for the year | | | | 210,933,549 | - | (2,513,842) | (2,513,842) | 208,419,707 |
| Ending balances, December 31, 2021 | 637,063,385 | 42,543,406 | 63,706,339 | 160,516,080 | 53,250,820 | (4,774,171) | 48,476,649 | 952,305,859 |

NOTE

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, 2021
THE SEPARATE FINANCIAL STATEMENTS

| | BAHT | | | | | Total shareholders' equity |
|--|--|-------------------------------------|---|----------------|--|----------------------------------|
| | Issued and paid-up share capital | Share premium or ordinary shares | Retained earnings (deficits) Legal reserve | Unappropriated | Other components of shareholders' equity Revaluation surplus on assets | |
| Beginning balances, January 1, 2020 | 637,063,385 | 42,543,406 | 63,706,339 | 28,142,885 | 53,250,820 | 824,706,835 |
| Comprehensive loss for the year | | | | (43,071,284) | - | (43,071,284) |
| Ending balances, December 31, 2020 | 637,063,385 | 42,543,406 | 63,706,339 | (14,928,399) | 53,250,820 | 781,635,551 |
| Dividend payment | | | | (31,853,169) | - | (31,853,169) |
| Profit for the year | | | | 201,739,527 | - | 201,739,527 |
| Other comprehensive income | | | | | | |
| Actuarial gain from employee benefit plan - net of tax | | | | 8,261,984 | - | 8,261,984 |
| Comprehensive income for the year | | | | 210,001,511 | - | 210,001,511 |
| Ending balances, December 31, 2021 | 637,063,385 | 42,543,406 | 63,706,339 | 163,219,943 | 53,250,820 | 959,783,893 |

NOTE

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

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (1/4)
FOR THE YEAR ENDED DECEMBER 31, 2021

| | BAHT | | | |
|--|--------------|--------------|------------------------|--------------|
| | CONSOLIDATED | | THE SEPARATE FINANCIAL | |
| | 2021 | 2020 | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit (loss) for the years | 202,671,565 | (16,181,890) | 201,739,527 | (43,071,284) |
| ADJUSTMENTS TO RECONCILIATION PROFIT (LOSS) FOR THE YEARS | | | | |
| TO NET CASH PROVIDED FROM (USED IN) OPERATION | | | | |
| Income tax (revenues) expenses | 1,751,588 | (2,602,268) | 1,751,588 | (2,602,268) |
| Depreciation | | | | |
| - Plant and equipment | 49,248,538 | 49,286,323 | 49,248,538 | 49,286,323 |
| - Right-of-use assets | 1,135,553 | 1,353,992 | 1,135,553 | 1,353,992 |
| Amortization of intangible assets | 468,615 | 510,173 | 468,615 | 510,173 |
| Difference from rental reduction | (1,211) | - | (1,211) | - |
| Loss from investments in associate | - | 6,727,978 | - | - |
| (Reversed) impairment loss according to TFRS 9 | | | | |
| - Accounts receivable | 830,561 | 73,644 | 830,561 | 73,644 |
| - Short-term loans to subsidiaries | - | - | (15,456,379) | 15,456,379 |
| - Loss from impairment of investments in subsidiaries | - | - | - | 33,634,060 |
| Increase in bad debt | | | | |
| - Trade accounts receivables | - | 62,123,768 | - | 62,123,768 |
| - Short-term loans to associate | - | 6,895,582 | - | - |
| Loss on debt reduction from dissolution of subsidiaries | | | | |
| - Short-term loans | 18,011,962 | - | 18,011,962 | - |
| - Receivable from right assignment of accounts receivable | 14,537,835 | - | 14,537,835 | - |
| - Accrued interest income | 71,536 | - | 71,536 | - |
| Share of profit on subsidiaries as at dissolution date | (15,056,572) | - | - | - |
| Loss on investments in dissolution subsidiaries | 11,730 | - | - | - |
| (Reversal) of loss on diminution inventory values | (4,083,200) | 5,259,578 | (4,083,200) | 5,259,578 |
| Loss on obsolete goods | 9,084,143 | 3,092,872 | 9,084,143 | 3,092,872 |
| Unrealized (gain) loss from selling forward exchange contracts | 199,927 | (933,035) | 199,927 | (933,035) |
| Share of loss from investments in associate | - | 710,221 | - | - |
| Unrealized gain on exchange rates | (9,057,958) | (6,150,367) | (8,737,361) | (4,205,768) |
| Gain on disposal of equipment | (322,631) | (592,064) | (322,631) | (592,064) |
| Interest expenses | 750,929 | 4,380,517 | 741,875 | 4,378,808 |
| Long-term employee benefits expenses | 11,176,707 | 15,100,009 | 11,176,707 | 15,100,009 |
| Profit from operation before changes in operating assets and liabilities items | 281,429,617 | 129,055,033 | 280,397,585 | 138,865,187 |

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

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (2/4)
FOR THE YEAR ENDED DECEMBER 31, 2021

| | BAHT | | | |
|---|---------------------|--------------------|------------------------|---------------------|
| | CONSOLIDATED | | THE SEPARATE FINANCIAL | |
| | | | STATEMENTS | |
| | 2021 | 2020 | 2021 | 2020 |
| (INCREASE) DECREASE IN OPERATING ASSETS ITEMS | | | | |
| Trade and other current receivables | (2,959,543) | (11,530,342) | (2,731,633) | (10,277,597) |
| Contract assets | 5,304,348 | (8,543,367) | 5,304,348 | (8,543,367) |
| Receivable from right assignment of accounts receivable | 25,198,075 | - | 25,198,075 | 69,395,134 |
| Receivables from debt composition | - | 70,238,626 | - | - |
| Inventories | (416,390,575) | (28,479,170) | (416,235,377) | (28,301,267) |
| Receivables from selling forward exchange contract | 933,035 | - | 933,035 | - |
| Other current assets | (469,998) | (8,664) | (469,998) | (8,664) |
| Other non-current assets | 1,715,727 | 805,998 | 1,715,727 | 805,998 |
| INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS | | | | |
| Trade and other current payables | 195,642,275 | 39,085,426 | 194,986,222 | 38,165,709 |
| Contract liabilities | 13,331,550 | 79,535,972 | 13,331,550 | 79,535,972 |
| Provision for long-term employee benefits | (4,170,053) | (828,978) | (4,170,053) | (828,978) |
| CASH PROVIDED FROM OPERATION | 99,564,458 | 269,330,534 | 98,259,481 | 278,808,127 |
| Interest expenses paid | (707,491) | (4,865,542) | (725,230) | (4,863,833) |
| Income tax expenses paid | (669,134) | (682,912) | (669,134) | (682,912) |
| Proceeds from withholding tax refund | 2,003,658 | 714,409 | 2,003,658 | 714,409 |
| Translation of financial statement differences | (1,347,412) | 842,456 | - | - |
| NET CASH PROVIDED FROM OPERATING ACTIVITIES | 98,844,079 | 265,338,945 | 98,868,775 | 273,975,791 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Increase in short-term loans to the subsidiaries | (742,492) | - | (742,492) | (9,200,661) |
| Purchase of building and equipment | (79,006,829) | (8,161,864) | (79,006,829) | (8,161,864) |
| Proceeds from disposal of equipment | 1,576,545 | 622,893 | 1,576,545 | 622,893 |
| Purchase of intangible assets | (1,918,327) | (140,000) | (1,918,327) | (140,000) |
| Payment deposit for assets | (10,000) | - | (10,000) | - |
| NET CASH USED IN INVESTING ACTIVITIES | (80,101,103) | (7,678,971) | (80,101,103) | (16,879,632) |

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

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (3/4)
FOR THE YEAR ENDED DECEMBER 31, 2021

| | BAHT | | | |
|---|--------------------|----------------------|--------------------------------------|----------------------|
| | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 | 2021 | 2020 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Increase (decrease) in short-term loans from financial institutions | 71,980,651 | (186,331,056) | 71,980,651 | (186,331,056) |
| Repayment for leases payables | (1,383,805) | (1,741,268) | (1,383,805) | (1,741,268) |
| Repayment for assets acquisition payable | (23,859,353) | (3,724,592) | (23,859,353) | (3,724,592) |
| Dividend payment | (31,853,169) | - | (31,853,169) | - |
| NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES | 14,884,324 | (191,796,916) | 14,884,324 | (191,796,916) |
| INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EXCHANGE RATE EFFECTS | | | | |
| | 33,627,300 | 65,863,058 | 33,651,996 | 65,299,243 |
| EXCHANGE RATES EFFECTS ON CASH AND CASH EQUIVALENTS | | | | |
| | 13,419,377 | (172,899) | 13,419,377 | (172,899) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 47,046,677 | 65,690,159 | 47,071,373 | 65,126,344 |
| CASH AND CASH EQUIVALENTS AS AT JANUARY 1, | 130,645,628 | 64,955,469 | 126,856,671 | 61,730,327 |
| LESS CASH AND CASH EQUIVALENTS TRANSFERRED OUT FROM DISPOSAL OF SUBSIDIARY (SUPPLEMENTARY STATEMENT) | (701,306) | - | - | - |
| CASH AND CASH EQUIVALENTS AS AT DECEMBER 31, | 176,990,999 | 130,645,628 | 173,928,044 | 126,856,671 |
| ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS NON-CASH FLOWS ITEMS COMPRISE : | | | | |
| Transfer trade receivables to debtors from assignment of rights in debt collection | - | 108,043,950 | - | 108,043,950 |
| Transfer debtors from assignment of rights in debt collection to receivable for debt composition agreement | - | 108,043,950 | - | - |
| Increased vehicles from transferred right-of-use assets | 2,906,260 | - | 2,906,260 | - |
| Increase in equipment from deposits | - | 19,000 | - | 19,000 |
| Increase in equipment from assets payable | 1,860,608 | 24,404,755 | 1,860,608 | 24,404,755 |
| Transfer vehicles to right-of-use assets | - | 4,741,275 | - | 4,741,275 |
| Increase in right-of-use assets from the impact due to TFRS 16 : Lease adoption | - | 1,047,207 | - | 1,047,207 |
| Effect of adjusted actuarial estimation from employee benefit plan | | | | |
| - Increase in deferred tax liabilities | 996,067 | - | 996,067 | - |
| - Decrease in provision for long-term employee benefits | (9,258,051) | - | (9,258,051) | - |
| - Increase in retained earnings | 8,261,984 | - | 8,261,984 | - |

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

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (4/4)
FOR THE YEAR ENDED DECEMBER 31, 2021

SUPPLEMENTARY STATEMENT

Disposal of investments in subsidiary

As of December 29, 2021, TPA Holding LLC, the Company's subsidiary, has registered for dissolution under foreign law.

Therefore, outstanding assets and liabilities as at January 1, 2021 are transferred out from the consolidation, as follows :

| | <u>BAHT</u> |
|---|--------------------------|
| Cash equivalents | 701,306 |
| Trade and other current receivables | 627,715 |
| Receivables from debt composition | 37,805,324 |
| Trade and other current payables | (135,647) |
| Accrued interest expenses | (26,793) |
| Short-term loans from parent company | (15,456,379) |
| Payables from right assignment of accounts receivable | (37,393,938) |
| Translation of financial statement adjustment | <u>(1,166,430)</u> |
| Investments in subsidiary as January 1, 2021 | (15,044,842) |
| Share of profits from subsidiary as at dissolution date | <u>15,056,572</u> |
| Investments in subsidiary as at dissolution date | 11,730 |
| | |
| Loss on investments as at dissolution date that are not refunded | 11,730 |
| <u>Add</u> loss on debt reduction of short-term loans to subsidiary | |
| and receivable from right assignment of accounts receivable | <u>32,621,333</u> |
| Total loss on investments in subsidiary | <u><u>32,633,063</u></u> |

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, 2021

1. GENERAL INFORMATION

| | |
|---------------------------------|--|
| Legal status | A juristic person established under Thai law and listed on the Stock Exchange of Thailand. |
| Company and factory Location | 198 Moo 13, Tambol Dong Khee-Lek, Amphur Muang Prachinburi, Prachinburi Provice, Thailand. 152/8, 152/9, 152/15 Moo 3, Thunyaburi-Lumlukga Road, Tambol Rungsit, Amphur Thunyaburi, Pathumtani Provice, Thailand. |
| Type of business and Operations | 1) Producing and assembling printed circuit and electronics circuit board. 2) Investing in its subsidiaries which carry on business according to Note 9 to the financial statements. |

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 overseas subsidiaries are prepared in accordance with Accounting Standards of the countries where the subsidiaries are located. The preparation of the consolidated financial statements have been adjusted to conform with the accounting policies of the Company.
- 2.2 Financial reporting standards that became effective in the current year**
During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.
- 2.3 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2022**
The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.
Management of group companies is evaluating the impact of such financial reporting standards on the financial statements in the year when they are adopted.
- 2.4** These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

- 2.5 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 |
|-----------------------------|-----------|--------|--------------------------|
| | 2021 | 2020 | |
| <u>SUBSIDIARIES</u> | | | |
| Team Precision (Europe) ApS | 100.00 | 100.00 | Denmark |
| *TPA Holding LLC | -- | 100.00 | United States of America |

* TPA Holding LLC registered its dissolution on December 29, 2021.

- 2.6 Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated from the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

Revenue from product sales is recognized when the Company has transferred control over the goods to the customer. Revenues from the sales are stated at the invoiced without VAT and after discount.

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.

A) Trade accounts receivable and allowance for expected credit loss

Trade accounts receivable are stated at the net realizable value, the Company provides allowance for expected credit loss that may arise from collection of receivables by considering the aging of debt according uses the simplified approach.

B) Short-term loans and allowance for expected credit loss

Short-term loans are stated at the net realizable value, the Company provides allowance for expected credit loss that may arise from collection by considering the credit risk analysis.

3.3 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.

3.4 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 for the separate financial statements are presented by the cost method and the consolidation are presented by the equity method.

3.5 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 after deducting impairment of investment.

3.6 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 comprehensive income in other components of equity and transferred to the retained earnings when disposal.

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 |
| Others | 5 |

3.7 Leases**Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, the recognized right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use assets reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use assets from the commencement date to the end of the useful life of the underlying asset.

Leases liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate.

Short-term lease and lease of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognized as expenses on a straight-line basis over the lease term.

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 realized in future period when the income is realized, 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 utilize 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 utilized.

3.10 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.

3.11 Income tax expenses (revenues)

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

3.12 Earnings (loss) per share

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

3.13 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 and loss on exchange rates included in the calculation performance.

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 in other comprehensive income.

3.14 Financial instruments**Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial assets give rise on

specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in profit or loss. These financial assets include derivatives, equity investments which the Group has not irrevocably elected to classify at fair value through other comprehensive income and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the method gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process in determining amortized cost, takes into account any fees or costs that are an integral part amortization is included in finance cost in profit or loss.

The Group may elect to measure financial liabilities at fair value through profit or loss if doing so eliminates, or significantly reduces a recognition inconsistency.

Impairment of financial assets

The Group uses the simplified approach to compute expected credit loss for trade accounts receivable. Therefore, every day at the end of the reporting period, the Group recognizes the allowance for anticipated credit loss over the life of the trade receivables based on credit loss data from past experience updated with forward-looking information about the receivable and the economic environment.

The Group uses the credit risk analysis to compute expected credit loss for short-term loan. By referring to the significance of the borrower's operating results that are happening or expected to occur this significantly changes the ability of the borrower to meet the entity's debt obligations.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.15 Derivatives and hedge accounting

The Group derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognized in profit or loss. Derivatives are carried as financial assets when the fair value is greater than zero and as financial liabilities when the fair value is less than zero.

Hedge accounting

For the purpose of hedge accounting, The Group hedges are classified as follow:

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

Fair value hedges

The change in the fair value of a hedging instrument is recognized in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortized cost, is amortized through profit or loss over the remaining term of the hedge using

the effective interest method. The amortization may begin as soon as an adjustment exists or no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

3.16 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on the categorization of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an active market for such assets or liabilities.
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

The carrying amount of cash and cash equivalents, other current financial assets, trade receivables, amounts due from related parties, trade payables, accounts payable-plant and equipment, amounts due to related parties are assumed to approximate their fair value due to the short maturities of these instruments.

3.17 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.

3.18 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 expected credit loss, provision for diminution in inventories, provision for diminution in investment, depreciation of plant and equipment, depreciation of right-of-use asset, 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 EQUIVALENTS

(BAHT)

| PARTICULARS | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|-------------------------|--------------|-------------|-----------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Bank deposits - Savings | 176,726,571 | 104,222,003 | 173,663,616 | 100,433,046 |
| - Current | 264,428 | 26,423,625 | 264,428 | 26,423,625 |
| Total cash equivalents | 176,990,999 | 130,645,628 | 173,928,044 | 126,856,671 |

5. TRADE AND OTHER RECEIVABLES

(BAHT)

| PARTICULARS | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|---|--------------|-------------|-----------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| <u>Trade accounts receivable</u> | | | | |
| Current | 231,805,840 | 235,065,614 | 231,805,840 | 235,065,614 |
| Overdue within 3 months | 75,525,950 | 73,591,665 | 75,525,950 | 73,591,665 |
| Over 3-6 months | 100,435 | 32,192 | 100,435 | 32,192 |
| Over 6-12 months | 21,541 | 10,082 | 21,541 | 10,082 |
| Total | 307,453,766 | 308,699,553 | 307,453,766 | 308,699,553 |
| <u>Less:</u> Allowance for expected credit loss | (904,205) | (73,644) | (904,205) | (73,644) |
| Trade accounts receivable net | 306,549,561 | 308,625,909 | 306,549,561 | 308,625,909 |
| <u>Other current receivables</u> | | | | |
| Accrued interest | -- | 648,103 | -- | 26,637 |
| Refundable value added tax | 4,820,450 | 2,892,929 | 4,698,652 | 2,799,463 |
| Others | 8,120,553 | 6,728,325 | 8,120,553 | 6,748,712 |
| Total other current receivables | 12,941,003 | 10,269,357 | 12,819,205 | 9,574,812 |
| Total trade and other current receivables | 319,490,564 | 318,895,266 | 319,368,766 | 318,200,721 |

On December 24, 2021, the Board of Directors of Team Precision Public Company Limited passed a resolution to liquidate TPA Holding LLC, the Company's subsidiary in the foreign countries which registered the dissolution under foreign law on December 29, 2021, and resolved to approve the reduction of accrued interest debt in the amount of USD 2,144 (Baht 0.07 million). (See also Note 10 to the financial statements)

6. SHORT-TERM LOANS TO RELATED PARTIES

(BAHT)

| PARTICULARS | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|--|--------------|------------------------------|-----------------------------------|-----------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Team Precision America, LLC | | | | |
| Beginning balances | -- | 6,895,582 (USD 212,500) | -- | -- |
| <u>Less</u> Bad debt | -- | (6,895,582) (USD 212,500) | -- | -- |
| Ending balances | -- | -- | -- | -- |
| TPA Holding LLC | | | | |
| Beginning balances | -- | -- | 15,456,379 (USD 517,500) | 6,819,699 (USD 227,500) |
| <u>Add</u> Increase during the year | -- | -- | 742,492 (USD 22,000) | 9,200,661 (USD 290,000) |
| Unrealized gain (loss) on exchange rates | -- | -- | 1,813,091 | (563,981) |
| <u>Less</u> Allowance for expected credit loss | -- | -- | 18,011,962 (USD 539,500) | 15,456,379 (USD 517,500) |
| <u>Less</u> Loss on debt reduction | -- | -- | (18,011,962) (USD 539,500) | -- (USD 517,500) |
| Ending balances | -- | -- | -- | -- |
| Total | -- | -- | -- | -- |

On December 24, 2021, the Board of Directors of Team Precision Public Company Limited resolved to reduce the short-term loan debt to TPA Holding LLC and on December 29, 2021, the Company recorded a loss on the reduction debt of USD 539,500 (Baht 18.01 million) which has already been shown in the 2021 financial statements. (See also Note 9 to the financial statements)

Short-term loans to related parties are unsecured loans and due to possibility of loss from not receiving therefore set aside the write-off bad debts the full amount.

Short-term loans to related parties no interest is charged between them.

7. INVENTORIES

(BAHT)

| PARTICULARS | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|---|--------------|--------------|-----------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Finished goods | 52,489,493 | 33,324,573 | 52,489,493 | 33,324,573 |
| Work in process | 54,730,709 | 68,928,009 | 54,730,709 | 68,928,009 |
| Raw materials | 813,959,293 | 410,813,669 | 813,796,994 | 410,806,568 |
| Raw materials in transit | 27,340,863 | 28,147,675 | 27,340,863 | 28,147,675 |
| Total | 948,520,358 | 541,213,926 | 948,358,059 | 541,206,825 |
| <u>Less</u> : Allowance for diminution in inventory values | (46,880,112) | (50,963,312) | (46,880,112) | (50,963,312) |
| Inventories-net | 901,640,246 | 490,250,614 | 901,477,947 | 490,243,513 |

8. LOSS ON INVESTMENTS IN ASSOCIATE

On February 24, 2020, the Board of Directors of Team Precision Public Company Limited and TPA Holding LLC (a subsidiary company) passed a resolution to approve for TPA Holding LLC to exercise of the Exit Option to sell all of 20% of the shares in Team Precision America, LLC. (Associate) to Technology Partners America, LLC (Former shareholders) at original cost in accordance with the terms of the Joint Venture. However, since the said resale rights have not been paid, and the shares have not yet been transferred back therefore TPA Holding LLC (a subsidiary company) has recorded as accounts receivable from the resale of investment amounting to USD 1,077,200 (Baht 33.65 million). Gain from the redemption of investments by the amount of USD 846,451 (Baht 26.92 million). However, since subsidiary company expected the loss from not paying back, then it set aside of the full allowance for expected credit loss in the 2020 financial statements.

The subsidiary company has not recorded accounting for using the equity method on February 24, 2020.

Summary of changes

| PARTICULARS | BAHT |
|--|--------------------|
| Receivable from redemption of investment at original cost | 33,652,267 |
| <u>Less</u> Allowance for expected credit loss | (33,652,267) |
| Receivable from redemption of investment - net | -- |
| Redemption price for investment at original cost | 33,652,267 |
| <u>Less</u> Book value amount at the date of disposal | (6,727,978) |
| Gain on sales of investments | 26,924,289 |
| <u>Less</u> Allowance for expected credit loss from disposal investments in associate | (33,652,267) |
| Loss from disposal of investments in associate | (6,727,978) |

The share of loss from investments for using the equity method which are recorded in the consolidated statements of comprehensive income for the year ended December 31, 2020, the amount of Baht 0.71 million (Before redemption).

9. INVESTMENTS IN SUBSIDIARIES

(BAHT)

| SUBSIDIARY COMPANIES | % HOLDING | | COST METHOD | |
|--|-----------|------|------------------------------|-------------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Team Precision (Europe) ApS | 100 | 100 | 9,788,311 (DKK 1,500,000) | 9,788,311 (DKK 1,500,000) |
| TPA Holding LLC | -- | 100 | -- | 33,634,060 (USD 1,077,300) |
| <u>Less</u> Allowance for diminution in investments values - TPA Holding LLC | | | -- | (33,634,060) |
| TOTAL | | | 9,788,311 | 9,788,311 |

| SUBSIDIARY COMPANIES | TYPE OF BUSINESS | PAID-UP CAPITAL | | DIVIDEND | |
|--------------------------------|--|-----------------|---------------|----------|------|
| | | 2021 | 2020 | 2021 | 2020 |
| Team Precision (Europe) ApS | Trading electronics components and distributing electronics products | DKK 500,000 | DKK 500,000 | -- | -- |
| TPA Holding LLC | Investment | -- | USD 1,077,300 | -- | -- |

On December 24, 2021, the Board of Directors of Team Precision Public Company Limited passed a resolution to liquidate TPA Holding LLC, the Company's subsidiary in the foreign countries, the dissolution was registered under foreign law on December 29, 2021 and resolved to approve the reduction of short-term loans to subsidiaries, receivable from right assignment of account receivable and accrued interest of USD 539,500 (Baht 18.01 million), USD 435,726 (Baht 14.54 million) and USD 2,144 (Baht 0.07 million), respectively (see also Note 26 to the financial statements).

The Company has loss on investments in dissolution subsidiary, loss on debt reduction of short-term loans to subsidiary, receivable from right assignment of account receivable and accrued interest as follows:

| PARTICULARS | CONSOLIDATED | THE SEPARATE FINANCIAL STATEMENTS |
|---|--------------|-----------------------------------|
| Loss on investments in dissolution subsidiary | 11,730 | -- |
| Loss on debt reduction to subsidiary | -- | 32,621,333 |

Financial statements of subsidiaries in the foreign countries

The financial statements of the Company's subsidiaries in the foreign countries were audited by other certified public accountants, and were used to prepare consolidated financial statements for the years ended December 31, 2021, and 2020 have been translated into Baht, the details are as follows:

| Subsidiaries in the foreign countries | Total Assets | | Revenues for the years ended December 31 | |
|---------------------------------------|--------------|-------|--|-------|
| | 2021 | 2020 | 2021 | 2020 |
| Team Precision (Europe) ApS | 8.93 | 9.02 | 42.69 | 52.90 |
| TPA Holding LLC. | -- | 39.13 | -- | -- |

10. RECEIVABLE FROM RIGHT ASSIGNMENT OF ACCOUNTS RECEIVABLE

(BAHT)

| PARTICULARS | THE SEPARATE FINANCIAL STATEMENTS | | INTEREST RATE PER ANNUM | |
|--|--------------------------------------|---|-------------------------|------|
| | 2021 | 2020 | 2021 | 2020 |
| TPA Holding LLC | | | | |
| Beginning balance | 37,393,938 (USD 1,251,998) | -- | | |
| <u>Add</u> Increase during the year | -- | 108,043,950 (USD 3,500,000) | | |
| <u>Less</u> Received during the year | (25,198,075) (USD 816,272) | (69,395,134) (USD 2,248,002) | | |
| Unrealized gain (loss) on exchange rates | 2,341,972 | (1,254,878) | | |
| <u>Less</u> Loss on debt reduction | (14,537,835) (USD 435,726) | -- | | |
| Ending balance | -- | 37,393,938 (USD 1,251,998) | 2.00 | 2.00 |
| Beginning accrued interest balance | 26,637 | -- | | |
| <u>Add</u> Increase during the year | 740,401 | 755,496 | | |
| <u>Less</u> Received during the year | (695,502) | (728,859) | | |
| <u>Less</u> Loss on debt reduction | (71,536) | -- | | |
| Accrued interest at the ended of years | -- | 26,637 | | |

On December 24, 2021, the Board of Directors of Team Precision Public Company Limited passed a resolution to liquidate TPA Holding LLC, the Company's subsidiary in the foreign countries, the dissolution was registered under foreign law on December 29, 2021, and resolved to approve the reduction of receivable from right assignment of account receivable and accrued interest of USD 435,726 (Baht 14.54 million) and USD 2,144 (Baht 0.07 million), respectively.

On June 19, 2020, Board of Directors of Team Precision Public Company Limited resolved to approve the assignment of all rights to receive payments in trade receivables between the Company and Team Precision America, LLC in the total of USD 5.50 million (Baht 170.50 million) to TPA Holding LLC (a subsidiary) in the amount of USD 3.50 million (Baht 108.04 million). The repayment is due on June 1, 2025, in which the Company will become a creditor of the subsidiary and the subsidiary will become a creditor under the composition agreement to Team Precision America, LLC. Team Precision Public Company Limited has recorded bad debt in the amount of USD 2 million (Baht 61.77 million) in the financial statements for the year 2020.

11. RECEIVABLE FROM DEBT COMPOSITION

(BAHT)

| PARTICULARS | CONSOLIDATED | |
|--|-------------------------------|---------------------------------|
| | 2021 | 2020 |
| Team Precision America, LLC | | |
| Beginning balance | 37,805,324 (USD 1,258,621) | -- |
| <u>Add</u> Increase during the year | -- | 108,043,950 (USD 3,500,000) |
| <u>Less</u> Settlement during the year | (26,796,810) (USD 781,113) | (70,238,626) (USD 2,241,379) |
| Unrealized gain on exchange rates | 4,260,806 | -- |
| <u>Less</u> Loss on debt reduction | (15,269,320) | -- |

| | | |
|--|---------------|------------------------|
| | (USD 477,508) | -- |
| Ending balance | -- | 37,805,324 |
| | | (USD 1,258,621) |
| <u>Less</u> Current portion of receivables from debt composition | -- | (1,832,263) |
| | | (USD 61,000) |
| Long - term receivables from debt composition | -- | 35,973,061 |
| | | (USD 1,197,621) |
| Interest income | 1,150,824 | 1,595,728 |
| Accrued interest income | -- | 648,103 |

On December 24, 2021, the Board of Directors of Team Precision Public Company Limited passed a resolution to liquidate TPA Holding LLC, the Company's subsidiary in the foreign countries, the dissolution was registered under foreign law on December 29, 2021, and resolved to approve the reduction of receivable from debt composition of USD 477,508 (Baht 15.27 million).

On June 19, 2020, TPA Holding LLC (a subsidiary company) has the assignment of all rights to receive payments in trade receivables Team Precision America, LLC. It has a principal of USD 3.50 million (Baht 108.04 million) of Team Precision Public Company Limited (see also Note 10 to the financial statements).

On June 19, 2020, TPA Holding LLC (a subsidiary company) entered into a composition agreement with Team Precision America, LLC. It has a principal of USD 3.50 million (Baht 108.04 million) with the payment details as follows:

- 1) Principal payment of USD 2.50 million (Baht 77.17 million) by
 - Principal payment of USD 2 million is due on February 28, 2021.
 - Principal payment of USD 0.50 million is due on April 30, 2025.

As at December 31, 2021 and 2020, the subsidiary has already received the principal payment of USD 0.78 million (Baht 26.80 million) and USD 2.24 million (Baht 70.24 million), respectively.
- 2) Principal payment of USD 1 million (Baht 30.87 million) is to be completed by April 30, 2025, in installments as follows:
 - Payment of principal and interest of USD 10,000 per month from April 2021 to March 2022.
 - Payment of principal and interest of USD 26,161.71 per month during April 2022 to March 2025.
 - The accrued interest must be paid in full before payment of principal.
- 3) The interest rate at 2 percent per annum (In case of breach of settlement agreement the interest rate at 7 percent per annum).

In accordance with the settlement agreement, the right of a subsidiary to own the Team Precision America, LLC shares will be released upon full repayment.

12. PROPERTY, PLANT AND EQUIPMENT

| Particulars | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS (BAHT) | | | | | | | | | |
|-----------------------------------|---|------------------|--------------------------|---------------------------|-------------|-----------------|-----------------------------------|-------------------------------|---------------------------|---------------|
| | Land | Land improvement | Building and improvement | Machinery and accessories | Vehicles | Cooling systems | Electricity and telephone systems | Office furniture and fixtures | Assets under construction | Total |
| Cost | | | | | | | | | | |
| January 1, 2020 | 61,683,434 | 8,356,558 | 275,414,026 | 756,897,933 | 29,325,816 | 75,319,003 | 44,419,997 | 69,236,080 | 6,085,294 | 1,326,738,141 |
| Increase | -- | -- | -- | 30,385,433 | 600,000 | -- | -- | 872,803 | 708,383 | 32,566,619 |
| Disposal / Unused | -- | -- | -- | (22,042,124) | (1,372,050) | (360,000) | -- | (793,646) | -- | (24,567,820) |
| Transferred in (out) | -- | -- | 232,710 | 5,268,497 | -- | -- | 19,000 | -- | (5,501,207) | 19,000 |
| Transfer to right-of-use assets | -- | -- | -- | -- | (6,527,698) | -- | -- | -- | -- | (6,527,698) |
| December 31, 2020 | 61,683,434 | 8,356,558 | 275,646,736 | 770,509,739 | 22,026,068 | 74,959,003 | 44,438,997 | 69,315,237 | 1,292,470 | 1,328,228,242 |
| Increase | -- | -- | 810,775 | 66,209,835 | 620,600 | 2,785,460 | -- | 2,355,937 | 8,084,830 | 80,867,437 |
| Disposal / Unused | -- | -- | (84,800) | (4,185,417) | (3,094,740) | -- | -- | (1,266,419) | -- | (8,631,376) |
| Transferred in (out) | -- | -- | -- | 691,093 | -- | -- | -- | -- | (691,093) | -- |
| Transfer from right-of-use assets | -- | -- | -- | -- | 7,000,120 | -- | -- | -- | -- | 7,000,120 |
| December 31, 2021 | 61,683,434 | 8,356,558 | 276,372,711 | 833,225,250 | 26,552,048 | 77,744,463 | 44,438,997 | 70,404,755 | 8,686,207 | 1,407,464,423 |
| Accumulated depreciation | | | | | | | | | | |
| January 1, 2020 | -- | 8,253,830 | 135,210,621 | 626,259,803 | 22,647,905 | 54,770,137 | 42,939,299 | 64,283,262 | -- | 954,364,857 |
| Depreciation for the year 2020 | -- | 29,326 | 9,100,744 | 34,164,666 | 561,954 | 2,715,033 | 206,987 | 2,507,613 | -- | 49,286,323 |
| Disposal / Unused | -- | -- | -- | (22,036,668) | (1,372,045) | (359,999) | -- | (768,279) | -- | (24,536,991) |
| Transfer to right-of-use assets | -- | -- | -- | -- | (1,786,423) | -- | -- | -- | -- | (1,786,423) |
| December 31, 2020 | -- | 8,283,156 | 144,311,365 | 638,387,801 | 20,051,391 | 57,125,171 | 43,146,286 | 66,022,596 | -- | 977,327,766 |
| Depreciation for the year 2021 | -- | 26,789 | 9,371,071 | 33,967,588 | 646,117 | 3,097,148 | 18,819 | 2,121,006 | -- | 49,248,538 |
| Disposal / Unused | -- | -- | (84,797) | (3,884,691) | (2,185,738) | -- | -- | (1,222,236) | -- | (7,377,462) |
| Transfer from right-of-use assets | -- | -- | -- | -- | 4,093,860 | -- | -- | -- | -- | 4,093,860 |
| December 31, 2021 | -- | 8,309,945 | 153,597,639 | 668,470,698 | 22,605,630 | 60,222,319 | 43,165,105 | 66,921,366 | -- | 1,023,292,702 |

| Particulars | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS (BAHT) | | | | | | | | | |
|-----------------------------------|---|------------------|--------------------------|---------------------------|-----------|-----------------|-----------------------------------|-------------------------------|---------------------------|-------------|
| | Land | Land improvement | Building and improvement | Machinery and accessories | Vehicles | Cooling systems | Electricity and telephone systems | Office furniture and fixtures | Assets under construction | Total |
| Additional appraisal value | | | | | | | | | | |
| December 31, 2020 | 66,563,525 | -- | -- | -- | -- | -- | -- | -- | -- | 66,563,525 |
| December 31, 2021 | 66,563,525 | -- | -- | -- | -- | -- | -- | -- | -- | 66,563,525 |
| Net book value | | | | | | | | | | |
| December 31, 2020 | 128,246,959 | 73,402 | 131,335,371 | 132,121,938 | 1,974,677 | 17,833,832 | 1,292,711 | 3,292,641 | 1,292,470 | 417,464,001 |
| December 31, 2021 | 128,246,959 | 46,613 | 122,775,072 | 164,754,552 | 3,946,418 | 17,522,144 | 1,273,892 | 3,483,389 | 8,686,207 | 450,735,246 |

The Company has depreciation of plant and equipment presented in the statements of comprehensive income for the years ended December 31, 2021, and 2020, as follows:

| PARTICULARS | (BAHT) | |
|-------------------------|--|------------|
| | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 |
| Cost of sales | 47,623,564 | 47,281,870 |
| Distribution cost | 153,234 | 153,408 |
| Administrative expenses | 1,471,740 | 1,851,045 |
| Total | 49,248,538 | 49,286,323 |

13. RIGHT-OF-USE ASSETS

| PARTICULARS | (BAHT) | |
|---|--|------------------|
| | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
| At cost | | |
| As at January 1, 2020 | | -- |
| Increased in right-of-use assets from transferring | | 6,527,698 |
| Increased in right-of-use assets from impact due to TFRS 16: Lease adoption | | 1,047,204 |
| As at December 31, 2020 | | 7,574,902 |
| Adjustment beginning balance | | 441,835 |
| Transferred to fixed assets | | (7,000,120) |
| Ending balance, December 31, 2021 | | 1,016,617 |
| Accumulated depreciation | | |
| As at January 1, 2020 | | -- |
| Increase from the transfer | | 1,786,423 |
| Depreciation for the year 2020 | | 1,353,992 |
| As at December 31, 2020 | | 3,140,415 |
| Adjustment beginning balance | | 441,835 |
| Depreciation for the year 2021 | | 1,135,553 |
| Transferred to fixed assets | | (4,093,860) |
| Difference from rental reduction | | 24,561 |
| As at December 31, 2021 | | 648,504 |
| Net book value | | |
| As at December 31, 2020 | | 4,434,487 |
| As at December 31, 2021 | | 368,113 |

The Company has depreciation right-of-use assets presented in the statements of comprehensive income for the years ended December 31, 2021, and 2020 as follows:

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|-------------------------|--|-----------|
| | 2021 | 2020 |
| Cost of sales | 491,833 | 619,593 |
| Administrative expenses | 643,720 | 734,399 |
| Total | 1,135,553 | 1,353,992 |

The Company has expenses relating to leases presented in the statements of comprehensive income for the years ended December 31, 2021 and 2020 as follows:

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|---|--|-----------|
| | 2021 | 2020 |
| Depreciation right-of-use assets | 1,135,553 | 1,353,992 |
| Interest expenses of lease liabilities | 40,184 | 110,222 |
| Expenses relating to leases of low-value assets | 423,081 | 451,050 |

14. INTANGIBLE ASSETS

(BAHT)

| Computer software | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | | | | |
|--------------------------------------|--|-----------|--------------|-----------|--------------|
| | JAN 1, 2020 | INCREASE | DEC 31, 2020 | INCREASE | DEC 31, 2021 |
| Cost | 32,536,224 | 140,000 | 32,676,224 | 1,918,327 | 34,594,551 |
| <u>Less</u> Accumulated amortization | (31,639,750) | (510,173) | (32,149,923) | (468,615) | (32,618,538) |
| Net book value | | | 526,301 | | 1,976,013 |
| Amortization for the year | | | 510,173 | | 468,615 |

The Company has amortization intangible assets presented in the statements of comprehensive income for the years ended December 31, 2021, and 2020, as follows:

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|-------------------------|--|---------|
| | 2021 | 2020 |
| Cost of sales | 446,152 | 485,962 |
| Administrative expenses | 22,463 | 24,211 |
| Total | 468,615 | 510,173 |

15. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|--|--|------------|
| | 2021 | 2020 |
| Short-term loans from financial institutions | -- | 30,000,000 |
| Trust receipt | 121,710,026 | 16,395,285 |
| Total | 121,710,026 | 46,395,285 |

As at December 31, 2021, short-term loans from financial institutions bear interest at 1.85% - 1.95% per annum. (Year 2020 : 1.95% - 2.23%)

16. TRADE AND OTHER CURRENT PAYABLES

(BAHT)

| PARTICULARS | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|-------------------------|--------------|-------------|-----------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Trade accounts payables | 524,087,526 | 324,984,809 | 523,379,094 | 324,423,593 |
| Accrued expenses | 20,128,170 | 16,592,779 | 20,128,170 | 16,592,779 |
| Assets payable | 1,953,047 | 23,859,353 | 1,953,047 | 23,859,353 |
| Others | 7,298,942 | 10,174,902 | 6,970,599 | 9,726,210 |
| Total | 553,467,685 | 375,611,843 | 552,430,910 | 374,601,935 |

17. LEASE LIABILITIES

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|--|--|-------------|
| | 2021 | 2020 |
| Liabilities under the lease agreement as at January 1, in accordance with the former financial reporting standards | 1,644,005 | 2,405,295 |
| The impact due to TFRS 16: Lease adoption as at January 1, 2020 | -- | 1,090,200 |
| <u>Less</u> Payment during the years | (1,423,989) | (1,851,490) |
| <u>Less</u> Decrease from rental reduction | (25,850) | -- |
| Liabilities under lease agreement at the ended of years | 194,166 | 1,644,005 |
| Deferred interest as at January 1, in accordance with the former financial reporting standards | 45,820 | 113,046 |
| The impact due to TFRS 16: Lease adoption as at January 1, 2020 | -- | 42,996 |
| <u>Less</u> Interest expenses during the years | (40,184) | (110,222) |
| <u>Less</u> Decrease from rental reduction | (78) | -- |
| Deferred interest as at the ended of years | 5,558 | 45,820 |
| Lease liabilities | 188,608 | 1,598,185 |
| <u>Less</u> Current portion of lease liabilities | (137,090) | (1,409,577) |
| Lease liabilities - net | 51,518 | 188,608 |

The Company has interest expenses on lease liabilities presented in the statements of comprehensive income for the years ended December 31, 2021, and 2020, amount Baht 0.04 million and Baht 0.11 million, respectively.

Liabilities under financial leases are fixed for monthly payment which will be finished within 2023. The portion of liabilities under financial leases due within one year was shown under current liabilities

18. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|--|--|------------|
| | 2021 | 2020 |
| Defined benefit obligation | | |
| Beginning balances | 98,899,365 | 84,628,334 |
| <u>Add</u> Current service cost | 10,245,154 | 12,781,129 |
| Interest cost | 931,553 | 2,318,880 |
| <u>Less</u> Actuarial gain from employee benefit plans (Recognized in other comprehensive income) | (9,258,051) | -- |
| <u>Less</u> Employee benefits paid during the year | (4,170,053) | (828,978) |
| Ending balances | 96,647,968 | 98,899,365 |

The Company has provision for long-term employee benefits presented in the statements of comprehensive income for the years ended December 31, 2021, and 2020, as follows:

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|-------------------------|--|------------|
| | 2021 | 2020 |
| Cost of sales | 7,633,434 | 8,888,365 |
| Distribution cost | 927,751 | 970,853 |
| Administrative expenses | 2,615,522 | 5,240,791 |
| Total | 11,176,707 | 15,100,009 |

Principal actuarial assumptions at the calculation date were as follows:

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|-----------------------------|--|-------|
| | 2021 | 2020 |
| Discount rate | 1.05% | 2.75% |
| Future salary increase rate | 1-3% | 1-5% |
| Disability rate | 5% | 5% |
| Staff turnover rate | 0-49% | 0-53% |

Sensitivity analysis of key assumptions in calculation

(BAHT)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
|------------------------------|--|-------------|
| | 2021 | 2020 |
| Discount rate | | |
| Decrease 1 percent | 8,037,382 | 7,954,165 |
| Increase 1 percent | (7,068,191) | (6,988,170) |
| Salary increases rate | | |
| Decrease 1 percent | (7,305,648) | (8,598,402) |
| Increase 1 percent | 8,162,351 | 9,678,285 |
| Turnover rate | | |
| Decrease 1 percent | 2,031,992 | 1,921,038 |
| Increase 1 percent | (7,396,025) | (7,459,400) |

19. DIVIDEND PAYMENT, LEGAL RESERVE AND DIRECTORS' REMUNERATION**19.1 Dividend payment and directors' remuneration**

On February 22, 2021, the Board of Directors' Meeting was held and approved a resolution not paying dividend. On April 23, 2021, the Ordinary General Shareholders' Meeting No.1/2021 was held and approved a resolution not paying dividends and approved to pay directors' remuneration at maximum Baht 2.73 million.

On August 10, 2021, the Board of Directors' Meeting No.5/2021 was held and has approved a resolution to pay an interim dividend at Baht 0.05 per share to the shareholders of 637,063,385 shares, totaling Baht 31,853,169.25. The dividend payment was made on September 7, 2021.

On February 24, 2020, the Board of Directors' Meeting was held and approved a resolution not paying dividend. On April 27, 2020, the Ordinary General Shareholders' Meeting No.1/2020 was held and approved a resolution not paying dividends and approved to pay directors' remuneration at maximum Baht 1.36 million.

19.2 Legal reserve

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.

At present, the Company has fully set up for legal reserve.

20. INCOME TAXES

Corporate income taxes of the Company for the years ended December 31, 2021, and 2020, 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.

BOI business operation income tax is calculated according to the privileges which are granted (see also Note 21 to the financial statements).

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

Income taxes expenses (revenues) recognized in the statements of comprehensive income for the years ended December 31, 2021, and 2020, consist of:

| PARTICULARS | (BAHT) | |
|--|--|-------------|
| | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 |
| Corporate income tax for the years | -- | -- |
| Amortization and reversal of temporary differences assets/liabilities on temporary differences | 1,751,588 | (2,602,268) |
| Income tax expenses (revenues) | 1,751,588 | (2,602,268) |

As at December 31, 2021 and 2020, the deferred tax assets/liabilities arose from the following temporary differences:

| PARTICULARS | (BAHT) | |
|--|--|---------------------|
| | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 |
| Income tax rate 20% | | |
| Temporary differences in the statements of comprehensive income | | |
| Allowance for expected credit loss | -- | 34,369 |
| Provision for diminution in inventories | 6,332,591 | 24,738,060 |
| Loss on deteriorated goods | 1,789,135 | 1,457,097 |
| Receivable of the selling forward exchange contracts | -- | (297,532) |
| Payables of the selling forward exchange contracts | 48,573 | -- |
| Depreciation rate different from tax rates | (66,919,386) | (45,700,861) |
| Provision for long-term employee benefits | 83,061,260 | 44,388,939 |
| Other | 21,631 | 85,128 |
| Total | 24,333,804 | 24,705,200 |
| Temporary differences in the other comprehensive income | | |
| Recognized in other component of shareholders' equity | | |
| Revaluation surplus on assets | (66,563,525) | (66,563,525) |
| Temporary differences in the retained earnings | | |
| Provision for long-term employee benefits | (4,155,285) | -- |
| Total | (46,385,006) | (41,858,325) |
| Income tax rate 10% (BOI-50% of normal tax rate) | | |
| Temporary differences in the statements of comprehensive income | | |
| Allowance for expected credit loss | -- | 39,275 |
| Provision for diminution in inventories | 6,842,813 | 26,225,252 |
| Loss on deteriorated goods | 2,073,087 | 1,635,775 |
| Receivable of the selling forward exchange contracts | -- | (510,855) |
| Payables of the selling forward exchange contracts | 61,421 | -- |
| Depreciation rate different from tax rates | (2,198,879) | (1,596,549) |
| Provision for long-term employee benefits | 19,928,939 | 17,627,257 |
| Other | 27,352 | 87,684 |
| Total | 26,734,733 | 43,507,839 |

| PARTICULARS | (BAHT) | |
|---|--|--------------------|
| | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 |
| Temporary differences in the retained earnings | | |
| Provision for long-term employee benefits | (1,650,102) | -- |
| Total | 25,084,631 | 43,507,839 |
| Deferred tax liabilities calculated | | |
| From income tax rate 20%. | (9,277,000) | (8,371,665) |
| From income tax rate 10% (BOI-50% of normal tax rate) | 2,508,464 | 4,350,784 |
| Total deferred tax liabilities | (6,768,536) | (4,020,881) |

21. PROMOTIONAL PRIVILEGES

Team Precision Public Company Limited was granted the promotional certificates from the Board of Investment 8 promotional certificates as follows:

| 1. Promotional certificates Nos. | 2. Effective dates of Promotional Certificates | 3. The promotional privileges for manufacturing of | 4. Expiry dates according to items 5.1 and 5.3 |
|----------------------------------|--|---|--|
| 1759/2539 November 12, 1996 | December 1, 1996 | Component or accessories used with electronics products | November 30, 2004 |
| 1760/2543 October 4, 2000 | November 10, 2004 | Printed circuit board assembly (PCBA) | November 9, 2012 |

| | | | |
|--|----------------------|--|--|
| 1696/O./2546 (Replace No. 1057/2534) March 21, 1991 | November 13, 1990 | Production or assemble electronics products | -- |
| 1218(2)/2550 March 6, 2007 | July 6, 2007 | Printed circuit board assembly (PCBA) and electronics products | July 5, 2012 |
| 1355(1)/2553 March 24, 2010 | February 17, 2011 | Medical products electronic products | February 16, 2019 |
| | | Printed circuit board assembly (PCBA) | February 16, 2016 |
| 1356(1)/2553 March 24, 2010 | February 23, 2011 | Electronic products for industrial | February 22, 2019 |
| | | Printed circuit board assembly (PCBA) | February 22, 2019 |
| 59-1112-0-00-1-0 July 4, 2016 | August 2, 2021 | Electronic products, part and/or electronic equipment, component or accessories used with electronics products | August 1, 2029 or tax value not over Baht 159.40 million |
| 59-1186-0-00-1-0 July 26, 2016 | August 2, 2021 | Medical products, electronic products, part and/or electronic equipment, component or accessories used | August 1, 2029 or tax value not over Baht 356.60 million |
| <p>5. Important privileges which are granted</p> <p>5.1 Exemption from corporate income tax on net profit of promotional operations for 8 years. (Exemption promotional certificates No.1218(2)/2550 and 1355(1)/2553 specifically printed circuit board assembly (PCBA) received 5 years). Whereby the promotional certificates No.59-1112-0-00-1-0 and 59-1186-0-00-1-0 have limited amount for corporate income tax exemption maximum of Baht 159.40 million and Baht 356.60 million, respectively. In this regard, the corporate income tax exemption for net profit from the promoted business is not more than 100 percent of the total investment, excluding the cost of land and working capital, for 8 years starting from the date of earning from the promoted business.</p> <p>5.2 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption of 5.1 for 5 years expired of the promotional certificates No.1355(1)/2553 specifically medical products and electronic products and 1356(1)/2553 specifically electronic products for industrial.</p> <p>5.3 Exemption from income tax on dividends from promoted business which was exempted from income tax as 5.1, Income tax is calculated during the exemption income tax period of each card.</p> <p>5.4 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit incurred since the exemption from corporate income tax was expired within 5 years, by which can be deducted from net profit of any year or several years.</p> | | | |

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

The Company has sales both local and oversea for the years ended December 31, 2021, and 2020, according to Note 25 to the financial statements.

22. EXPENSES BY NATURE

| PARTICULARS | (BAHT) | | | |
|--|---------------|---------------|-----------------------------------|---------------|
| | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 | 2021 | 2020 |
| (Increase) decrease in the changes of finished goods and work in process | (4,967,620) | (903,096) | (4,967,620) | (903,096) |
| Raw material and consumables used | 1,793,620,345 | 1,333,371,209 | 1,794,029,591 | 1,333,894,117 |
| Director and management benefit expenses | 36,806,417 | 31,843,356 | 36,806,417 | 31,843,356 |
| Employee benefit expenses | 284,446,137 | 256,595,433 | 284,446,137 | 256,595,433 |
| Depreciation and amortization expenses | 50,852,706 | 51,150,488 | 50,852,706 | 51,150,488 |

23. FINANCE COST

| PARTICULARS | (BAHT) | | | |
|---------------------------------------|--------------|-----------|-----------------------------------|-----------|
| | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 | 2021 | 2020 |
| Interest expense on lease liabilities | 40,184 | 110,222 | 40,184 | 110,222 |
| Other finance cost | 710,745 | 4,270,295 | 701,691 | 4,268,586 |
| Total | 750,929 | 4,380,517 | 741,875 | 4,378,808 |

24. FOREIGN CURRENCY TRANSACTIONS

24.1 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, 2021 and 2020, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies as follows:

| PARTICULARS | Foreign currencies | | (THOUSAND) Converted to Baht | |
|------------------------------------|--------------------|--------|---------------------------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| <u>CONSOLIDATED</u> | | | | |
| ASSETS | | | | |
| USD | 13,231 | 10,409 | 439,901 | 310,898 |
| EUR | 3 | -- | 108 | -- |
| TOTAL | | | 440,009 | 310,898 |
| LIABILITIES | | | | |
| Portion due within one year | | | | |
| USD | 16,088 | 9,750 | 540,440 | 294,505 |
| EUR | 274 | 73 | 10,482 | 2,726 |
| DKK | 5 | -- | 26 | -- |
| JPY | 121,855 | 65,000 | 35,374 | 19,141 |
| TOTAL | | | 586,822 | 316,372 |
| <u>THE SEPARATE</u> | | | | |
| <u>FINANCIAL STATEMENTS</u> | | | | |
| ASSETS | | | | |
| USD | 13,151 | 12,179 | 437,216 | 363,748 |
| LIABILITIES | | | | |
| Portion due within one year | | | | |
| USD | 16,321 | 9,715 | 545,253 | 293,474 |
| EUR | 97 | 72 | 3,720 | 2,684 |
| DKK | 86 | 95 | 445 | 477 |
| JPY | 121,855 | 65,000 | 35,874 | 19,141 |
| TOTAL | | | 585,292 | 315,776 |

24.2 The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at December 31, 2021 and 2020, 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:

(THOUSAND)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | | |
|---------------------------------------|--|--------------------|-----------------|
| | Foreign currency | Fair value in Baht | Settlement date |
| As at December 31, 2021 USD | 519.26 | 17,358.89 | May 2022 |

(THOUSAND)

| PARTICULARS | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | | |
|---------------------------------------|--|--------------------|-----------------|
| | Foreign currency | Fair value in Baht | Settlement date |
| As at December 31, 2020 USD | 367.53 | 11,038.84 | March 2021 |
| | 403.20 | 12,110.26 | May 2021 |
| | 700.00 | 21,024.28 | June 2021 |

25. 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 for the years ended December 31, 2021, and 2020, follows:

(MILLION BAHT)

| PARTICULARS | CONSOLIDATED | | | | | |
|-------------------------------|--------------|------------|------------|---------|------------|------------|
| | 2021 | | | 2020 | | |
| | Local | Oversea | Total | Local | Oversea | Total |
| Sales revenues | 58.45 | 2,441.79 | 2,500.24 | 66.71 | 1,800.12 | 1,866.83 |
| Cost of sales | (50.56) | (2,111.56) | (2,162.12) | (60.65) | (1,636.23) | (1,696.88) |
| Distribution cost | (0.25) | (29.71) | (29.96) | (0.33) | (27.63) | (27.96) |
| Profit by segment | 7.64 | 300.52 | 308.16 | 5.73 | 136.26 | 141.99 |
| Profit (loss) for the year | | | 202.67 | | | (16.18) |
| Property, plant and equipment | | | 450.74 | | | 417.46 |

26. DEBT REDUCTION TO SUBSIDIARIES

On December 29, 2021, the Board of Directors of the Company has resolution to approve the reduction of short-term loans to subsidiary, receivable from right assignment of account receivable and accrued interest of USD 539,500 (Baht 18.01 million), USD 435,726 (Baht 14.54 million) and USD 2,144 (Baht 0.07 million), respectively, the details are as follows:

Short-term loans to subsidiary

| PARTICULARS | BAHT |
|-------------------------------------|---------------|
| Balance as at January 1, 2021 | 15,456,379 |
| | (USD 517,500) |
| <u>Add</u> Increase during the year | 742,492 |
| | (USD 22,000) |
| Unrealized gain on exchange rates | 1,813,091 |
| | 18,011,962 |
| | (USD 539,500) |
| <u>Less</u> Loss on debt reduction | (18,011,962) |
| | (USD 539,500) |
| Balance as at December 31, 2021 | -- |

Receivable from right assignment of account receivable

| PARTICULARS | BAHT |
|--------------------------------------|---|
| Balance as at January 1, 2021 | 37,393,938 |
| <u>Less</u> Received during the year | (USD 1,251,998) (25,198,075) |
| Unrealized gain on exchange rates | (USD 816,272) 2,341,972 |
| <u>Less</u> Loss on debt reduction | 14,537,835 (USD 435,726) (14,537,835) |
| Balance as at December 31, 2021 | -- |
| Accrued interest beginning balance | 26,637 |
| <u>Add</u> Increase during the year | 740,401 |
| <u>Less</u> Received during the year | (695,502) |
| <u>Less</u> Loss on debt reduction | (71,536) |
| Accrued interest ending balance | -- |

27. 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 (Discontinued on December 29, 2021) |
| 3) Team Precision America, LLC | See Note 8 | Associate (Exercise of right to sell shares investments on February 24, 2020) |
| 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 electronic circuits board and printed circuits | Major shareholder is shareholder and director |

The significant related accounting transactions are as follows:

| THE STATEMENTS OF FINANCIAL POSITION | (BAHT) | | | |
|--|----------------|------------------|-----------------------------------|------------------|
| | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 | 2021 | 2020 |
| Trade accounts receivables | | | | |
| - Alpine Technology Manufacturing (Thailand) Co., Ltd. | 958,989 | 1,336,289 | 958,989 | 1,336,289 |
| Other current receivables | | | | |
| - TPA Holding LLC | -- | -- | -- | 26,637 |
| Total trade and other current receivables | 958,989 | 1,336,289 | 958,989 | 1,362,926 |

| THE STATEMENTS OF FINANCIAL POSITION | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|---|--------------|------------|-----------------------------------|------|
| | 2021 | 2020 | 2021 | 2020 |
| Receivable from debt composition | | | | |
| - Team Precision America, LLC (See Note 11) | -- | 37,805,324 | -- | -- |
| Short-term loans to related parties | | | | |

| | | | | |
|--|--------|-------------|-----------|--------------|
| - TPA Holding LLC (See Note 6) | -- | -- | -- | 15,456,379 |
| - Team Precision America, LLC (See Note 6) | -- | 6,895,582 | -- | -- |
| <u>Less</u> Bad debt | -- | (6,895,582) | -- | -- |
| <u>Less</u> Allowance for expected credit loss | -- | -- | -- | (15,456,379) |
| Total short-term loans to related parties | -- | -- | -- | -- |
| Receivable from right assignment of accounts receivable | | | | |
| - TPA Holding LLC (See Note 10) | -- | -- | -- | 37,393,938 |
| Trade accounts payables | | | | |
| - Team Precision (Europe) ApS | -- | -- | 5,333,556 | 5,569,042 |
| Current contract liabilities | | | | |
| - Finest Med Design Co., Ltd. | 70,859 | 70,859 | 70,859 | 70,859 |

| THE STATEMENTS OF COMPREHENSIVE INCOME | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|---|--------------|------------|--------------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Sales | | | | |
| - Team Precision America, LLC | -- | 35,287,159 | -- | 35,287,159 |
| - Alpine Technology Manufacturing (Thailand) Co., Ltd. | 15,051,615 | 3,670,761 | 15,051,615 | 3,670,761 |
| Total Sales | 15,051,615 | 38,957,920 | 15,051,615 | 38,957,920 |
| (Mutual agreement) | | | | |
| Financial income | | | | |
| - TPA Holding LLC | -- | -- | 740,401 | 755,496 |
| (Mutual agreement) | | | | |

| THE STATEMENTS OF COMPREHENSIVE INCOME | CONSOLIDATED | | THE SEPARATE FINANCIAL STATEMENTS | |
|---|--------------|---------|--------------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Other income | | | | |
| - Alpine Technology Manufacturing (Thailand) Co., Ltd. | 180,000 | 180,000 | 180,000 | 180,000 |
| (Mutual agreement) | | | | |
| Purchase of goods and raw materials | | | | |
| - Team Precision (Europe) ApS | -- | -- | 42,691,228 | 52,898,286 |
| - Team Precision America, LLC | -- | 512 | -- | -- |
| Total Purchase of goods and raw materials | -- | 512 | 42,691,228 | 52,898,286 |
| (Mutual agreement) | | | | |

| | | | | |
|---|---------|---------|---------|---------|
| Other expenses | | | | |
| - Energy Innovation Co., Ltd. (Mutual agreement) | 233,171 | 236,563 | 233,171 | 236,563 |

28. COMMITMENT AND CONTINGENT LIABILITIES

As at December 31, 2021 and 2020, the Company has commitment and contingent liabilities as follows:

| PARTICULARS | (MILLION) | |
|--|--|-------|
| | CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS | |
| | 2021 | 2020 |
| Letters of credit | | |
| - USD | 0.06 | 0.07 |
| - JPY | -- | 65.00 |
| - BAHT | -- | 1.21 |
| Letters of guarantee from commercial bank | | |
| - BAHT | 5.60 | 7.50 |

As at December 31, 2021 and 2020, the Company has credit lines of letters of credit and trust receipt within Baht 428 million and Baht 533 million, respectively.

29. PROVIDENT FUND

The Company has set up and registered Provident Fund in accordance with the Provident Fund Act, B.E. 2530 (1987), in order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The fund is partly contributed by the employees and another part by the Company at the rate 3% of their basic salaries. Hereby, the Company has appointed the SCB Asset Management Company Limited to be the fund manager.

Provident fund contributions made by the Company for the employees and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2021 and 2020, are Baht 4.25 million and Baht 4.43 million, respectively.

30. 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:

30.1 Accounting policies and procedures

- Accounting policies are disclosed in Note 3 to the financial statements.

30.2 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 regularly analyze 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.

Attachment 1: Profile of the Board of Directors and Executives

| | | |
|--|--|---|
| Mr. Chai Jroongtanapibarn | Age 68 years | : Independent Director/ Chairman of the Audit Committee/ Nomination and Remuneration Committee/Risk Management Committee |
| Starting date of position | : 2000 – Present (Independent Director) ,22 yrs. since became the Public Company | |
| Share Ratio (%) | : 0.23% or 1,497,062 shares | |
| Relationship with Management | : None | |
| Highest Education | : Master's degree of Accounting, Thammasat University | |
| Working Experiences | | |
| 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, TMT Steel Public Company Limited (Thai Metal Trade Pcl.) | |
| 2003- August 2021 | 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. | |
| Expertise | : Business Administration, Accounting & Finance | |
| Management positions and/or directorships | | |
| | • other listed companies | 6 places |
| | • other non-listed companies (excl. subsidiaries) | - None- |
| Related Training Program held by IOD | | |
| | DCP -Director Certification Program 2003 | |
| | ACP -Audit Committee Program 2005 | |

| | | |
|--|--|--|
| Mr. Monkhol Kittipoomvong | Age 69 years | : Independent Director/ Audit Committee/ Chairman of the Risk Management Committee/ Nomination and Remuneration Committee |
| Starting date of position | | : April 23,2015 – Present (Independent Director) 6 years 8 months |
| Share Ratio (%) | | : 0.93% or 5,936,625 shares |
| Relationship with Management | | : None |
| Highest Education | : MBA Finance and Business Economics, The University of Toledo, Ohio, United States | |
| Working Experiences | | |
| 2019 – March 2021 | : Specialist attached to the Senate Standing Committee on Economic, Money and Fiscal (Effective 16 December 2019) | |
| 2018 – Present | : 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. | |
| Expertise | : Business Administration ,Finance ,Investment | |
| Management positions and/or directorships | | |
| | • other listed companies | 1 place |
| | • other non-listed companies (excl. subsidiaries) | 4 places |
| Related Training Program held by IOD | : DCP -Director Certification Program | 2001 |
| Other | : CMA- Capital Market Academy Program | 13/2011 |

| | | |
|---|--------------|---|
| Mr. Pirom Chamsai, Ph.D. | Age 67 years | : Independent Director/ Audit Committee / Chairman of the Nomination and Remuneration Committee/ Risk Management Committee |
| Starting date of position | : | 2000 – Present (Independent Director) ,22 yrs. since became the Public Company |
| Share Ratio (%) | : | 0.30% or 1,900,000 shares |
| Relationship with Management | : | None |
| Highest Education | : | Doctor of Engineering (Geo technique) Ecole Centrale des Arts & Manufactures (French Government Scholarship) |
| Working Experiences | | |
| 2015 – Present | : | Independent Director, Premier Technology Pcl. |
| 2015 – Present | : | Board of Director, Consulting Engineering Association of Thailand |
| 2014 – Present | : | Chairman of The Executive Board of Directors, Consulting and Management 49 Limited. |
| 2013 – 2013 | : | Managing Director, Thai Film Industries Pcl. |
| 2007 – Present | : | Visiting Lecturer, Faculty of Architecture, Bangkok University |
| 2000 – Present | : | Independent Director/Audit Committee /Chairman of Nomination and Remuneration /Risk Management Committee, Team Precision Pcl. |
| Expertise | : | Business Administration, Engineering & Industrial |
| Management positions and/or directorships | | |
| • other listed companies | : | 1 place |
| • other non-listed companies (excl. subsidiaries) | : | 1 place |
| Related Training Program held by IOD | | |
| DAP- Director Accreditation Program 2005 | : | DCP- Director Certification Program 2007 |
| ACP -Audit Committee Program 2005 | : | RCC- Role of Compensation Committee 2007 |
| | : | AACP -Advance Audit Committee Program 2019 |

| | | |
|---|--------------|---|
| Mr. Chakkaphant Manutsathit | Age 68 years | : Chief Executive Officer /Chairman of the Board of Directors/Nomination and Remuneration Committee /Risk Management Committee |
| Starting date of position | : | 2000 – Present, 22 Yrs. since became the Public Company |
| Share Ratio (%) | : | 6.94% or 44,188,633 shares |
| Relationship with Management | : | Spouse of Mrs. Malipa Manutsathit |
| Highest Education | : | Master of Business Administration, University of Queensland Australia |
| Working Experiences | | |
| 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. |
| Expertise | : | Business Administration, Engineering ,Industrial & Marketing |
| Management positions and/or directorships | | |
| • other listed companies | | - None- |
| • other non-listed companies (excl. subsidiaries) | | 5 places |
| Related Training Program held by IOD | | |
| DAP- Director Accreditation Program 2003 | | RCP- Role of Chairman Program 2007 |
| DGP- Director Certification Program 2003 | | RCC -Role of Compensation Committee 2007 |

| | | |
|---|--|--|
| Mrs. Malipa Manutsathit | Age 67 years | : Chief Information Officer / Director /Nomination and Remuneration Committee /Risk Management Committee |
| Starting date of position | : Year 2000 | |
| Share Ratio (%) | : 4.24% or 27,000,000 shares | |
| Relationship with Management | : Spouse of Mr. Chakkaphant Manutsathit | |
| Highest Education | : Master of Commerce (Management Information System), University of New South Wales Australia | |
| Working Experiences | | |
| 2002 – Present | : Director, Energy Innovation Co.,Ltd. | |
| 2000 – Present | : Chief Information Officer / Director /Nomination and Remuneration Committee /Risk Management Committee, Team Precision Pcl. | |
| Expertise | : Business Administration Management Information System and Economics | |
| Management positions and/or directorships | | |
| • other listed companies | | - None- |
| • other non-listed companies (excl. subsidiaries) | | 3 places |
| Related Training Program held by IOD | | |
| DAP- Director Accreditation Program 2003 | | ACP -Audit Committee Program 2007 |
| DCP -Director Certification Program 2007 | | |

| | | |
|---|---|--|
| Mr. Supachak Manutsathit | Age 37 years | : Deputy to Chief Executive Officer |
| Share Ratio (%) | : | 20.31% or 129,412,677 shares |
| Relationship with Management | : | Son of Mr. Chakkaphant Manutsathit |
| Highest Education | : | Master of Science in Management, Imperial College London, United Kingdom |
| Working Experiences | | |
| 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 |
| Expertise | : | Business Administration, Engineering, Industrial & Marketing |
| Management positions and/or directorships | | |
| | • other listed companies | - None- |
| | • other non-listed companies (excl. subsidiaries) | 2 places |
| Related Training Program held by IOD : DAP -Director Accreditation Program 2019 | | |

| | | |
|---|--------------|--|
| Mr. Manolo Villaluz Momongan | Age 56 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 Recollects, Philippines |
| Working Experiences: | | |
| 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 |
| Expertise | : | Business Administration, Electronic and Communication Engineering Production control |
| Related Training Program held by IOD -None- | | |

| | | |
|---|--------------|---|
| Mr. Aviroot Kongcharoen | Age 51 years | : Corporate Quality Assurance Director |
| Share Ratio (%) | : | None |
| Relationship with Management | : | None |
| Highest Education | : | Bachelor of Science,Chulalongkorn University |
| Working Experiences | | |
| 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. |
| Expertise | : | Physics Science |
| Related Training Program held by IOD -None- | | |

Attachment 2: Details directors of the subsidiary

| Subsidiary Board of Director | Team Precision (Europe) ApS | TPA Holding LLC |
|---------------------------------|--------------------------------|-----------------|
| Mr Chakkaphant Manutsathit | X | X |
| Mrs. Malipa Manutsathit | / | - |
| Mr. Supachak Manutsathit | / | - |
| Ms. Panicha Nukulrattanachai | / | - |

Remark:

/ = Director

X = Chairman

Subsidiary means a significant subsidiary, for example, having revenue more than 10% of total revenue according to the consolidated income statement of the latest fiscal year.

Attachment 3: Details of the internal audit supervisor and Head of the Corporate Compliance

| Name – Surname - Position | Highest educational | Working experience | Related training |
|--|--|--|---|
| Mr. Boonchoke Somsukswadkul Internal Audit Department Manager | Master of Science Program in Corporate Governance: Executive Program, Chulalongkorn University | 2007 – Present : Internal Audit Department Manager, Team Precision PCL : System Development Manager, Team Precision PCL 2005 – Present : Purchasing and planning manager, Team Precision PCL 2001 – 2005 : Team Precision PCL | 2014 : Business Continuity Management, Management System Certificate Institute (Thailand) 2013 : Business Continuity Management, Ms. Chiraporn Sumetheeprasit 2010 : Business Continuity Managing Disruption Related Risk in Compliance with ISO31000: 2009, Thai – Australian Technological Services Center : Tools and Techniques for Beginning Auditors, The Institute of Internal Auditors 2009 : Train the Trainer : Class 1, Institute of Electrical and Electronics: Safety officer at work, executive level 2007 : Benjasafety Service Center Co., Ltd. Writing an Internal Audit Report, Class 14, Federation of Accounting Professions 2006 : Internal auditor for being internal licensed auditor, Faculty of Commerce and Accountancy Chulalongkorn University |

Attachment 4: Audit Committee Report



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 2021, 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 2021.

The Audit Committee provided the following opinions:

1. The Company's financial reports 2021 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 2021 were rational and made for the optimal benefits of the Company
6. In 2021, 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 or Mr. Chaiyakorn Aunpitipongsa, Certified public Accountant No 3196 or Mr.Apirak Ati-anuwat, Certified Public Accountant No 5202 or Dr.Preecha

Suan, Certified public Accountant No 6718 or Miss.Kornkaew Dabkaew, Certified Public Accountant No 8463 of Dr.Virach & Associates Office Co.,Ltd., be re-appointed as the Company's auditor for the fiscal year ending 31 December 2022. 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 2022.



Mr. Chai Jroongtanapibarn
Chairman of the Audit Committee
22 February 2022