



**Team Precision**  
Public Company Limited

# **ANNAUL REPORT**

# **2012**



ISO 9001 Quality Management Systems



ISO TS16949 Quality Management Systems – Particular requirement for automotive production and relevant service part organizations



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



ISO 14001 Environmental Management



OHSAS 18001 Occupational Health and Safety Management Systems

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

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Registration	0107543000058
Address	198 Moo 13, Suwansorn Road,Dong-Khee-Lek Muang Prachinburi, Prachinburi. Telephone (66) 3740 3336 - 40 Fax (66) 3740 3345
Type of main business	Electronics Manufacturing Printed Circuit Board Assembly
Branch (in Thailand)	152/8, 152/15 Moo 3, Rangsit Tanyaburi, Patumthani Telephone (66) 2577 2350 Fax (66) 2577 1705
Subsidiary (in Denmark)	Ellegardvej 25, DK 6400 Sonderborg, Denmark Telephone (45) 7342 3232 Fax (45) 7342 6800
Subsidiary (in Singapore)	196 Pandan Loop # 04-20, Pantech Industrial Complex Singapore Telephone (65) 6773 6908 Fax (65) 6773 6208
Home Page	<a href="http://www.teampcba.com">www.teampcba.com</a>
Reference Persons	
Auditors	Share Registrar
1) Dr.Virach Aphimeteetamrong, Certified Public Accountant Registration No.1378 and/or 2) Mr. Chaikorn Unpitipongsa Certified Public Accountant Registration No.3196 and/or 3) Mr. Apiruk Ati-Anuwat Certified Public Accountant Registration No.5202 518/3 Panunee Building, 7 <sup>th</sup> Floor Ploenchit Road, Lumpinee District, Patumwan, Bangkok 10330 Telephone/Fax (66) 2252 2860, (66) 2255 2518	The Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building 4 <sup>th</sup> , 6-7 <sup>th</sup> Floor Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand  Telephone (66) 2229 2800 Fax (66) 2359 1259

### Vision

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

### Mission

**Completely fulfilling Needs** – From R&D to Distribution; listening and providing accessible, innovative ideas is our Brand

**Continuous Improvement**- World class Lean Sigma Operations, Quality, and relentlessly pursuing excellence

**Awarded accreditations** - Which differentiate

**Through added scale** - Diversify markets, customers, regions creating complete business balance

**Develop our most valued internal asset** – Our People – Listen, Treat with Respect

**Provide continued innovative MIS Solutions** – From the Customers perspective

**Provide continued shareholder value** - Closely manage financial statements in changed economic times without hindering growth

**Flexible operations global supply chain solutions** - Reflect changing global market demands with critical decision-making

**Business development** Intelligent, profitable growth higher than industry trends - Organic and vertical



Dear Shareholders,  
Team Precision Public Pcl.



2012 has been an eventful year with many challenges from the post flood effect, government strategy to extend the unprecedented minimum wage increase across the nation which impact directly to the costs and also the world economic crisis both in USA and Europe which affected some of our customers. As a result the company had total revenue for the year 2012 of Baht 1,838 Million, 12% lower than the previous year with Baht 29.9 Million profit compared to year 2011 profit of Baht 45.5 Million or 34% lower.

As for the flood crisis, the post effect of the major flood in Thailand has carried through to 2012 with both opportunity and challenges. We have managed to render assistance to our business partners to quickly resume their operation in a short time. However the extreme requirement from our business partners together with the loss of control system of our clients had created tremendous pressure to the operation which also incurred extra expenses. Time to develop new business has been extended longer due to the news on major flood and the images of past political issues have delayed the decision making process of new customers. On the contrary, all of our current customers continue to have strong confidence and good understanding as none of the crisis in the past history had any effect to their businesses.

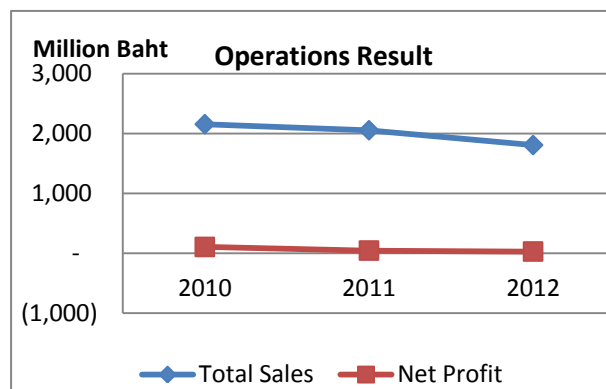
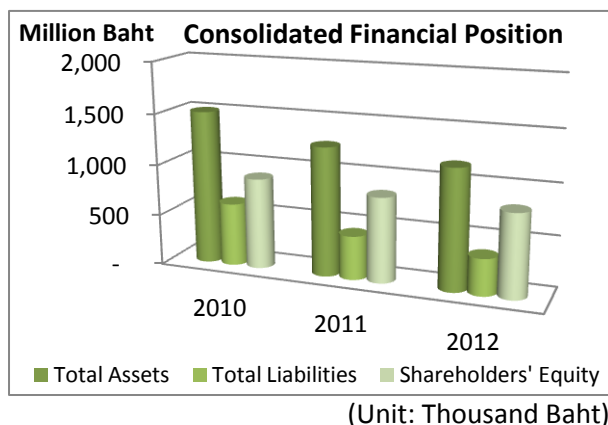
Crisis in EU and USA has brought about sluggish demand in some sectors and also open opportunities in merger and acquisition throughout the world which have both positive and negative affect. For us, having established robust quality system and the process control Team Precision PCL has continued to gain the confidence from both current and new customers. This together with our flexibility, good service minded and the team willingness to changes to fulfill customer demands and cope with the uncertainties and the continuous changes of the market has made us become the partner of choice for our customers. We still continue to tap the world market potential with our policy of becoming EMS of choice for our customers. Continue investment in developing our human resources and more details analysis of process control will further enhancing our technical capability and tap more sophisticated requirement from our customers.

Our strong believe in the market potential, the flexibility in serving our customer together with the adaptability of our team to changes will surely gain more competitive advantages in partnership with our customers under the current world economic crisis. Thanks to our shareholders who are very supportive and all our staffs whose hard work and dedication are very much appreciated. We still look for growth under the current world economy.

Yours sincerely,

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

Mr.Chakkaphant Manutsathit  
Chairman of Board of Director



Description	Audited		
	2012	2011	2010
Current assets	659,923	796,235	1,014,299
Property, plant and equipment – net	510,481	461,886	489,063
Other assets	6,379	3,143	3,883
<b>Total Assets</b>	<b>1,176,783</b>	<b>1,261,264</b>	<b>1,507,246</b>
Current liabilities	328,897	343,116	522,299
Long-term liabilities	30,428	85,406	94,096
<b>Total Liabilities</b>	<b>359,325</b>	<b>428,522</b>	<b>616,395</b>
Paid-up capital	637,063	566,280	566,280
Premium on common stocks	42,543	42,543	42,543
Retained earnings	139,832	225,982	285,061
Other components of shareholders' equity	(1,980)	(2,063)	(3,033)
<b>Shareholders' Equity</b>	<b>817,458</b>	<b>832,742</b>	<b>890,851</b>

Description	Audited		
	2012	2011	2010
Revenue from sales	1,807,087	2,054,833	2,155,699
Other income	30,776	22,892	34,673
<b>Total Revenues</b>	<b>1,837,863</b>	<b>2,077,725</b>	<b>2,190,372</b>
Cost of sales	1,640,919	1,864,066	1,915,248
Selling and administrative expenses	165,710	161,238	164,921
Interest expense	849	6,650	3,000
<b>Total Expenses</b>	<b>1,807,478</b>	<b>2,031,954</b>	<b>2,083,169</b>
Corporate income tax	448	261	928
<b>Net Profit</b>	<b>29,937</b>	<b>45,510</b>	<b>106,275</b>

<b>Liquidity Ratio:</b>		<b>2012</b>	<b>2011</b>	<b>2010</b>
Current Ratio	Times	2.01	2.32	1.94
Quick Ratio	Times	1.22	1.51	1.07
Operating Cash Flow Ratio	Times	0.74	0.60	-0.20
Receivable Turnover	Times	7.06	5.79	6.59
Collection Period	Days	50.98	63.06	54.59
Inventory Turnover	Times	4.97	4.34	4.21
Sales Period	Days	72.48	84.18	85.53
Account Payable Turnover	Times	5.24	7.30	7.81
Payable Payment Period	Days	68.69	49.99	46.10
Cash Cycle	Days	54.77	97.26	94.03

<b>Profitability Ratio:</b>		<b>2012</b>	<b>2011</b>	<b>2010</b>
Gross Profit Margin	%	9.20	9.28	11.15
Profit Margin	%	1.66	2.19	4.93
Return on Equity	%	3.63	5.28	12.67

<b>Efficiency Ratio:</b>		<b>2012</b>	<b>2011</b>	<b>2010</b>
Return on Assets	%	2.46	3.79	8.21
Return on Fixed Assets	%	19.26	21.01	35.03
Total Assets Turnover	Times	1.48	1.50	1.66

<b>Financial Policy Ratio:</b>		<b>2012</b>	<b>2011</b>	<b>2010</b>
Debt to Equity Ratio	Times	0.44	0.51	0.69
Interest Coverage Ratio	Times	294.76	7.88	36.73

<b>Share Information:</b>		<b>2012</b>	<b>2011</b>	<b>2010</b>
Book Value per Share	Baht	1.28	1.47	1.57
Earnings per Share	Baht	0.05	0.08	0.19
Cash Dividend per Share **	Baht	0.08	0.15	0.00
Stock Dividend per Share **	Baht	0.125	0.00	0.00
Par Value	Baht	1.00	1.00	1.00

\*\* The rate of announcement in a year





Mr. Chakkaphant Manutsathit  
Chairman of the Board of Directors



Mr.Chai Jroongtanapibarn  
Independent Director



Mr.Pirom Chamsai  
Independent Director



Assoc.Prof.Paiboon Sareewiwatthana, Ph.D.  
Independent Director



Mrs.Malipa Manutsathit  
Director



Mrs.Wasara Chotithammarat  
Director



Mrs.Suratn Petchmunee  
Director



Mr. Chakkaphant Manutsathit  
Chief Executive Officer



Mrs. Malipa Manutsathit  
Chief Information Officer



Mrs. Wasara Chotithammarat  
Chief Financial Officer



Mrs. Suratn Petchmune  
Company Secretary/  
Compensation & Benefit  
Director



Mr. Rungrit Laohapirotwattana  
Vice President of Operation



Mr. Likhit Laobawornseadthee  
Finance Director



Mr. Manolo Villaluz Momongan  
Supply Chain Management &  
Marketing Director



Mr. Passagon Buathong  
Business Development  
Director



Mr. Prachuab Kraikhao  
Human Resources Director

## Detail of Company Directors and Management

Mr.Chai Jroongtanapibarn	Age 59 years : Independent Director/ Chairman of the Audit Committee
Share Ratio (%)	: 0.23%
Relationship with Management	: None
Highest Education	: Master Degree of Accounting, Thammasat University
<b>Working Experiences</b>	
2007- Present	: Independent Director/ Audit Committee, Siam Food Products Pcl.
2006- Present	: Independent Director/ Audit Committee, Oishi Group Pcl.
2004- Present	: Independent Director/Chairman of the Audit Committee,Thai Metal Trade Pcl.
2003- Present	: Independent Director,Siam Future Development Plc.
2002- Present	: Independent Director/Chairman Audit Committee,Major Cineplex Group Pcl.
2000- Present	: Independent Director/Chairman of the Audit Committee, Team Precision Pcl.
1982 – 1997	: Executive Director and Chief Financial Officer Minor Group.
<b>Related Training Program held by IOD</b>	
DCP -Director Certification Program 2003	
ACP -Audit Committee Program 2005	

Assoc.Prof.Paiboon Sareewiwatthana, Ph.D.	Age 59 years : Independent Director/ Audit Committee
Share Ratio (%)	: None
Relationship with Management	: None
Highest Education	: Ph.D. (Finance) University of Mississippi, USA
<b>Working Experiences</b>	
2012 – Present	: Chairman of the Board of Directors, Union Auction Pcl.
2012 – Present	: Chairman of the Board of Directors, Universal Adsorbents&Chemicals Pcl.
2005 – Present	: Arbitrator Securities and Exchange Commission
2004 – Present	: Independent Director/Chairman of the Audit Committee, Kim Eng Securities (Thailand) Pcl.
2000 –	Mrs. Suratr Petchmunee Company Secretary :nt Director/ Audit Committee, Team Precision Pcl.
<b>Related Training Program held by IOD</b>	
DCP -Director Certification Program 2001	

Mr. Pirom Chamsai, Ph.D.	Age 58 years : Independent Director/ Audit Committee
Share Ratio (%)	: 0.30%
Relationship with Management	: None
Highest Education	: Doctor of Engineering (Geotechnique) Ecole Centrale des Arts & Manufactures (French Government Scholarship)
<b>Working Experiences</b>	
2013 – Present	: Managing Director,Thai Flim Industries Pcl.
2007 – Present	: Advisor, Consulting & Management 49 Limited.
2007 – Present	: Lecturer, Faculty of Fine Arts, Bangkok University
2000 – Present	: Independent Director/Audit Committee, Team Precision Pcl.
<b>Related Training Program held by IOD</b>	
DAP- Director Accreditation Program 2005	DCP- Director Certification Program 2007
ACP -Audit Committee Program 2005	RCC- Role of Compensation Committee 2007

## Detail of Company Directors and Management

Mr.Chakkaphant Manutsathit	Age 59 years	: Authorized Director/ Chairman of the Board of Directors
Share Ratio (%)	:	17.86%
Relationship with Management	:	Husband of Mrs.Malipa Manutsathit
Highest Education	:	Master of Business Administration, University of Queensland Australia
Working Experiences		
2010 – Present	:	Chairman of the Board of Directors/Chief Executive Officer, Team Precision Pcl.
2009 – 2010	:	Chairman of the Board of Directors ,Team Precision Pcl.
2001 – 2008	:	Chairman of the Board of Directors/Chief Executive Officer, Team Precision Pcl.
1995 – Present	:	Director, Alpine Technology Manufacturing (Thailand) Co., Ltd.
Related Training Program held by IOD		
DAP- Director Accreditation Program 2003		RCP- Role of Chairman Program 2007
DCP- Director Certification Program 2003		RCC -Role of Compensation Committee 2007

Mrs.Wasara Chotithammarat	Age 48 years	: Authorized Director/ Chief Financial Officer
Share Ratio (%)	:	None
Relationship with Management	:	None
Highest Education	:	Master of Business Administration, Thammasat University
Working Experiences		
2009 – Present	:	Director/Chief Financial Officer ,Team Precision Pcl.
2007 – 2008	:	Chief Financial Officer, Team Precision Pcl.
2005 – 2006	:	Division Controller, Benchmark Electronics (Thailand) Pcl.
2002 – 2005	:	Corporate Controller, Siam City Cement Pcl.
Related Training Program held by IOD		
DCP -Director Certification Program 2009		

Mrs.Malipa Manutsathit	Age 58 years	: Authorized Director/ Chief Information Officer
Share Ratio (%)	:	0.08%
Relationship with Management	:	Wife 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.
1996 – Present	:	Director/ Chief Information Officer, Team Precision Pcl.
Related Training Program held by IOD		
DAP- Director Accreditation Program 2003		ACP -Audit Committee Program 2007
DCP -Director Certification Program 2007		

## Detail of Company Directors and Management

Mrs.Suratn Petchmune	Age 52 years	: Authorized Director/Company Secretary/ Compensation & Benefit Director
Share Ratio (%)	:	0.86%
Relationship with Management	:	None
Highest Education	:	Master of Business Administration, University of Eastern Asia
<b>Working Experiences</b>		
2012 - Present	:	Director /Company Secretary/Compensation&Benefit Director, Team Precision Pcl.
2009 - 2011	:	Director/Company Secretary , Team Precision Pcl.
2001 – 2008	:	Director/Finance Director , Team Precision Pcl.
<b>Related Training Program held by IOD</b>		
DAP -Director Accreditation Program 2003		CSP - Company Secretary Program 2009
DCP- Director Certification Program 2007		EMT -Effective Minute Taking 2009
ACP- Audit Committee Program 2007		

Mr. Rungrit Laohapirotwattana	Age 52 years	: Vice President of Operation
Share Ratio (%)	:	1.07%
Relationship with Management	:	None
Highest Education	:	Bachelor of Science in Industrial Engineering, Chulalongkorn University
<b>Working Experiences</b>		
2010 – Present	:	Vice President of Operation, Team Precision Pcl.
2006 – 2009	:	Operation Director, Fasco Motors (Thailand) Co., Ltd.
2002 – 2006	:	Head of Operations, Team Precision Pcl.
<b>Related Training Program held by IOD</b>		
DAP- Director Accreditation Program 2003		

Mr.Manolo Villaluz Momongan	Age 47 years	: Supply Chain Management & Marketing Director
Share Ratio (%)	:	None
Relationship with Management	:	None
Highest Education	:	Master’s degree in Management for Executives and Managers (Most Outstanding Graduate) University of San Jose Recoletos, Philippines
<b>Working Experiences</b>		
2008 – Present	:	Supply Chain Management Director, Team Precision Pcl.
2004 – 2008	:	Supply Chain Management Director, Celestica Philippines
1991 – 2004	:	Production Control Manager, NEC Technologies Philippines
<b>Related Training Program held by IOD</b>		
- None		

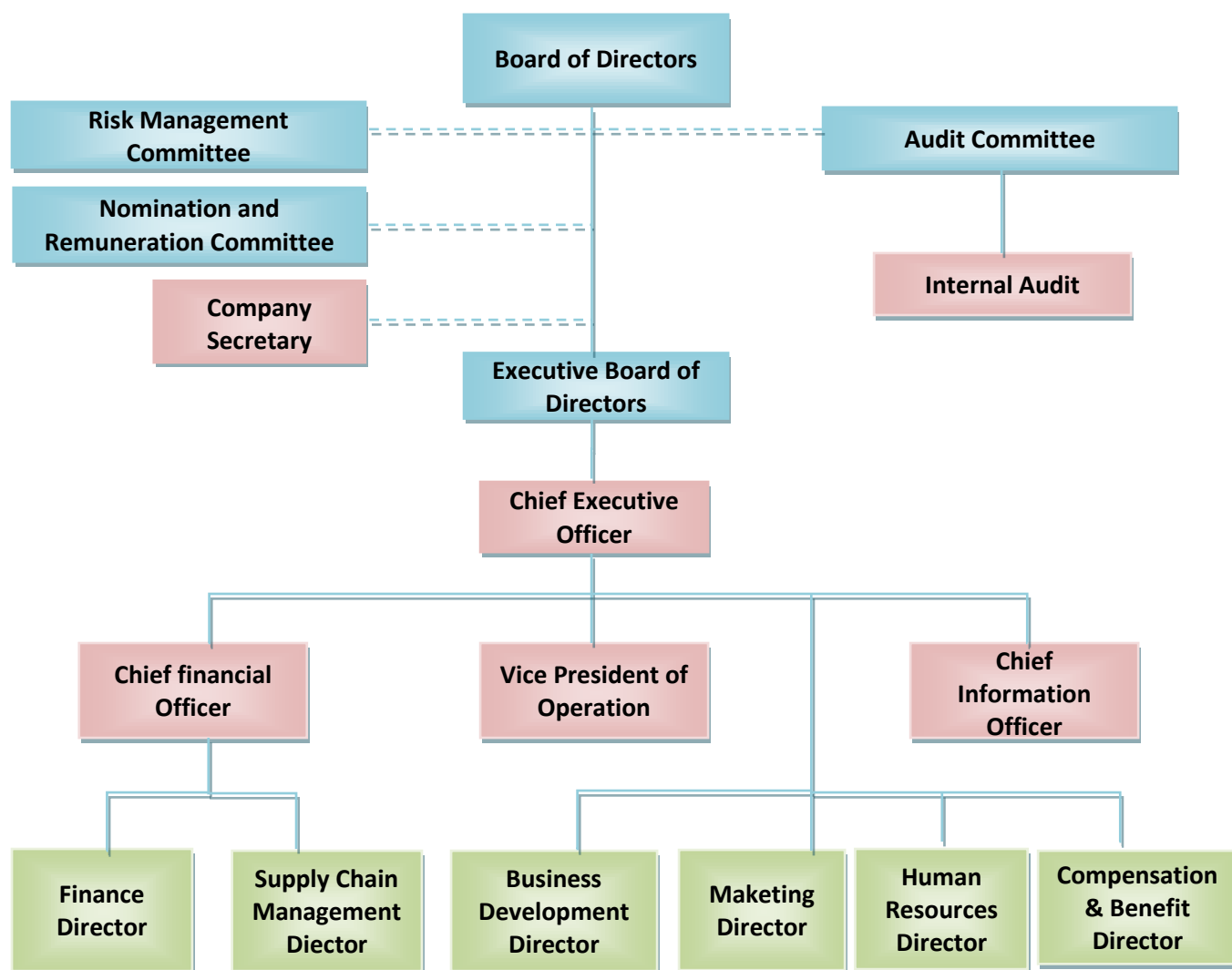
Mr.Likhit Laobawornseadthee	Age 40 years	: Finance Director
Share Ratio (%)	:	None
Relationship with Management	:	None
Highest Education	:	Master of Accountancy, Chulalongkorn University
<b>Working Experiences</b>		
2011 – Present	:	Finance Director, Team Precision Pcl.
2008 – 2011	:	Deputy General Manager, Thai Rung Union Car Pcl.
<b>Related Training Program held by IOD</b>		
- None		

## Detail of Company Directors and Management

Mr. Passagon Buathong	Age 42 years : Business Development Director
Share Ratio (%)	: None
Relationship with Management	: None
Highest Education	: Ph.D (Candidate) Dhurakij Pundit University (International College)
Working Experiences	
2010 – Present	: Business Development Director, Team Precision Pcl.
2008 – 2009	: Senior Contract & Negotiation Manager, Huawei Technologies (South East Asia) Company Limited
2004 – 2008	: Senior Program and Business Development Manager, Pemstar (Thailand) Company Limited
Related Training Program held by IOD	
- None	

Mr.Prachuab Kraikao	Age 49 years : Human Resources Director
Share Ratio (%)	: None
Relationship with Management	: None
Highest Education	: Master of Public and Private Management, NIDA
Working Experiences	
2012 – Present	: Human Resources Director, Team Precision Pcl.
2009 – 2012	: General Manager- Human Resources, At Home Housing Service Co.,Ltd.
2008– 2009	: Human Resources Director, Amarin Book Center Co.,Ltd.
Related Training Program held by IOD	
- None	





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

The Company continues to receive accreditations as follows:

1. International Standard of Quality (ISO 9001:2008)
2. Environmental Management System Certification (ISO:14001:2004)
3. Occupational Health Safety Certification (ISO:18001:2007)
4. Automotive Production Quality Management System Certification (ISO/TS:16949:2009)
5. Medical Equipment Industry (ISO:13485:2003)

Our mission is to delight customer with quality and world class professionalism through Lean Six Sigma and our experience specialist. We strive to grow and expand our business and work with different customers in different industries and regions in order to diversify business risk as well as to differentiate ourselves within the industry. We aim to further penetrate the market in order to generate higher profit and deliver good return on investment to our shareholders. We generate higher service value through our complete solution in order to fulfill customer's requirement worldwide as well as building a long term relationship with the customers and our suppliers.

### Company Product and Service

Company service's aim is complete solution offering to customer. Therefore, we provide the various services such as Design phase - product design , software & hardware design ,Prototyping, Printing circuit testing , Mass production as well as various distribution to better serve our customer expectation.

With every steps of solution offered to customer, we always take into account of exceptional quality and increase customer's competitiveness in the market. This is the important factor that we have continuously improvement with Lean Six Sigma and TPS (Toyota Production System). With all aspects combines, we enable to deliver products to customer with quality defect of less than 3PPM (3 parts for every million parts manufacture). In addition, we also have online barcode system which is our service in order to track the status online and inform detail of the manufacturing product.

We are offering services to our customers in different production application such as,

- Temperature controller in the Reefer Container
- Car stereo
- Hearing aid equipment
- Hearing aid storage and cleaner
- Hearing test equipment
- Tooth scanner for dentist
- Etc.

We currently equip with manufacturing technologies such as Surface Mount Technology (SMT), Auto Insertion (AI), Chip on Board (COB), DI water cleaning facility, Flip Chip Technology which are the technology to assembles the smallest chip in the board, conformal coating to prevent outside environment. In addition, we also introduce new service and increase production efficiency through introducing new technology in order to continuously delight customers and response to the changing market.

The Company offers solutions and services to its global customers within a wide variety of markets which can be classified in the following categories:

**Industrial Control**

Product offerings ranging from tracking and tracing product shipments in bio-logistics and pharmaceutical industries, providing refrigeration products to the global container industry, RFID product offerings for high-end security solutions, ballasts for lighting industries, products which help utilities manage energy more efficiently, laser detectors, and distance meters for construction product offerings, to fire safety products.

**Telecommunications**

Wireless networking equipment, high-end RF antenna technology for increasing network capacity at a lower cost.

**Consumer**

From car stereos, LCD television printed circuit mid-planes, consumer RF electronic learning products for children, audio players, wireless lighting and in home entertainment management remotes.

**Specialty Products**

Chip on board (COB) and wire bonded product offerings for signal equipment, product offerings which detect nuclear ionized radiation.

**Communications**

Audio interpretation equipment, high-end advanced conferencing systems for interpreting every language in such bases as the United Nations.

**Automotive**

Road surface sensor analyzing products, specialized audio equipment for automobiles.

**Medical**

Designing and manufacturing products which support single sided deafness, conditioning systems for hearing instruments, quality hearing care products for children, clinical audio meters and hearing test equipment for hospitals.

Current technologies employed by the company are Surface Mount Technology (SMT) on our high-end state of the art manufacturing lines, Plated Through-Hole (PTH), Chip On Board (COB) with wire bonding die-attach, Flip Chip Technology placing the smallest of chips on a PCB, bonding or chemical compounding of components and conformal coating for harsh environments, dedicated new product introduction (NPI) and proto-typing, product design and development including but not limited to software, hardware, mechanical, schematic and test design, global supply chain and logistic solutions including Kan-ban, and warehousing, to flexible printed circuit board manufacturing.

With our objective to sustainable development of Electronic Manufacturing Solutions Provider and support the society to promote social contribution which Team Precision Pcl. believes that it's a fundamental to develop with the whole society. Therefore, Team Precision Pcl. has aimed to turn this into reality, in the mean time, and has returned our benefit to the society and environmental preservation.



### Social Contribution

As a good corporate citizen, Team Precision Pcl. believes if there is a good citizen, there will be a good society. Therefore we realize, dedicate and contribute for the better community, society and the country.

### Environmental Preservation

Team Precision Pcl. Practices group management and staff with an emphasis on the environment in order to actualize a sustainable society.



### "Organic Farm in School" Project

On June 27, 2012, Team Precision Pcl. and community arranged the project "Organic Farm in School" for the student of Thairat Wittaya 7 school. We supported the vegetable seeds, organic fertilizers, fish breed and equipment etc. for student learning and awareness of healthy food and environmental care. After harvested, the student will have revenue from sale of their agricultural product to Team Precision's staff and community for supporting the project successively.



The project is important to the community and the youth of the nation to have a healthy and environmental awareness and to understand about organic agriculture in both theory and practice. It is an ongoing project of students from senior to junior. In addition, this will educate students about the channel outputs of the project "Organic Farm in School"



We support them to sell its product to our staff in Company's canteen. In this way, they will have revenue from its product to increase in the project and continue to carry on the family and society sustainable.





On December 28, 2012, Team Precision Pcl. ThairatWittaya 7 school and Prachinburi Disabled Society arranged the project "Qualified Agricultural Product Market in Team Precision " that invited student, farmer and disabled inhabitant to sell the qualified agricultural product and crafts to employees for support them to increase their revenue and self-reliance sustainably.



This project is for continuing by Team Precision Pcl. set a shop of many different types of products produced by the disabled to sell to our employees, including furniture. The executives and employees of the Company have an opportunity to realize their potential, capability and a positive attitude in the lives of the disabled that do not want to be a burden on society. The Company has been informed of the intention of the disabled have the ability occupation. That makes a good impression and inspire to employees.



We has been further supported the materials, including wood pallets to the disabled at Kabinburi district, Kabinburi province to be used as raw material in the production of furniture.

On August 9, 2012, Team Precision Pcl. and staff make merit in Queen's Birthday by donated blood to the hospital center for help patient or people who have injured.



Welfare committee is representative of company to provide snack to student at Sahabumrungrat Klong7 Thanyaburi Pathumthani in National child Day.

During the year, Team Precision PCL received external recognitions which are the Recognition awards as follows,

Recognition Award	Organized by	Objective and Results	
<b>:: Zero Accident Campaign 2012</b>	The Department of Labor Protection and Welfare	To motivate and encourage the organizations on the management of Safety, Health & Environment in Workplace. <u>Team Precision PCL got Bronze Plaque Award.</u>	
<b>:: Excellence Safety, Health &amp; Environment in Workplace 2012</b>	The Department of Labor Protection and Welfare	To promote and encourage organizations on the management of Safety, Health & Environment in Workplace and follow the international standard with related regulations compliance. <u>Team Precision PCL achieved the National Level Award.</u>	

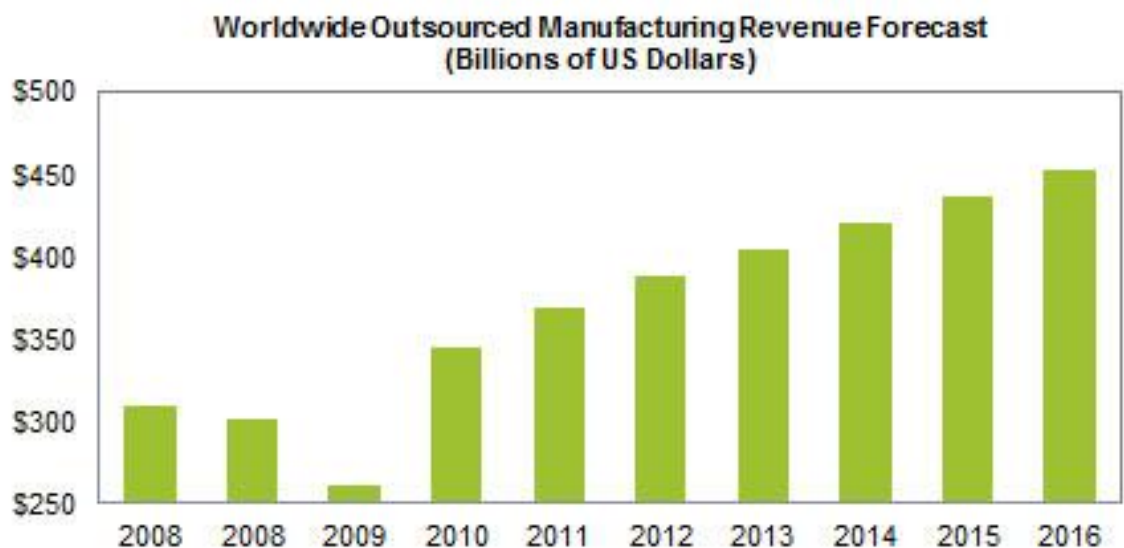




Despite lingering weakness in the global economy and continuing uncertainty in Europe and the United States of America since 2008, the outsourced manufacturing industry is expected to post moderate revenue growth this year as original equipment manufacturers (OEMs) increase their outsourcing activities to capitalize on opportunities for expansion across multiple industries including consumer electronics, industrial electronics and automotive electronics.

Revenue in 2013 for the worldwide outsourced manufacturing industry is forecast to reach \$404.5 billion, up 4.5 percent from \$387.0 billion last year, according to the [IHS Outsourced Manufacturing Intelligence Service](#) at information and analytics provider IHS (NYSE: IHS).

While this year's growth is slightly down from the estimated 5.0 percent rise that the industry enjoyed in 2012, the next few years ahead appear on track for solidly reliable—if unspectacular—rates of increase provided the global economy cooperates. By 2016, revenue will amount to \$451.9 billion, following the industry's recovery from the declines seen in 2008-09.



Source: IHS iSuppli Research, February 2013

Risk factors that may affect the Company's operation are as follows:

**1. Risk in the procurement of raw material and supply chain management**

Despite lingering weakness in the global economy and continuing uncertainty and unable to precisely predict the direction and recovery might be risk in negative effect from world economic crisis. The financial institutions, investors and entrepreneurs are more careful to run its business. In this respect, the material manufacturer of electronic part also concerned this matter, the shortage in the electronic product still is carried on from the global economic crisis while the demand in market is being higher. The Company has faced with this situation as well, however, the Company has the policy to diversify the source of material and reserve stock to balance its production enough to its customer's order together and make understanding to the customer regarding the procurement of raw material together, especially the specific material to those customers. The Company has foreign subsidiaries as the hub provided and researched the source of material as well to make sure that there is enough material on timely basis to its production. However, the Company continuously and closely follows up the market situation, join with customer and material manufacturer to manage the supply chain to mitigate the effect and the risk of material shortage.

**2. Risk in quality labor shortage and cost control**

Even the global economic has been sensitivity, fortunately, the Thailand market is being kept continuously better as a result to higher demand in labor. Moreover the adjustment of minimum labor rate all over the country accordance with the Government's policy might be the cause of quality labor shortage while higher in production cost. The Company concerns the said labor risk and cost control, the Company so keeps the improvement of labor skills for the productivity, cost reduction and maintain goods quality through its technical training center. Besides the training for multi skills and the improvement of production process by the principles of Lean and Six Sigma.

**3. Risk in collecting debts from customers**

Since most of the company's customers are overseas, which can create risks in the collection of debts when goods are sold on credit, it is important to be informed of changes in the situation of each customer, especially finances. So, the company follows up on and manages debtors seriously, apart from the strict evaluation process to determine term of credit, and also communicates regularly with all customers to establish a close relationship, especially in Europe and America. Regarding the economic regression, the new customers, who are considered to create risks in collecting debts, may be asked to make an advance payment, or provide letter of credit, stand-by letter of credit or provide Bank guarantee upon the case by case.

**4. Risk in Foreign Exchange rate**

The Company has material and machinery purchasing and goods sold transaction with the US dollars as the main foreign currency. The natural hedging is managed through foreign currency deposit account in US dollars currency. Moreover the Company has considered entering the forward exchange contract to prevent the risk form volatility of foreign and strengthen trend of Baht currency in market.

**5. Business risk**

Doing business by relying on major customers is a risk that the Company has focused to avoid or reduce risk from any changes in major customers. The Company manages the risk by expanding its new market as well as the distribution of business sector in each market and region.

**6. Risk in Natural Disaster**

During the recent past years, Thailand and global countries faced with natural disaster which is harder and harder, especially in 2011 Thailand has got the high impact from flood crisis. Although the Company's assets would not be damaged from this flood crisis, the Company concerns to future natural disaster which might be stronger, the Company had already entered into the insurance covered its assets, including building and factory, machinery, equipment and inventories. Moreover, the Company provides and updates the business continuity planning to handle and prevent any damage to its assets and employees.

Name list of top 10 shareholders as of the latest closed registration (as of March 12, 2013)

Name		Shares	%
Mr. Chakkaphant	Manutsathit	113,804,978	17.86
Mr. Sataporn	Manutsathit	112,094,570	17.60
Ms. Chanthip	Manutsathit	106,182,604	16.67
Mr. Anant	Manutsathit	105,588,288	16.57
Ms. Malinee	Petchmune	13,998,189	2.20
Ms. Patharawan	Manutsathit	13,094,659	2.06
Mr. Atthapol	Manutsathit	12,411,674	1.95
Mr. Weerawat	Sirayopas	11,911,161	1.87
Mr. Suthai	Pinrat	11,137,100	1.75
Mr. Sirinthip	Wongthitiroj	10,041,397	1.58

Source of data : Thailand Securities Depository Co., Ltd

#### The Dividend Policy

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



The structure of the Company's director committee is made up of the Board of Directors and five sub-committees with consists of Executive Board of Directors, the Management Team, Audit Committee, Nomination and Remuneration Commiittee and Risk Management Committee.

## 1. The Board of Directors

### 1.1 Name of member of the Board of Directors

1.	Mr.Chakkaphant	Manutsathit	Chairman of The Board of Director
2.	Mrs.Wasara	Chotithammarat	Director
3.	Mrs.Malipa	Manutsathit	Director
4.	Mrs.Suratn	Petchmunee	Director
5.	Mr.Chai	Jroongtanapibarn	Independent Director
6.	Mr.Pirom	Chamsai, Ph.D.	Independent Director
7.	Assoc.Prof. Paiboon	Sareewiwatthana, Ph.D.	Independent Director

Authorized directors to act on behalf of the Company:

Mr. Chakkaphant Manutsathit solely signs with the Company's seal being affixed or either Mrs. Suratn Petchmunee or Mrs. Malipa Manutsathit or Mrs. Wasara Chotithammarat jointly signs totaling to two out of three persons together with the Company's seal being affixed.

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

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

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 corperate governance , internal controls and risk management to ensure that operations are correct and efficient.
4. Verify connected transaction and items that may create conflict of interest so they conform to the current regulations.
5. Verify and approve the significant matter that affect to the Company's financial status debt and obligation.
6. To disclose the conflict of interest of their own and/or related person in relation to the Company or subsidiaries' interest according to the rule & regulations set by the Capital Market Supervisory Board to the Company.
7. The appointment of the determination of authority of Independent committee and sub-committees.
8. The appointment of subsidiary company's directors.

### 1.3 The appointment of directors

According to the regulations of the Company, the meeting of the shareholders is to elect directors according to the following criteria and methods:

1. Each shareholder has votes equivalent to the number of shares held, one share to one vote.
2. Each shareholder must use all their votes according to item 1 to elect one or more persons onto the board of directors, but may not divide their votes to award someone more or fewer votes.
3. The persons receiving the highest number of votes in a descending order are elected directors in the same number as that of directors that should be available or elected on that occasion. In case that persons elected in the descending order have equal votes, exceeding the number of directors that should be available or elected on that occasion, the chairman shall cast the deciding vote.

### 1.4 The selection of person to be appointed as company directors

The person holding the position of director of the company should be knowledgeable and capable in business management, should be honest and ready to perform management duties relevant to the position. At least one member of the audit committee must have knowledge in finance. Most importantly the director of the Company must not act against any regulations of the Stock Exchange of Thailand or the Company. The Board of Directors will determine the appointment of the director according to candidates submitted by the sub-committee before seeking the approval of the shareholders.

### 1.5 Definition of independent directors

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

#### Independent directors' qualifications

- (1) holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person. 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.

- (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.
- (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.
- (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.
- (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 more stringent than the definition of an independent director as set forth by Capital Market Supervisory Board.

#### 1.6 Performance assessment of the Board of Directors

The Board of Directors has the policy that the management team has to report the operating results compared with the target regularly. If the operating results could not be targeted, the Board would participate to solve or improve. All directors can freely provide recommendations.

Moreover the Board of Directors has the policy to assess the performance of the Company's management team which goal and criteria of assessment will be related to the Company's annual plan.

#### 1.7 Company secretary

The Board of Directors appointed Mrs. Suratr Petchmunee to be Company secretary and is responsible for arranging the meeting of the shareholders, the meeting of the Board of Directors and the meeting of other subcommittees so that they are adhere to related laws and regulations. She is also responsible for drafting and preparing meeting reports, the dissemination of news and information to directors, and the submission of the annual report and other reports according to the deadlines. The secretary will disseminate company information to relevant government departments as stipulated by law and in accordance to regulations, and will store all important documents of the company as well as carry out other tasks as assigned by the board of directors.



## 2. Executive Board of Directors

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

1.	Mr. Chakkaphant	Manutsathit	Chairman of the Executive Board of Directors
2.	Mrs. Wasara	Chotithammarat	Executive Director
3.	Mrs. Malipa	Manutsathit	Executive Director
4.	Mrs. Suratn	Petchmune	Executive Director

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

- Supervise the operations of the Company to ensure that they are according to the policies of the Board of Directors and the laws, conditions, rules, and regulations of the Company, except for the items may be disputes, interested in or in conflict with Company or its subsidiaries by executive directors that can be done only when the resolution of the meeting of the Board of Directors attended by the independent directors is obtained.
- Determine paths of development and expansion of business in accordance with the policies of the board of directors.
- Evaluate, prepare and improve the system and regulation of work in the company.
- 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 Baht 100 million. If exceeding Baht 100 million, approval must be sought from the Board of Directors.

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

## 3. The Management Team

### 3.1 Name of the members of the Management Team

1.	Mr. Chakkaphant	Manutsathit	Chief Executive Officer
2.	Mrs. Wasara	Chotithammarat	Chief Financial Officer
3.	Mrs. Malipa	Manutsathit	Chief Information Officer
4.	Mrs. Suratn	Petchmune	Company Secretary/Compensation & Benefit Director
5.	Mr. Rungrit	Laohapirotwattana	Vice President of Operation
6.	Mr. Manolo	Villaluz Momongan	Supply Chain Management & Marketing Director
7.	Mr. Likhit	Laobawornseadthee	Finance Director
8.	Mr. Passagon	Buathong	Business Development Director
9.	Mr. Prachuab	Kraikhao	Human Resources Director

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

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

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

## 4. Audit Committee

### 4.1 Members of the Audit Committee

- |                       |                         |                             |
|-----------------------|-------------------------|-----------------------------|
| 1. Mr. Chai           | Jroongtanapibarn*/**    | Chairman of Audit Committee |
| 2. Assoc.Prof.Paiboon | Sareewiwatthana, Ph.D.* | Member of Audit Committee   |
| 3. Mr. Pirom          | Chamsai, Ph.D.*         | Member of Audit Committee   |

Remark \* Independent director

\*\* Mr.Chai Jroongtanapibarn has particulau knowledge and experience for review the financial statements.

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

1. Review that the Company has accurate and adequate financial reports.
2. Review that the Company has an internal control system and appropriate and effective internal audits.
3. Review the Company complies with to the applicable law on the Securities and Stock Exchange, regulations and requirements of Stock Exchange or the laws related to the business of the Company.
4. Consider the appointment of the Company 's auditor and the proposed audit fee.
5. Review the accurate and complete disclosure of Company's information in case of the related transactions or items or situations where conflict of interests may occur.
6. Prepare the audit committee report with the signature of the audit committee chairman to be included in the Company's annual report. At least the following information must be includes:
  - a. Comments on the accurate, complete and reliable of financial report
  - b. Comments on adequate internal control system of the Company
  - c. Comments on the implementation of the applicable law on the Securities and Stock Exchange, regulations and requirements of the Stock Exchange or the laws related to the business of the Company.
  - d. Comments on the appropriate of the auditor
  - e. Comments on the conflict of interests

- f. The number of audit committee's meeting and the number of each audit committee's attendance
  - g. Overall audit committee's comments or suggestions received from implementing under charter
  - h. Other comments or information to the shareholders or investors under the duties and responsibilities appointed from the Board Director
7. Act as Board of Directors appoint with the approval of the audit committee  
Under the first paragraph, the audit committee has direct responsibility to the Board of Director and the Board of Directors still has responsibility to the third party.
  8. Within the audit committee scope, where the transaction or activity is found or in doubt that it will significantly affect to the financial status and the company performance, the audit committee shall report to the Board of Directors for correction or modification by reasonable time.

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

## 5. Nomination and Remuneration Committee

### 5.1 Members of the Nomination and Remuneration Committee

1.	Mr.Pirom	Chamsai, Ph.D*/**	Chairman of Nomination/ Remuneration Committee
2.	Assoc.Prof.Paiboon	Sareewiwatthana, Ph.D.*	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

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

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

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

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

## 6. Risk Management Committee

### 6.1 Members of the Risk Management Committee

- |    |  |                                       |
|----|--|---------------------------------------|
| 1. | Assoc.Prof.Paiboon Sareewiwatthana, Ph.D.* | Chairman of Risk Management Committee |
| 2. | Mr.Chai Jroongtanapibarn*                  | Member of Risk Management Committee   |
| 3. | Mr.Pirom Chamsai, Ph.D.*                   | Member of Risk Management Committee   |
| 4. | Mr.Chakkaphant Manutsathit                 | Member of Risk Management Committee   |
| 5. | Mrs.Malipa Manutsathit                     | Member of Risk Management Committee   |

Remark \* Independent director

### 6.2 The purpose of the risk management

1. Provide support and enable the company to consider the acceptable risk level.
2. Determine the framework to enable to manage uncertainties, risks, and business opportunities most effectively give support to and enable the Company to consider the acceptable risk level

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

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

**Policy on corporate governance**

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

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

**1. Rights of Shareholders**

In 2012 the Company had a total of one shareholder meeting, with one annual ordinary meeting taking place at the Company by having the appointment letters sent out to shareholders and concerned persons along with supporting information for various agenda for acknowledgement 14 days in advance before the meeting. Each meeting includes the opinions of the Board of Directors and the meetings are recorded accurately and completely for further audit by the shareholders.

**2. Equitable Treatment to Shareholders**

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

- 2.1 Provide a shuttle service to facilitate shareholders who wish to attend annual general meeting ("AGM") from the Stock Exchange of Thailand Building.
- 2.2 Give the equal right to vote to the shareholders.
- 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 In the 2015 AGM, total of seven directors attended the meeting. The chairman gave the shareholders the opportunity for the equal rights in auditing the Company's business performance, inquiry and recommendation expression. All these were also welcome through e-mail address: [ir@teampcba.com](mailto:ir@teampcba.com).

**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 employees on a fair and equitable basis with proper employee's compensation and provides provident fund and group accident insurance to all levels of employees. Furthermore, The Company pay full attention to employees' safety in workplace as evidenced in the Zero case of having to discontinue work process due to serious accident injuries in 2012.
- **Business partner:** the Company purchases goods and services from business partners according to trade conditions as well as the contract compliance with the trading parties.
- **Customer:** The Company takes good care of and be accountable to the customers, manufactures the quality products according to standards, retain customer's information in strict confidentiality, and has an assigned function or person responsible for customers' complaints of customers to enhance rapid actions for its customers.
- **Competitor:** 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 competitors.
- **Community:** The Company acts responsibly towards community environment by providing close and careful examinations of our pollution and treatment system of waste water flowing towards community and making certain they proceed in accordance with yearly plan
- **Shareholder :** The Company intends to create increase in share values and provide shareholders with good returns continuously while sustaining the company's growth.

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.

Furthermore the Company has prepared for its management and employees a business ethics guideline which feature the code of emphasis on honesty, respecting the confidentiality of customers, having no interest or benefit with the seller of components and products as well as the maintenance and protection of the company's property. The Company has issued information disclosure policy to prevent the disclosure of the Company's confidential information as well as strict measure to prevent exploitation of information of the company and that of the Company's trading partners. Employees of all levels of the company must not disclose company's confidential information to other people either for personal or commercial purposes.

The operation follow-up according to the criteria shall be reviewed by the senior executives for the appropriateness. In case of violation, the employees shall be subjected to the disciplinary actions according to the procedures determined by the Company

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

##### **Conflict of interest**

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

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

#### **5. Responsibilities of the Board of Directors**

##### **5.1 Leadership and Vision**

The Board of Directors has specific roles and duties to conform with standards for good governance, with details as follows:

- The Board of Directors has participated in determining (or expressed approval /disapproval) the vision, mission, strategies, targets, business plans and budget of the Company. The Board also exercises governance of the management department in carrying out operations according to the business plan and budget specified effectively and efficiently, to increase the economic value of the business to the highest level and to ensure highest stability for shareholders.
- The Board of Directors must clearly determine the assignment and division of roles, duties and responsibilities among the directors and the management according to the details of the structure of shareholding and management. The Board also communicates the roles, duties and responsibilities mentioned to the directors, management and employees of the company on a regular basis.
- The Board of Directors must govern the management team to perform according to established policies. This does not include items under dispute or items with conflict of interest and the items that have to ask for the approval from shareholders as required by the office of the Securities and Exchange Commission of Thailand.
- The Board of Directors must govern the Executive Board of Directors to operate according to established policies. The Executive Board of Directors shall have the authority to consider and approve loans or make requests for credit for normal business practices of the company, such as payments for investment and for other activities within the limit of each item not exceeding Baht 150 million or equivalent or as authorized by the Board of Directors.



## 5.2 Checks and Balances by Non-Executive Directors

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

- Four directors who are also management, representing 57% of total number of directors.
- Three independent directors who are not management, representing 43% of total number of directors.
- 

## 5.3 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.

## 5.4 Board of Directors' Meetings

The Board of Directors usually schedules to meet quarterly and additionally schedules special meetings 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. In 2012 the Board met four times for regular meetings and seven times for special meetings, totaling 11 meetings. The attendance of each member of the Board of the Company can be summarized as follows:

Name	Directors Meeting	Audit Comm.	Nomination and Remuneration Comm.	Risk Mgt. Comm.
1. Mr. Chakkaphant Manutsathit	11	-	1	1
2. Mrs. Malipa Manutsathit	10	-	1	1
3. Mrs. Suratn Petchmune	11	-	-	-
4. Mrs. Wasara Chotithummarat	11	-	-	-
5. Mr. Chai Jroongtanapibarn	11	5	1	1
6. Mr. Pirom Chamsai, Ph.D.	11	5	1	1
7. Assoc. Prof. Paiboon Sareewiwatthana, Ph.D.	10	4	1	1

## 5.5 Sub-committees

The Board of Directors has set up five sub-committees to carry out important tasks as follows:

1. Executive Board of Directors
2. Management Team
3. Audit Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee

The name of the members of the sub-committee as well as the limits of authority and responsibilities of the aforementioned sub-committee has been explained previously.

The number of meeting attendants by each directors has shown in table under 5.4.

### Development of Directors and Management Team

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

Directors & Management Name Training 2012		In house training ( course)	Public training (course)	Total hour
1.Mr. Chakkaphant	Manutsathit	2		13
2.Mrs.Malipa	Manutsathit	2		13
3.Mrs. Wasara	Chotithummarat	2	2	25
4.Mrs.Suratn	Petchmunee	2	1	19
5.Mr.Rungrit	Laohapirotwattana	2		13
6.Mr. Likhit	Laobawornseadthee	2	3	34
7.Mr. Prachuab	Kraikhao	2	2	36
		<b>12</b>	<b>8</b>	<b>153</b>

### Orientation for New Directors and Executives

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

### Remuneration for Directors and Executives of the Company

#### (A) Remuneration in the form of money

Name		Position	Remuneration		Compensation	
			2012	2011	2012	2011
1. Mr.Chakkaphant	Manutsathit	Chairman	390,000	390,000	40,000	100,000
2. Mrs.Wasara	Chotithammarat	Director	330,000	330,000	30,000	70,000
3. Mrs.Malipa	Manutsathit	Director	330,000	330,000	30,000	70,000
4. Mrs.Suratn	Petchmunee	Director	330,000	330,000	30,000	70,000
5. Mr.Chai	Jroongtanapibarn	Independent Director/ Chairman of Audit Committee	490,000	490,000	40,000	100,000
6. Assoc.Prof. Paiboon	Sareewiwatthana,Ph.D.	Independent Director/ Audit Committee	430,000	430,000	30,000	70,000
7. Mr.Pirom	Chamsai, Ph.D.	Independent Director/ Audit Committee	430,000	430,000	30,000	70,000
<b>Total Remuneration</b>			<b>2,730,000</b>	<b>2,730,000</b>	<b>230,000</b>	<b>550,000</b>

The Board of Directors has considered for the director remuneration with regard to their tasks and responsibilities by comparing with others in the same size and industry.

#### (B) Total remuneration, which includes monthly salary and bonus that the company paid executives are as below:

Year	Total Executive	Amount (Baht)
2012	9	42,723,066
2011	9	42,004,685

## (C) Other remunerations

1. The Employment Stock Option Plan warrant project for directors and employees of the Company

Project to share out 1,125,000 warrants among directors and employees giving the right to purchase ordinary shares (ESOP 2/2007) equivalent to 0.37 percent (%) of issued shares: Shareholders adopted the resolution at the ordinary shareholders meeting 1/2007 of 3<sup>rd</sup> April 2007 to share out warrants among directors and employees giving the right to purchase ordinary shares. No employee was given more than 5 percent of the shares. Directors and executives did not take part in the sharing out of shares this time.

Remark: The ESOP2/2007 warrant had expired the exercise at August 31,2012. The Company will arrange the capital reduction after receiving the approval from AGM 1/2013.

2. Provident fund

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

3. Long-term Employee Benefits

The Company had provision for compensations on employees' retirement at the year ended December 31, 2012 totaling 30,428,146 Baht. The principle assumptions and calculation is performed by a qualified actuary using the Projected Unit Credit Method.

4. Group Accident Insurance

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

**Employee**

The existing executive and staffs was 1,339 persons As of December 31,2012 and recognized compensation and benefit expenses for executives and employees totaling 337.85 Million Baht.

**Personnel development policy**

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

Employees are either given training within the Company with experts of particular areas being invited to widen their skill and knowledge scope or sent to other institutions for training. In 2012 ,the rate of employees trained for skilled labor reached 98% of the total company staff.

**Internal control and internal audit**

The Company has an internal audit department that directly reports to the audit committee to monitor the Company compliance with the established guidelines and systems. The Board of Directors has reviewed the adequateness and suitability of the internal control system in the Company whether it is able to protect the property of the Company which may be abused by executives without the proper authority. Furthermore, the audit committee of the company is appointed by the Board of Directors to audit various information regarding financial reports, internal auditing, has promoted and pushed the company to act in accordance with the code of best practice of registered company so that the company practices as good governance, and also offers advice on the risk management and internal controls to the executives.

**Internal data usage**

The Company has specified that executives report changes in property holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand according to Article 59 of the Securities and Exchange Act B.E.2535 (A.D.1992) and prohibits executives or organizations privy to internal data to reveal information to outsiders or persons whose duties are not relevant, and company shares are not to be bought or sold one month before the Company budget is revealed to the public and at least 24 hours after publicizing the information. The Company must not disclose any substantial information to other persons.

During the year 2012, the Board of Directors and its executives has strictly followed these policies. No any shares traded during the silent period were found.

**Report of the Board of Directors**

The Board of Directors is responsible for the financial statements prepared in accordance with the generally certified accounting principles. The essential information is sufficiently disclosed in the note to the financial statements and to the investors on timely basis according to the rules, regulations and good practices of the registered companies. The audit committee, appointed by the Board of Directors, has the responsibility of verifying all information regarding financial reports, internal audits, and audits carried out by approved auditors. The audit committee also has the duty of offering advice regarding the management of risks and internal controls to the Board so the company can carry out good governance. Thus, the Board of Directors agrees that the financial report for 2012 is adequately accurate and trustworthy.

**Relationship with investors**

As for investor relations, investors may access financial information about the Company through various data channels of the Stock Exchange of Thailand and the Company's websites at [www.teampcba.com](http://www.teampcba.com). The Company has also participated in press conferences arranged by the Stock Exchange of Thailand each year and responded to questions of investors, institutions, shareholders, and stock analysts. The Company also offers investors the opportunity to visit the business and meet with high-level executives. Furthermore, investors may contact person according to the name and details as follows:

- Mrs.Wasara Chotithammarat, Director and Chief Financial Officer  
E-mail address: [ir@teampcba.com](mailto:ir@teampcba.com), Telephone (66) 2577 2350, Fax (66) 2577 1705

## 2012 Operation

Team Precision Public Company Limited and subsidiaries (“the Company”) had operation for the year 2012 by total revenue from sales of Baht 1,807 million decreased 12.1% from those of the previous year of Baht 2,055 million as a result of demand in products of our customers has been decreased by the Europe and America economic crisis and high price competition in the market.

The Company’s gross profit for the year 2012 was 9.2% to sales compared with 9.3% of the previous year which is slightly lower. The Company had the net profit of Baht 29.9 million or 1.6% of total revenue for the year 2012 compared to the net profit of Baht 45.5 million or 2.2% of total revenue for the previous year which was a result of the change in the combination of product sales with different margin level and revenue from sales decreased as mentioned above.

## 2012 Financial Position

### Total Assets

As at 31 December 2012 and 2011, total assets of the Company was Baht 1,177 million and Baht 1,261 million, respectively, decreased by Baht 84 million or 7%. The major was due to as follows; Decreasing in current assets are as follows:

The decreasing in trade and other account receivables, the balance of trade and other account receivables as at 31 December 2012 was Baht 217 million or 18% of total assets decreased by Baht 77 million or 26% compared with 2011 because of collection management and the sale drop.

The decreasing in current investment, the balance of current investment as at 31 December 2012 was Baht 58 million or 5% of total assets decreased by Baht 41 million or 41% compared with 2011 because the Company has paid back the long-term loan before its due date at all to reduce financial cost and still keep good liquidity.

The decreasing in inventories, the balance of inventories as at 31 December 2012 was Baht 253 million or 21% of total assets decreased by Baht 11 million or 4% compared with 2011 slightly because the Company has continuously managed its stock in accordance with Company’s strategy of being business partner with its suppliers.

The increasing in net fixed assets, the balance of net fixed assets as at 31 December 2012 was Baht 510 million or 43% of total assets increased by Baht 49 million or 11% compared with 2011 because of requisition of new machinery for both new and existed customers’ order, production improvement and assets replacement.

### Liabilities

As at 31 December 2012 and 2011, total liabilities of the Company was Baht 359 million and Baht 428 million, respectively, decreased by Baht 69 million or 16%. The major was due to as follows;

The decreasing in long-term loans from financial institutions of Baht 88 million was due to be repaid before due at all in March 2012 for saving financial cost. However, the Company has still had adequate liquidity cash flow for its operation.

The decreasing in trade account payables, the balance of trade account payables as at 31 December 2012 was Baht 322 million or 90% of total liabilities increased by Baht 18 million or 6% because of normal business term due of its trade and other payables.



### Shareholders' Equity

As of 31 December 2012 and 2011, total shareholders' equity was Baht 818 million and Baht 833 million, respectively which decreased by Baht 15 million or 1.8% mainly due to the cash dividend payment of Baht 45 million in 2012, however, the Company had gain operation of Baht 29.9 million.

### Liquidity

As at 31 December 2012 and 2011, the Company had the balance of cash and cash equivalent at Baht 126 million and Baht 130 million, respectively or decreasing of 2.7% since the net cash flow provided by operations activities of Baht 249 million while net cash flow used in investments of Baht 115 million to require new machinery for serving its both new and existed customers' order, production improvement and assets and its net cash flow used in financing activities of Baht 137 million mainly from repayment of long-term loans Baht 88 million before due at all and dividend payment of Baht 45 million.

### Source of Funds

During the year 2012, the Company had a net cash inflows from operation activities of Baht 249 million, the Company was so able to fully repay its long-term loans of Baht 88 million before due and pay the dividend of Baht 45 million while still be kept its good liquidity by the balance of cash and cash equivalent was Baht 126 million at end of the year which enough to run its operations in 2013 including cash dividend payment of Baht 32 million in 2013. The Company has still been granted the credit facilities from banks for reserving to expand its capability by occasionally. As at 31 December 2012 and 2011, the debt to equity ratio was 0.44 and 0.51, respectively, decreased by 0.07 or 15%.

### Factors to Future Operation or Financial Position

The global economic crisis has still been sensitivity and high exposure to business and industry all over the world. The business activity so needs being more careful and closely follow up global economic, especially in Europe and America. Even if there is a good sign of economic trend, under high uncertainty, and high potential productivity and resources in Asia zone, the Company as a provider of manufacturing and handling service aware of existed economic crisis which may affect directly or indirectly to its operations on time to time. The Company has kept closely in touch any situation change and customer's production movement all over the world. The Company also highly closure to its existing customers and partners, carefully prepare itself for any uncertainty both from natural disaster and changing in local and oversea market. Finally, the Company would maintain continuously its excellence in quality standard of product and service as well as cost control management to encourage its competitiveness in global market, to maintain existing customer base with higher satisfaction, and to penetrate new market for future expansion.

### Audit Fee

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

Audit Fee	Team Precision (Thailand)	Team Precision (Denmark)	Team Precision (Singapore)
Audit Fees	Baht 805,000	DKK 39,000	SGD 9,000
Other Fees	*Baht 60,000	DKK 28,769	SGD 2,000

\*Privileges of corporate income tax exemption report Baht 30,000 per license

The Company has transactions with related companies which are related by holding shares, or co-management, or co-directors as disclosed in note to financial statements no.23. And there are no loan from/ to subsidiaries or connected parties.

**The Policy of Connected Transactions**

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





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 2012, the Audit Committee held five 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 2012

The Audit Committee provided the following opinions:

1. The Company's financial reports 2012 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.Chaiyakorn Aunpitpongsa of Dr.Virach & Associates, the Company's auditor, is suitable and provided appropriate services
5. The related transactions arising in 2012 were rational and made for the optimal benefits of the Company
6. In 2012, the number of the audit Committee meetings, and the attendance of such meetings by each committee member were as follows;

Mr.Chai	Jroongtanapibarn	Chairman	5/5
Asso.Prof. Paiboon	Sareewiwatthana, Ph.D.	Member	4/5
Mr.Pirom	Chamsai, Ph.D.	Member	5/5
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 Mr.Virach Aphimeteetamrong, Ph.D., Certified Public Accountant No.1378 and/or Mr. Chaiyakorn Aunpitpongsa, Certified public Accountant No 3196 and/or Mr.Apirak Atianuwat, Certified Public Accountant No 5202 of Dr.Virach & Associates Office Co.,Ltd., be re-appointed as the Company's auditor for the fiscal year ending 31 December 2013. 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 25 April 2013

Mr.Chai Jroongtanapibarn  
Chairman of the Audit Committee  
22 February 2013

**AUDITOR'S REPORT****To The Shareholders of****Team Precision Public Company Limited**

I have audited the accompanying consolidated financial statements of Team Precision Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Team Precision Public Company Limited for the same period.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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.

***Auditor's Responsibility***

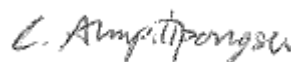
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

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, 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



(Mr. Chaikorn Aunpitipongsa)  
Certified Public Accountant Registration No. 3196

Dr. Virach & Associates Office Co., Ltd.  
Bangkok : February 22, 2013

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2012

ASSETS

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	NOTES	2012	2011	2012	2011
Current Assets					
Cash and cash equivalents	4.12 and 5	126,380,813	129,871,749	115,486,372	117,724,396
Current investments	4.2 and 6	58,037,952	99,204,867	58,037,952	99,204,867
Trade and other receivables	4.3 and 7	217,214,194	294,613,696	217,214,194	294,591,331
Inventories	4.4 and 8	253,379,885	264,829,217	254,128,911	264,758,075
Other current assets					
Refundable value added tax		402,836	4,427,652	169,607	2,319,187
Others		4,507,790	3,288,126	4,427,681	3,140,016
Total other current assets		4,910,626	7,715,778	4,597,288	5,459,203
Total Current Assets		659,923,470	796,235,307	649,464,717	781,737,872
Non-current Assets					
Investments in subsidiaries	4.5 and 9	-	-	14,559,811	14,559,811
Property, plant and equipment	4.6 and 10	510,480,924	461,886,107	510,480,924	461,886,107
Intangible assets	4.7 and 11	5,967,497	2,843,755	5,967,497	2,843,755
Other non-current assets		411,971	299,469	411,971	299,469
Total Non-current Assets		516,860,392	465,029,331	531,420,203	479,589,142
TOTAL ASSETS		1,176,783,862	1,261,264,638	1,180,884,920	1,261,327,014

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, 2012  
LIABILITIES AND SHAREHOLDERS' EQUITY

	NOTES	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	12	-	119	-	119
Trade and other payables	13	322,215,691	303,992,094	334,469,744	313,481,762
Current portion of long- term liabilities					
Long-term loans	14	-	29,400,000	-	29,400,000
Financial lease payables	15	2,027,140	3,868,456	2,027,140	3,868,456
Accrued income tax		115,563	29,605	-	-
Accrued interest expenses		-	25,373	-	25,373
Other current liabilities		4,538,801	5,800,934	4,538,801	5,737,531
Total Current Liabilities		328,897,195	343,116,581	341,035,685	352,513,241
Non-current Liabilities					
Long-term loans	14	-	58,800,000	-	58,800,000
Financial lease payables	15	-	2,027,140	-	2,027,140
Provision for long-term employee benefits	16	30,428,146	24,578,560	30,428,146	24,578,560
Total Non-current Liabilities		30,428,146	85,405,700	30,428,146	85,405,700
TOTAL LIABILITIES		359,325,341	428,522,281	371,463,831	437,918,941
Shareholders' Equity					
Share capital	17				
Authorized share capital					
580,000,000 common stocks of Baht 1 par value			580,000,000		580,000,000
644,746,590 common stocks of Baht 1 par value		644,746,590		644,746,590	
Issued and paid-up share capital					
566,279,715 common stocks of Baht 1 par value		-	566,279,715	-	566,279,715
637,063,385 common stocks of Baht 1 par value		637,063,385	-	637,063,385	-
Premium on common stocks		42,543,406	42,543,406	42,543,406	42,543,406
Retained earnings					
Appropriated	18	58,407,000	56,840,000	58,407,000	56,840,000
Unappropriated		81,424,794	169,142,409	71,407,298	157,744,952
Other components of shareholders' equity		(1,980,064)	(2,063,173)	-	-
Total Shareholders' Equity		817,458,521	832,742,357	809,421,089	823,408,073
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,176,783,862	1,261,264,638	1,180,884,920	1,261,327,014

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, 2012

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	NOTES	2012	2011	2012	2011
Revenues					
Sales	20	1,807,086,836	2,054,832,749	1,807,086,836	2,054,832,749
Other income		30,776,257	22,891,692	31,335,466	22,514,462
Total Revenues		1,837,863,093	2,077,724,441	1,838,422,302	2,077,347,211
Expenses	21				
Cost of sales		1,640,918,775	1,864,066,216	1,646,910,539	1,873,277,719
Selling expenses		25,439,546	29,499,500	23,686,069	24,587,833
Administrative expenses		136,715,429	127,856,977	132,702,687	122,802,999
Directors' remuneration	18	3,554,706	3,880,956	2,960,000	3,280,000
Finance costs		849,481	6,650,113	846,319	6,641,881
Total Expenses		1,807,477,937	2,031,953,762	1,807,105,614	2,030,590,432
Profit before Income Tax Expenses		30,385,156	45,770,679	31,316,688	46,756,779
Income Tax Expenses	25	448,429	261,117	-	-
Profit for the years		29,936,727	45,509,562	31,316,688	46,756,779
Other comprehensive income (loss):					
Translation of financial statement differences		83,109	969,718	-	-
Total comprehensive income for the years		30,019,836	46,479,280	31,316,688	46,756,779
Earnings Per Share	4.11 and 17				
Basic earnings per share		0.05	0.07	0.05	0.07
The number of common stocks used in computation (shares).		637,063,385	637,063,385	637,063,385	637,063,385

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

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**CONSOLIDATED**

	NOTES	BAHT				
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of shareholders' equity
				Legal reserve	Unappropriated	Other comprehensive income (loss)
						Translation of financial statement differences
Beginning balances, January 1, 2011 - as previously reported		566,279,715	42,543,406	54,500,000	230,560,828	(3,032,891)
Cumulative effects on the change in accounting policy	3	-	-	-	(19,646,024)	-
Restated balances, January 1, 2011		566,279,715	42,543,406	54,500,000	210,914,804	(3,032,891)
Dividend payment	18	-	-	-	(84,941,957)	-
Total comprehensive income for the year 2011		-	-	-	45,509,562	969,718
Legal reserve	18	-	-	2,340,000	(2,340,000)	-
Ending balances, December 31, 2011		566,279,715	42,543,406	56,840,000	169,142,409	(2,063,173)
Capital increase	17	70,783,670	-	-	-	-
Dividend payment	18	-	-	-	(116,087,342)	-
Total comprehensive income for the year 2012		-	-	-	29,936,727	83,109
Legal reserve	18	-	-	1,567,000	(1,567,000)	-
Ending balances, December 31, 2012		<u>637,063,385</u>	<u>42,543,406</u>	<u>58,407,000</u>	<u>81,424,794</u>	<u>(1,980,064)</u>
						<u>817,458,521</u>

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, 2012  
THE SEPARATE FINANCIAL STATEMENTS

		BAHT				
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Total
NOTES				Legal reserve	Unappropriated	
<hr/>						
Beginning balances, January 1, 2011 - as previously reported		566,279,715	42,543,406	54,500,000	217,916,154	881,239,275
<hr/>						
Cumulative effects on the change in accounting policy	3	-	-	-	(19,646,024)	(19,646,024)
<hr/>						
Restated balances, January 1, 2011		566,279,715	42,543,406	54,500,000	198,270,130	861,593,251
Dividend payment	18	-	-	-	(84,941,957)	(84,941,957)
<hr/>						
Total comprehensive income for the year 2011		-	-	-	46,756,779	46,756,779
Legal reserve	18	-	-	2,340,000	(2,340,000)	-
<hr/>						
Ending balances, December 31, 2011		566,279,715	42,543,406	56,840,000	157,744,952	823,408,073
Capital increase	17	70,783,670	-	-	-	70,783,670
Dividend payment	18	-	-	-	(116,087,342)	(116,087,342)
<hr/>						
Total comprehensive income for the year 2012		-	-	-	31,316,688	31,316,688
Legal reserve	18	-	-	1,567,000	(1,567,000)	-
<hr/>						
Ending balances, December 31, 2012		637,063,385	42,543,406	58,407,000	71,407,298	809,421,089

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

**TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before Income Tax Expenses	30,385,156	45,770,679	31,316,688	46,756,779
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX				
EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Depreciation	61,125,559	54,391,000	61,125,559	54,380,744
Amortization of intangible assets	3,431,206	2,542,950	3,431,206	2,542,949
Decrease in bad debts and doubtful debts	(63,552)	(1,470,651)	(63,552)	(1,470,651)
Increase (decrease) in provision for diminution in inventories	(28,536,060)	15,246,410	(28,536,060)	15,246,410
Loss on disposal of deteriorated inventories	29,276,633	1,167,926	29,276,633	1,167,926
Unrealized gain on exchange rates	(4,127,538)	(2,978,150)	(4,127,538)	(2,978,150)
(Gain) loss on disposal of equipment	(642,332)	162,958	(642,332)	162,958
Loss on written-off equipment	1,080,000	-	1,080,000	-
Unrealized (gain) loss on current investment	40,052	(78,004)	40,052	(78,004)
Interest expenses	849,481	6,650,113	846,319	6,641,881
Long-term employee benefits expenses	5,849,586	4,932,536	5,849,586	4,932,536
Profit from operation before changes in operating assets and liabilities items	98,668,191	126,337,767	99,596,561	127,305,378
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Current investment	41,126,863	(99,126,863)	41,126,863	(99,126,863)
Trade and other receivables	77,094,621	136,043,289	77,072,256	136,065,387
Inventories	10,708,759	157,869,465	9,888,591	158,490,801
Other current assets	3,143,120	3,995,086	1,199,883	205,975
Other non-current assets	-	130,248	-	130,248
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	21,044,601	(62,177,716)	23,808,986	(60,528,242)
Other current liabilities	(1,262,133)	2,481,064	(1,198,730)	2,480,503
CASH PROVIDED FROM OPERATION	250,524,022	265,552,340	251,494,410	265,023,187
Interest expenses paid	(874,854)	(6,665,346)	(871,692)	(6,657,114)
Income tax expenses paid	(778,771)	(809,760)	(416,300)	(112,502)
Translation of financial statement differences	83,109	969,718	-	-
NET CASH PROVIDED FROM OPERATING ACTIVITIES	248,953,506	259,046,952	250,206,418	258,253,571

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

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of land, building and equipment	(113,777,743)	(24,379,667)	(113,777,743)	(24,379,667)
Proceeds from disposal of equipment	1,494,458	629,822	1,494,458	629,822
Purchase of intangible assets	(2,788,910)	(1,643,206)	(2,788,910)	(1,643,206)
NET CASH USED IN INVESTING ACTIVITIES	(115,072,195)	(25,393,051)	(115,072,195)	(25,393,051)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank overdrafts and short-term loans from financial institutions	(119)	(123,989,229)	(119)	(123,989,229)
Repayment for long-term loans	(88,200,000)	(29,400,000)	(88,200,000)	(29,400,000)
Repayment for financial lease payables	(3,868,456)	(3,790,854)	(3,868,456)	(3,790,854)
Dividend payment	(45,303,672)	(84,941,957)	(45,303,672)	(84,941,957)
NET CASH USED IN FINANCING ACTIVITIES	(137,372,247)	(242,122,040)	(137,372,247)	(242,122,040)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,490,936)	(8,468,139)	(2,238,024)	(9,261,520)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	129,871,749	138,339,888	117,724,396	126,985,916
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	126,380,813	129,871,749	115,486,372	117,724,396
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS				
NON-CASH FLOWS ITEMS COMPRISE:				
Increase in equipment from assets payable	1,640,797	3,627,152	1,640,797	3,627,152
Increase in non-current assets from transferring withholding tax in other current assets	112,502	289,890	112,502	289,890
Increase in intangible assets from transferring assets under construction	3,766,038	-	3,766,038	-
Increase in capital from stock dividend payment	70,783,670	-	70,783,670	-
Increase in legal reserve	1,567,000	2,340,000	1,567,000	2,340,000

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, 2012**

**1. GENERAL INFORMATION**

	THE COMPANY	THE SUBSIDIARIES	
		Team Precision (Europe) ApS	TEAM PRECISION (SINGAPORE) PTE. LTD.
<b>1.1 Legal status</b>	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.	A juristic person established under Danish law.	A juristic person established under Singapore law.
<b>1.2 Company and factory location</b>	- 198 Moo 13, Tambol Dong-Khee-Lek, Amphur Muang Prachinburi, Prachinburi Thailand. - 152/8, 152/15 Moo 3, Thunyaburi-Lumlukga Road, Tambol Rungsit, Amphur Thunyaburi, Pathumtani Thailand.	Ellegardvej 25, 6400 Sonderborg, Denmark.	196 Pandan Loop #04 - 20 Pantech Industrial Complex Singapore.
<b>1.3 Type of business and operations</b>	Producing and assembling printed circuit and electronics circuit board.	See Note 9	See Note 9

**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 determined 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.

**2.2** New accounting standards not yet effective

The new accounting standards which are effective to the financial statements beginning on or after January 1, 2013 are as follows:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets



The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except TAS 12 Income Taxes. The effects of the change will be recognized retrospectively in the financial statements. Management estimates that the effects on the statements of financial position as at December 31, 2012 would be resulted in consolidated and the separate financial statements have liabilities increase of Baht 1.58 million and retained earnings decrease of Baht 1.58 million.

The standards which are effective to the financial statements beginning on or after January 1, 2014 are as follows:

SIC 29	Service Concession Arrangements: Disclosures
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes

The Company's management is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

- 2.3** These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.4** These consolidated financial statements included the financial statements of Team Precision Public Company Limited and its subsidiaries as follows:

	<u>% Holding</u>
Team Precision (Europe) ApS	100
TEAM PRECISION (SINGAPORE) PTE. LTD.	100

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

### **3. CHANGES IN ACCOUNTING POLICY**

In 2011, the Company has applied the new accounting standards in accordance with Thai Accounting Standard No. 19 : Employee Benefits. To adopt this accounting policy, the Company has chosen the perceived value of debt increase by adjusted to the beginning retained earnings of the period in the year 2011, in amount of Baht 19.65 million in the consolidated and the separate financial statements.

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **4.1 Revenues and expenses recognition**

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

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

Other income and expenses are recognized on an accrual basis.

#### **4.2 Current investments**

Investments in open-end fund are considered as trading securities, stated at fair value. The Company recognizes the investment revaluation as gain or loss in the statements of comprehensive income.

#### **4.3 Allowance for doubtful accounts**

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

#### 4.4 Inventories

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

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

#### 4.5 Investments in subsidiaries

Investments in subsidiaries are those companies in which the parent company, directly or indirectly, has power more than one half of the total voting rights or has power to govern the financial and operating policies of the subsidiaries. Investments in subsidiaries are stated by cost method.

#### 4.6 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is provided for all fixed assets other than land by the straight-line method based on the estimated useful life of the following assets:

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

#### 4.7 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.

#### 4.8 Leases

##### Operating leases

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

##### Financial leases

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

#### 4.9 Foreign currency transactions

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

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

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

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

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

#### **4.10 Forward exchange contracts**

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

#### **4.11 Earnings per share**

Basic earnings per share is calculated by dividing the annual net profit by the number of weighted average common stocks held by outsiders during the year. The number of common stock for prior year used for the calculation, as presented for comparative purposes has been adjusted in proportion to the change in the number of shares as a result of distribution of stock dividends of 70.78 million shares on May 17, 2012, as if the shares comprising such stock dividends has been issued at the beginning of the earliest period reported.

#### **4.12 Cash and cash equivalents**

For the purpose of preparation of cash flows statements, 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.

#### **4.13 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.

#### **4.14 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.

#### **4.15 Significant accounting judgments and estimates**

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

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, provision for diminution in inventories, depreciation of plant and equipment, 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.

## 5. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Cash	92,544	91,701	60,000	60,000
Bank deposits	126,288,269	129,780,048	115,426,372	117,664,396
Total	126,380,813	129,871,749	115,486,372	117,724,396

## 6. CURRENT INVESTMENTS

BAHT

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011
Investments in Open-end Fund-Debt Securities	58,000,000	99,126,863
Provision for adjustment in Open-end Fund	37,952	78,004
Fair value	58,037,952	99,204,867

## 7. TRADE AND OTHER RECEIVABLES

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
<u>Trade accounts receivable</u>				
Trade notes receivable				
Current	-	3,069,679	-	3,069,679
Trade accounts receivable				
Current	148,811,421	237,482,448	148,811,421	237,482,448
Overdue within 3 months	62,004,841	49,097,576	62,004,841	49,097,576
Over 3-6 months	2,644,534	17,250	2,644,534	17,250
Over 6-12 months	-	80,547	-	80,547
Over 12 months	393,146	383,384	393,146	383,384
Total	213,853,942	290,130,884	213,853,942	290,130,884
<u>Less</u> : Allowance for doubtful accounts	(393,146)	(463,931)	(393,146)	(463,931)
Trade accounts receivable-net	213,460,796	289,666,953	213,460,796	289,666,953
<u>Other receivables</u>				
Recoverable expenses	72,856	267,609	72,856	267,609
Other	3,680,542	4,679,134	3,680,542	4,656,769
Total other receivables	3,753,398	4,946,743	3,753,398	4,924,378
Total trade and other receivables	217,214,194	294,613,696	217,214,194	294,591,331

## 8. INVENTORIES

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Raw materials	241,786,941	276,185,562	242,535,967	276,114,420
Work in process	38,160,343	33,127,752	38,160,343	33,127,752
Finished goods	27,851,549	30,320,810	27,851,549	30,320,810
Raw materials in transit	2,594,551	10,744,652	2,594,551	10,744,652
Total	310,393,384	350,378,776	311,142,410	350,307,634
<u>Less</u> : Allowance for diminution in inventory values	(57,013,499)	(85,549,559)	(57,013,499)	(85,549,559)
<b>Inventories-net</b>	<b>253,379,885</b>	<b>264,829,217</b>	<b>254,128,911</b>	<b>264,758,075</b>

## 9. INVESTMENTS IN SUBSIDIARIES

BAHT

SUBSIDIARY COMPANIES	% HOLDING		COST METHOD	
	2012	2011	2012	2011
Team Precision (Europe) ApS	100	100	9,788,311 (DKK 1,500,000)	9,788,311 (DKK 1,500,000)
TEAM PRECISION (SINGAPORE) PTE. LTD,	100	100	4,771,500 (SGD 200,000)	4,771,500 (SGD 200,000)
TOTAL			14,559,811	14,559,811

SUBSIDIARY COMPANIES	TYPE OF BUSINESS	PAID-UP CAPITAL		DIVIDEND	
		2012	2011	2012	2011
Team Precision (Europe) ApS	Trading electronics components and distributing electronics products	DKK 500,000	DKK 500,000	-	-
TEAM PRECISION (SINGAPORE) PTE. LTD.	Trading electronics components and distributing electronics products	SGD 200,000	SGD 200,000	-	-



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The financial statements of Team Precision (Europe) ApS, its subsidiary in the foreign country were audited by other certified public accountant, and were used to prepare consolidated financial statements for the years ended December 31, 2012 and 2011 by having assets as at December 31, 2012 and 2011, the amount of Baht 32.07 million and Baht 27.11 million, respectively and having total revenues for the years ended December 31, 2012 and 2011 the amount of Baht 95.98 million and Baht 149.76 million, respectively.

The financial statements of TEAM PRECISION (SINGAPORE) PTE. LTD., its subsidiary in the foreign country were audited by other certified public accountant, and were used to prepare consolidated financial statements for the years ended December 31, 2012 and 2011, by having assets as at December 31, 2012 and 2011, the amount of Baht 7.50 million and Baht 11.52 million, respectively and having total revenues for the years ended December 31, 2012 and 2011 amount of Baht 0.70 million and Baht 9.71 million, respectively.

## 10. PROPERTY, PLANT AND EQUIPMENT

BAHT

Particulars	CONSOLIDATED									Total
	Land	Land improvement	Building and improvement	Machinery and accessories	Vehicles	Cooling systems	Electricity and telephone systems	Office furniture and fixtures	Assets under construction	
<b><u>Cost</u></b>										
January 1, 2011	41,793,452	8,007,648	249,603,711	580,143,641	27,535,560	62,239,263	41,748,377	58,953,627	7,067,412	1,077,092,691
Increase	-	-	-	6,133,045	2,313,112	93,963	-	5,303,238	14,163,461	28,006,819
Disposal	-	-	-	(9,297,661)	-	(2,365,827)	-	(1,151,154)	-	(12,814,642)
Transferred in (out)	-	-	-	15,589,865	-	-	-	88,000	(15,677,865)	-
December 31, 2011	41,793,452	8,007,648	249,603,711	592,568,890	29,848,672	59,967,399	41,748,377	63,193,711	5,553,008	1,092,284,868
Increase	15,116,184	-	523,810	20,989,321	1,847,959	1,377,605	969,000	3,388,627	71,206,034	115,418,540
Disposal	-	-	-	(10,336,147)	(1,274,850)	-	-	(45,400)	(1,080,000)	(12,736,397)
Transferred in (out)	-	-	-	69,492,125	-	-	-	-	(73,258,163)	(3,766,038)
December 31, 2012	56,909,636	8,007,648	250,127,521	672,714,189	30,421,781	61,345,004	42,717,377	66,536,938	2,420,879	1,191,200,973
<b><u>Accumulated depreciation</u></b>										
January 1, 2011	-	4,342,399	82,250,464	368,671,475	22,943,441	39,717,900	28,095,298	42,008,646	-	588,029,623
Depreciation for the year 2011	-	1,601,518	5,680,009	32,606,658	2,361,824	2,230,320	1,779,643	8,131,028	-	54,391,000
Depreciation - Disposal	-	-	-	(8,536,934)	-	(2,348,818)	-	(1,136,110)	-	(12,021,862)
December 31, 2011	-	5,943,917	87,930,473	392,741,199	25,305,265	39,599,402	29,874,941	49,003,564	-	630,398,761
Depreciation for the year 2012	-	1,601,582	5,239,224	39,513,373	2,397,052	2,340,064	1,847,363	8,186,901	-	61,125,559
Depreciation - Disposal	-	-	-	(9,489,893)	(1,274,849)	-	-	(39,529)	-	(10,804,271)
December 31, 2012	-	7,545,499	93,169,697	422,764,679	26,427,468	41,939,466	31,722,304	57,150,936	-	680,720,049
<b><u>Net book value</u></b>										
December 31, 2011	41,793,452	2,063,731	161,673,238	199,827,691	4,543,407	20,367,997	11,873,436	14,190,147	5,553,008	461,886,107
December 31, 2012	56,909,636	462,149	156,957,824	249,949,510	3,994,313	19,405,538	10,995,073	9,386,002	2,420,879	510,480,924

Particulars	THE SEPARATE FINANCIAL STATEMENTS									
	Land	Land improvement	Building and improvement	Machinery and accessories	Vehicles	Cooling systems	Electricity and telephone systems	Office furniture and fixtures	Assets under construction	Total
<b>Cost</b>										
January 1, 2011	41,793,452	8,007,648	249,603,711	580,137,526	27,535,560	62,239,263	41,748,377	58,910,530	7,067,412	1,077,043,479
Increase	-	-	-	6,133,045	2,313,112	93,963	-	5,303,238	14,163,461	28,006,819
Disposal	-	-	-	(9,297,661)	-	(2,365,827)	-	(1,151,154)	-	(12,814,642)
Transferred in (out)	-	-	-	15,589,865	-	-	-	88,000	(15,677,865)	-
December 31, 2011	41,793,452	8,007,648	249,603,711	592,562,775	29,848,672	59,967,399	41,748,377	63,150,614	5,553,008	1,092,235,656
Increase	15,116,184	-	523,810	20,989,321	1,847,959	1,377,605	969,000	3,388,627	71,206,034	115,418,540
Disposal	-	-	-	(10,336,147)	(1,274,850)	-	-	(45,400)	(1,080,000)	(12,736,397)
Transferred in (out)	-	-	-	69,492,125	-	-	-	-	(73,258,163)	(3,766,038)
December 31, 2012	56,909,636	8,007,648	250,127,521	672,708,074	30,421,781	61,345,004	42,717,377	66,493,841	2,420,879	1,191,151,761
<b>Accumulated depreciation</b>										
January 1, 2011	-	4,342,399	82,250,464	368,666,547	22,943,441	39,717,900	28,095,298	41,974,618	-	587,990,667
Depreciation for the year 2011	-	1,601,518	5,680,009	32,605,471	2,361,824	2,230,320	1,779,643	8,121,959	-	54,380,744
Depreciation - Disposal	-	-	-	(8,536,934)	-	(2,348,818)	-	(1,136,110)	-	(12,021,862)
December 31, 2011	-	5,943,917	87,930,473	392,735,084	25,305,265	39,599,402	29,874,941	48,960,467	-	630,349,549
Depreciation for the year 2012	-	1,601,582	5,239,224	39,513,373	2,397,052	2,340,064	1,847,363	8,186,901	-	61,125,559
Depreciation - Disposal	-	-	-	(9,489,893)	(1,274,849)	-	-	(39,529)	-	(10,804,271)
December 31, 2012	-	7,545,499	93,169,697	422,758,564	26,427,468	41,939,466	31,722,304	57,107,839	-	680,670,837
<b>Net book value</b>										
December 31, 2011	41,793,452	2,063,731	161,673,238	199,827,691	4,543,407	20,367,997	11,873,436	14,190,147	5,553,008	461,886,107
December 31, 2012	56,909,636	462,149	156,957,824	249,949,510	3,994,313	19,405,538	10,995,073	9,386,002	2,420,879	510,480,924

## 11. INTANGIBLE ASSETS

PARTICULARS	BAHT	
	CONSOLIDATED	THE SEPARATE FINANCIAL STATEMENTS
	Computer softwares	Computer softwares
<u>Cost</u>		
January 1, 2011	15,480,453	15,480,453
Increase	1,643,206	1,643,206
December 31, 2011	17,123,659	17,104,131
Increase	2,788,910	2,788,910
Transferred in (out)	3,766,038	3,766,038
December 31, 2012	23,678,607	23,659,079
<u>Accumulated amortization</u>		
January 1, 2011	(11,736,954)	(11,717,427)
Amortization for the year 2011	(2,542,950)	(2,542,949)
December 31, 2011	(14,279,904)	(14,260,376)
Amortization for the year 2012	(3,431,206)	(3,431,206)
December 31, 2012	(17,711,110)	(17,691,582)
<b>Net book value</b>		
December 31, 2011	2,843,755	2,843,755
December 31, 2012	5,967,497	5,967,497

## 12. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

PARTICULARS	BAHT	
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011
Bank overdrafts	-	119

### 13. TRADE AND OTHER PAYABLES

PARTICULARS	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Trade accounts payables	238,148,003	227,220,301	251,055,540	238,281,000
Accrued expenses	29,076,405	28,741,013	28,422,921	27,169,982
Advance receipt	45,434,445	35,281,241	45,434,445	35,281,241
Assets payable	1,669,687	3,627,152	1,669,687	3,627,152
Others	7,887,151	9,122,387	7,887,151	9,122,387
Total trade and other payables	322,215,691	303,992,094	334,469,744	313,481,762

### 14. LONG-TERM LOANS

PARTICULARS	BAHT	
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011
Long-term loans	-	88,200,000
<u>Less</u> : Portion due within one year	-	(29,400,000)
Long-term loans-net	-	58,800,000

Details of long-term loan as at December 31, 2012 and 2011 are as follows :

Credit line	Repayment conditions	Collateral	(MILLION BAHT)	
			Principal balances	
			2012	2011
130.00	The repayment was commenced from March 31, 2011 and will be ended on December 31, 2014.	The Company will not use their assets which are lands, buildings and all machinery to be collaterals (negative pledge condition) except obtaining the permission from the lender.	-	88.20

Loans interest rate is at MLR minus 2.00% per annum.

In March 2012, the Company has paid back the loan before its due date.

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

**15. FINANCIAL LEASES PAYABLES**

The Company entered into financial lease agreements for vehicles and equipment, under which the balance of minimum base payment as follows :

PARTICULARS	BAHT	
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011
Less than 1 year	2,072,330	4,131,348
More than 1 to 2 years	-	2,072,330
Total minimum financial lease payables	2,072,330	6,203,678
<u>Less</u> : Deferred interest	(45,190)	(308,082)
	2,027,140	5,895,596
<u>Less</u> : Portion due within one year	(2,027,140)	(3,868,456)
Financial lease payables - net	-	2,027,140

Financial lease payables, payment is made by monthly which will be completed within 2013.  
The portion of financial lease payables due within one year was shown under current liabilities.

**16. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS**

Provision for long-term employee benefits for the year ended December 31, 2012 and 2011, which are compensations on employees' retirement, were as follows

PARTICULARS	BAHT	
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011
Defined benefit obligation from adoption a new accounting policy at the beginning of year	-	19,646,024
Defined benefit obligation at beginning of year	24,578,560	-
Current service cost	4,866,490	4,146,696
Interest cost	983,096	785,840
Defined benefit obligation at end of year	30,428,146	24,578,560

Long-term employee benefit expenses included in statements of comprehensive income for the years ended December 31, 2012 and 2011 amount of Baht 5,849,586 and Baht 4,932,536, respectively.



Principle actuarial assumptions at the valuation date were as follows :

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
PARTICULARS	For the years ended December 31,2012 and 2011
Discount rate	4 %
Future salary increase rate	5 %
Disability rate	5%
Staff turnover rate	0-45 %

## 17. SHARE CAPITAL

On April 25, 2012, the Ordinary General Shareholders' Meeting was held and approved a resolution to reduce authorized share capital from Baht 580 million to Baht 573.96 million by eliminating the shares remaining from the allocation of ordinary shares reserve for the Warrants to purchase the Company's ordinary shares to directors and employees of the Company (ESOP) No.1/2549 and approved the increase of the authorized share capital from Baht 573.96 million to Baht 644.74 million to reserve for stock dividend totaling Baht 70.78 million by issuing 70,783,670 ordinary shares. The Company has registered it with the Ministry of Commerce on May 17, 2012. Thus, the Company has Baht 644.74 million for the authorized share capital and Baht 637.06 million for issued and paid-up share capital.

## WARRANTS

### ESOP PROGRAMME 2/2550

On April 3, 2007, the Ordinary General Shareholders' Meeting was held and approved a resolution to issue and offer warrants to the directors and employees of the Company under the Company's ESOP programme of 1,125,000 units with 5 year maturity at the offering price of Baht zero. The exercise ratio is 1 unit of warrant to 1 common stock, and the Company has appropriated and offered on August 31, 2007, with the exercise price at Baht 5.67 per share. The exercise dates for purchasing common stocks are fixed on every last working day in the month of January, April, July and October, through the 5 year period of warrants. The first exercise date was effective on August 31, 2007, and the last exercise date will be on August 31, 2012.

On April 3, 2008, the exercise has been revised with the new exercise price of Baht 4.5040 per share and the new exercise ratio is 1 unit to 1.2589 common stocks, which become effective on March 11, 2008.

On April 8, 2009, the exercise has been revised with the new exercise price of Baht 4.362 per share and the new exercise ratio is 1 unit to 1.30 common stocks, which become effective on March 16, 2009.

On April 20, 2011, the exercise has been revised with the new exercise price of Baht 4.234 per share and the new exercise ratio is 1 unit to 1.33916 common stocks, which become effective on April 20, 2011.

On April 25, 2012, the exercise has been revised with the new exercise price of Baht 3.661 per share and the new exercise ratio is 1 unit to 1.54863 common stocks, which become effective on April 25, 2012.

The exercise dates	Amount exercised (units)	Balance (units)
August 31, 2007	-	1,125,000
Exercised in year 2007	18,822	1,106,178
Exercised in year 2008	14,050	1,092,128
August 31, 2012		1,092,128
August 31, 2012 The last exercise date	-	1,092,128

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

On April 25, 2012, the Ordinary General Shareholders' Meeting 1/2012 was held and approved a resolution to pay stock dividend by issuing 70.78 million common stocks to the shareholders at the ratio of 8 existing shares to one new share, accounted for Baht 70.78 million. And to pay cash dividend at Baht 0.08 per share to the shareholders of 566.28 million shares, totalling Baht 45.30 million by fixing the payment date for dividend on May 15, 2012, and approved to pay for 2012 directors' remuneration at maximum Baht 2.73 and directors' bonus amount of Baht 0.23 million.

On April 20, 2011, the Ordinary General Shareholders' Meeting 1/2011 was held and approved a resolution to pay cash dividend at Baht 0.15 per share to the shareholders of 566.28 million shares, totalling Baht 84.94 million, by fixing the payment date for the cash dividend on May 18, 2011, and approved to pay for 2011 directors' remuneration at maximum Baht 2.73 million and bonus to directors with the amount not exceeding to Baht 0.55 million.

In 2012 and 2011, the subsidiaries have paid directors' remuneration, which were shown in the consolidated financial statements.

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. The Company has appropriated net profit of 2012 and 2011 for legal reserve amount of Baht 1,567,000 and Baht 2,340,000, respectively.

## 19. FOREIGN CURRENCY TRANSACTIONS

**19.1** 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, 2012 and 2011, the Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies as follows:

(AMOUNT IN THOUSAND)

PARTICULARS	CONSOLIDATED			
	Foreign currencies		Converted to Baht	
	2012	2011	2012	2011
ASSETS				
USD	8,034.16	10,170.20	244,927.14	320,874.98
EUR	17.62	12.50	709.12	508.89
DKK	-	321.08	-	1,755.29
TOTAL			245,636.26	323,139.16
LIABILITIES				
USD	5,124.27	4,215.68	157,712.16	134,193.00
EUR	42.83	23.20	1,749.85	959.09
DKK	-	12.51	-	69.67
TOTAL			159,462.01	135,221.76

(AMOUNT IN THOUSAND)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS			
	Foreign currencies		Converted to Baht	
	2012	2011	2012	2011
ASSETS				
USD	7,733.61	9,831.67	235,764.39	310,193.98
LIABILITIES				
USD	5,545.34	4,554.47	170,671.58	144,977.45
EUR	43.05	32.65	1,758.95	1,349.60
DKK	4.97	0.14	27.26	0.78
TOTAL			172,457.79	146,327.83

**19.2** As at December 31, 2012 and 2011, the Company has entered into Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might affect to Baht received from export trade accounts receivable that can be summarized as follow:

(AMOUNT IN MILLION)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS		
	Foreign currency	Fair value in Baht	Delivery date
As at December 31, 2012			
USD	1.44	44.32	April - July 2013
As at December 31, 2011			
USD	0.90	28.85	March - June 2012

## 20. PROMOTIONAL PRIVILEGES

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

1. Promotional certificates Nos.	1759/2539	1760/2543	1696/O./2546 (Replace No. 1057/2534)	1218(2)/2550	1265(4)/2551	1355(1)/2553	1356(1)/2553
2. Date of promotional certificates	12/11/1996	04/10/2000	21/03/1991	06/03/2007	13/03/2008	24/3/2010	24/3/2010
3. Date of generating income	01/12/1996	10/11/2004	13/11/1990	06/07/2007	-	17/2/2011	23/2/2011
4. The promotional privileges for manufacturing of	component or accessories used with electronics products	printed circuit board assembly (PCBA)	production or assemble electronics products	printed circuit board assembly (PCBA) and electronics products	electronics design and products from electronics design	medical products, electronic products, and printed circuit board assembly (PCBA) for automotive parts or telecommunication parts	medical products, electronic products, and printed circuit board assembly (PCBA) for automotive parts or Telecommunication parts
5. Important privileges and benefits which are granted:							
5.1 Exemption from corporate income tax on net profit from promotional operations commencing from the generating revenue date.	8 years (expired on Nov. 30, 2004)	8 years (will be expired on Nov. 9, 2012)	-	5 years (will be expired on Jul.6, 2012) or (tax values not over Baht 251.94 million)	8 years	8 years (will be expired on Feb. 16, 2019)	8 years (will be expired on Feb. 22, 2019)
5.2 Allowance to deduct from taxable income at 5% of the increment in export of previous year, commencing from the generating revenue date.	10 years (expired on Nov.30,2006)	10 years (will be expired on Nov. 9,2014)	10 years (expired on Nov. 12,2000)	-	-	-	-
5.3 Allowance of reduction the corporate income tax from promotional net profit at 50% of normal rate after the exemption for corporate income tax is ended.	5 years (expired on Nov. 30, 2009)	5 years (will be expired on Nov. 9 2017)	-	-	-	5 years (will be expired on Feb.16 2024)	5 years (will be expired on Feb. 22 2024)
5.4 Exemption from income tax on dividends from promoted business which was exempted from income tax as 5.1	8 years (expired on Nov. 30, 2004)	8 years	-	5 years	8 years	8 years	8 years
5.5 Exemption from import duty on raw materials and necessary supplies imported from overseas for export manufacturing.	2 years (will be expired on Feb. 24, 2014)	5 years	2 years (will be expired on May 15, 2013)	2 years (will be expired on May 10, 2014)	1 year	2 years (will be expired on, Jul. 21, 2013)	5 years (will be expired on Feb. 18, 2016)

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

The Company has local and export sales for the years ended December 31, 2012 and 2011 as follows

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS			
	2012		2011	
	Baht	%	Baht	%
Export sales	1,735,077,671	96.02	2,003,070,902	97.48
Local sales	72,009,165	3.98	51,761,847	2.52
Total sales	1,807,086,836	100.00	2,054,832,749	100.00

## 21. EXPENSES BY NATURE

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
(Increase) decrease in the changes of finished goods and work in process	(2,563,330)	51,635,418	(2,563,330)	51,635,418
Raw material and consumables used	1,212,590,119	1,413,762,145	1,217,467,499	1,421,141,777
Director and management benefit expenses	46,277,772	45,885,639	45,683,066	45,284,685
Employee benefit expenses	337,850,727	292,180,109	334,878,212	286,730,431
Depreciation and amortization expenses	64,556,765	56,933,950	64,556,765	56,923,693
Finance costs	849,481	6,650,113	846,319	6,641,881
Other expenses	147,916,403	164,906,388	146,237,083	162,232,547
TOTAL	1,807,477,937	2,031,953,762	1,807,105,614	2,030,590,432

## 22. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries operate in one business of producing and assembling printed circuit and electronics circuit board in geographical areas, Thailand and overseas. Both local and export sales are presented in Note 20 to the financial statements.

## 23. TRANSACTIONS WITH RELATED PARTIES

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

RELATED PARTIES	TYPE OF BUSINESS	RELATIONSHIP
1. Team Precision (Europe) ApS	See Note 9	subsidiary
2. TEAM PRECISION (SINGAPORE) PTE. LTD.	See Note 9	subsidiary
3. Energy Innovation Co.,Ltd.	Distribution of electrical and electronic equipment	Director is shareholder

The significant related accounting transactions are as follows:

(THOUSAND BAHT)

RELATED TRANSACTIONS IN STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Trade accounts receivable - Energy Innovation Co., Ltd.	2,133	1,775	2,133	1,775
Advance payment - Team Precision (Europe) ApS	-	-	-	33
Trade accounts payable - Team Precision (Europe) ApS - TEAM PRECISION (SINGAPORE) PTE LTD.	- - -	- - -	25,730 2,302	20,845 1,425
Total trade accounts payable		-	28,032	22,270

(THOUSAND BAHT)

RELATED TRANSACTIONS IN STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2012	2011	2012	2011
Sales - Energy Innovation Co.,Ltd. (Normal business quotation)	4,251	8,892	4,251	8,892
Purchase of goods and raw materials - Team Precision (Europe) ApS (Actual raw material cost plus estimation of related sourcing and marketing expenses 1.50%, 3.00%, 7.00%) - TEAM PRECISION (SINGAPORE) PTE. LTD. (Actual raw material cost plus estimation of related sourcing and marketing expenses 5.27%)	- - -	- - -	96,082 1,158	149,500 9,594
Total purchase of goods and raw materials	-	-	97,240	159,094

## 24. COMMITMENT AND CONTINGENT LIABILITIES

**24.1** As at December 31, 2012 and 2011, the Company has commitment and contingent liabilities as follows:

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS			
	Foreign currency		Baht	
	2012	2011	2012	2011
Letters of credit - USD	17,312	29,059	-	-
Letters of guarantee from commercial bank	-	-	31,935,960	48,675,666

As at December 31, 2012 and 2011, the Company has credit lines of letters of credit and trust receipt within Baht 550 million and Baht 600 million, respectively.

#### 24.2 Operating lease commitment

The Company and subsidiaries have entered into several lease agreements in respect of the lease of offices and vehicles. The terms of the agreements are generally between 1 year to 5 years.

As at December 31, 2012, the Company and its subsidiaries have future minimum lease payments under these operating leases contracts as follows:

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	Foreign currencies	Baht	Foreign currency	Baht
Within one year				
BAHT	-	588,600	-	588,600
SGD	19,200	-	-	-
After one year but within four years				
BAHT	-	1,562,400	-	1,562,400
SGD	11,200			

#### 25. INCOME TAX

Corporate income tax of the Company for the years ended December 31, 2012 and 2011, are calculated from the accounting profit 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 23 per cent for year 2012, and the rate 30 per cent for year 2011.

BOI business operation, income tax is calculated according to the privileges which are granted (see also Note 20).

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

#### 26. 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 :

##### 26.1 Accounting policies and procedures

- See Note 4.

##### 26.2 Risk from breach of contracts

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



### **26.3 Risk relating to interest rate**

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

### **26.4 Risk from exchange rate**

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

### **26.5 Fair value of financial instruments**

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

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

## **27. CAPITAL MANAGEMENT**

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

## **28. EVENTS AFTER THE REPORTING PERIOD**

On February 22, 2013, the Board of Directors' Meeting No. 1/2013 was held and passed a resolution for the dividend payment by cash of Baht 0.05 per share at total of approximately Baht 31.85 million. The Company will request for the approval to pay the dividend in the annual general meeting of shareholders.

## **29. LEGAL ISSUE / LITIGATION**

The Company has a civil court case regarding to the remuneration to a sale and service representative for the principal of Baht 13.03 million together with its related interest at 7.50 percent per annum to the claim amount. The Civil Court had an order that the Company had to pay this claim. However, the Company has already appealed to the Supreme Court and the case is under the consideration by the Supreme Court.

The Company has already recorded an accrued expense for this transaction in full amount equivalent to US Dollars being specified in arbitral award.

## **30. FINANCIAL STATEMENTS APPROVAL**

These financial statements are duly approved by the Company's director on February 22, 2013

# ทีมพรีซิชั่น

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