

TEAM PRECISION PUBLIC COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AND THE SEPARATE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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บริษัท สำนักงาน ดร.วิรัช แอนด์ แอสโซซิเอทส์ จำกัด
DR.VIRACH & ASSOCIATES OFFICE CO., LTD.

CERTIFIED PUBLIC ACCOUNTANTS
สำนักงานใหญ่ เลขประจำตัวผู้เสียภาษี 0105556000751

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AUDITOR'S REPORT

To The Shareholders of

Team Precision Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Team Precision Public Company Limited and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2023, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Team Precision Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Team Precision Public Company Limited and its subsidiary and of Team Precision Public Company Limited as at December 31, 2023, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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



1. The completeness of allowance for diminution in inventories

As at December 31, 2023, as described in Note 6 to the financial statements, the Company has allowance for diminution in inventories amount of Baht 68.52 million. According to Note 3.4, the Company has provided allowance for diminution in inventories by considering the current condition of inventories whether it is deteriorated or obsolete, which may result the completeness of recording allowance for diminution in inventories.

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

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

2. The completeness of the revenue recognition from export sales

According to Note 3 .1 sale of goods are recognized when the Company has transferred control over the goods to the customer.

As at December 31, 2023, as described in Note 21 to the financial statements, the Company has export sales amount of Baht 3,148.50 million accounted for 98.12% of total sales, which is significant to the financial statements. Due to the term of transferring the control to customer is different. Therefore, the revenues recognition from export sale from many condition terms may have effect to the accuracy and completeness of revenues recognition.

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

Based on our testing, the result is satisfactory, and I found no material misstatement.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.



When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for our audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Mr. Apiruk Ati-anuwat)

Certified Public Accountant Registration No. 5202

Dr. Virach & Associates Office Co., Ltd.

Bangkok : February 20, 2024

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	NOTES	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
ASSETS					
Current Assets					
Cash and cash equivalents	3.2 and 4	330,146,190	124,314,441	327,443,015	121,635,279
Trade and other current receivables	3.3 and 5	482,398,286	503,402,592	482,341,801	503,073,891
Current contract assets		14,729,669	9,758,557	14,729,669	9,758,557
Inventories	3.4 and 6	724,924,858	1,021,053,246	725,196,588	1,019,087,697
Other current financial assets					
Receivables from selling forward exchange contract		-	215,128	-	215,128
Other current assets		1,766,955	2,040,423	1,766,955	2,040,423
Total Current Assets		1,553,965,958	1,660,784,387	1,551,478,028	1,655,810,975
Non-current Assets					
Investments in subsidiary	3.5 and 7	-	-	9,788,311	9,788,311
Property, plant and equipment	3.6 and 8	427,749,984	430,793,421	427,749,984	430,793,421
Right-of-use assets	3.7 and 9	1,464,866	2,031,138	1,464,866	2,031,138
Intangible assets	3.8 and 10	5,311,939	1,288,115	5,311,939	1,288,115
Other non-current assets					
Withholding income tax		204,322	748,484	204,322	748,484
Deposit assets		5,124,803	-	5,124,803	-
Others		9,378	9,378	9,378	9,378
Total other non-current assets		5,338,503	757,862	5,338,503	757,862
Total Non-current Assets		439,865,292	434,870,536	449,653,603	444,658,847
TOTAL ASSETS		1,993,831,250	2,095,654,923	2,001,131,631	2,100,469,822

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	NOTES	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL	
		2023	2022	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Short-term loans from financial institutions	11	-	252,031,992	-	252,031,992
Trade and other current payables	12	483,495,951	474,472,588	483,720,566	472,100,022
Accrued interest expenses		-	76,518	-	76,518
Current contract liabilities		108,625,785	93,329,802	108,625,785	93,329,802
Current portion of long-term liabilities					
leases payable	3.7 and 13	335,977	442,013	335,977	442,013
Total Current Liabilities		592,457,713	820,352,913	592,682,328	817,980,347
Non-current Liabilities					
Leases payable	3.7 and 13	769,019	1,331,755	769,019	1,331,755
Deferred tax liabilities	3.9 and 16	8,676,309	6,126,622	8,676,309	6,126,622
Non-current provisions for employee benefits	3.10 and 14	117,203,984	108,755,404	117,203,984	108,755,404
Other non-current liabilities		1,496,185	1,122,060	1,496,186	1,122,060
Total Non-current Liabilities		128,145,497	117,335,841	128,145,498	117,335,841
TOTAL LIABILITIES		720,603,210	937,688,754	720,827,826	935,316,188

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	NOTES	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL	
		2023	2022	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
Shareholders' Equity					
Share capital					
Authorized share capital					
637,063,385 ordinary shares of Baht 1 par value		637,063,385	637,063,385	637,063,385	637,063,385
Issued and paid share capital					
637,063,385 ordinary shares at Baht 1 each		637,063,385	637,063,385	637,063,385	637,063,385
Share premium on ordinary shares		42,543,406	42,543,406	42,543,406	42,543,406
Retained earnings					
Appropriated					
Legal reserve	15.2	63,706,339	63,706,339	63,706,339	63,706,339
Unappropriated		451,557,414	344,890,098	453,846,808	347,229,689
Other components of shareholders' equity		78,357,496	69,762,941	83,143,867	74,610,815
Total Shareholders' Equity		1,273,228,040	1,157,966,169	1,280,303,805	1,165,153,634
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,993,831,250	2,095,654,923	2,001,131,631	2,100,469,822

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	NOTES	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL	
		2023	2022	2023	2022
Revenues					
Sales		3,208,811,289	3,059,927,841	3,208,811,289	3,059,927,841
Other incomes					
Gain on exchange rate		13,988,739	-	14,046,949	-
Gain on assets disposal		-	54,661	-	54,661
Others		14,862,548	11,853,640	14,862,548	11,853,640
Total other incomes		28,851,287	11,908,301	28,909,497	11,908,301
Total Revenues		3,237,662,576	3,071,836,142	3,237,720,786	3,071,836,142
Expenses					
Cost of sales		2,786,491,854	2,583,791,620	2,787,226,658	2,584,805,350
Distribution cost		31,455,073	30,135,869	31,455,073	30,135,869
Administrative expenses		112,156,060	110,261,096	111,526,165	109,448,487
Directors' remuneration	15.1	3,900,000	3,400,000	3,900,000	3,400,000
Other expenses					
Loss on exchange rates		-	19,168,691	-	19,297,523
Loss on unused equipment		3,791,680	-	3,791,680	-
Other (gain) loss					
Loss on diminution inventory values		10,222,646	11,412,683	10,222,646	11,412,683
(Gain) loss on measurement at fair value of selling forward exchange contracts		215,128	(415,055)	215,128	(415,055)
Total Expenses		2,948,232,441	2,757,754,904	2,948,337,350	2,758,084,857
Profit from operating activities		289,430,135	314,081,238	289,383,436	313,751,285
Finance income		842,662	145,155	735,680	108,149
Finance cost	19	(5,168,533)	(7,577,429)	(5,168,533)	(7,574,742)
Gain and reversal of impairment loss					
(impairment loss) in accordance with TFRS 9					
- Reversal on expected credit loss		460,708	373,277	460,708	373,277
Profit before Income Tax		285,564,972	307,022,241	285,411,291	306,657,969
Income Tax Revenues (Expenses)	3.11 and 16	(519,908)	641,914	(416,424)	641,914
Profit for the years		285,045,064	307,664,155	284,994,867	307,299,883

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL	
				STATEMENTS	
<i>NOTES</i>		2023	2022	2023	2022
Other comprehensive income (loss)					
Components of other comprehensive income (loss)					
that will be reclassified to profit or loss :					
Exchange differences on translating					
financial statement					
		61,503	(73,703)	-	-
Components of other comprehensive income					
that will not be reclassified to profit or loss :					
		10,666,315	-	10,666,315	-
	8	(2,133,263)	-	(2,133,263)	-
		8,533,052	-	8,533,052	-
		8,594,555	(73,703)	8,533,052	-
Other comprehensive income (loss) for the year-net of tax					
Total comprehensive income for the years					
		293,639,619	307,590,452	293,527,919	307,299,883
Earnings Per Share					
	3.12	0.447	0.483	0.447	0.482
Basic earnings per share					
The number of ordinary shares					
used in computation (shares).					
		637,063,385	637,063,385	637,063,385	637,063,385



TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

CONSOLIDATED

BAHT

	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity				Total shareholders' equity	
			Legal reserve	Unappropriated	Revaluation surplus on assets		Other comprehensive income			Total other components of shareholders' equity
					Exchange differences on translating financial statements	Actuarial gain from employee benefit plan	Exchange differences on translating financial statements	Actuarial gain from employee benefit plan		
Beginning balances, January 1, 2022	637,063,385	42,543,406	63,706,339	139,156,085	53,250,820	(4,774,171)	21,359,995	69,836,644	952,305,859	
Dividend payment				(101,930,142)	-	-	-	-	(101,930,142)	
Profit for the year				307,664,155	-	-	-	-	307,664,155	
Other comprehensive income				-	-	-	-	-	-	
Exchange differences on translating financial statements				-	-	(73,703)	-	(73,703)	(73,703)	
Comprehensive income (loss) for the year				307,664,155	-	(73,703)	-	(73,703)	307,590,452	
Ending balances, December 31, 2022	637,063,385	42,543,406	63,706,339	344,890,098	53,250,820	(4,847,874)	21,359,995	69,762,941	1,157,966,169	
Dividend payment				(178,377,748)	-	-	-	-	(178,377,748)	
Profit for the year				285,045,064	-	-	-	-	285,045,064	
Other comprehensive income				-	-	-	-	-	-	
Exchange differences on translating financial statements				-	-	61,503	-	61,503	61,503	
Revaluation surplus on assets - net of tax				-	8,533,052	-	-	8,533,052	8,533,052	
Comprehensive income for the year				285,045,064	8,533,052	61,503	-	8,594,555	293,639,619	
Ending balances, December 31, 2023	637,063,385	42,543,406	63,706,339	451,557,414	61,783,872	(4,786,371)	21,359,995	78,357,496	1,273,228,040	

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

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
THE SEPARATE FINANCIAL STATEMENTS

BAHT

	Issued and paid-up share capital	Retained earnings		Other components of shareholders' equity			Total shareholders' equity	
		Share premium on ordinary shares	Legal reserve	Unappropriated	Other comprehensive income			
					Revaluation surplus on assets	Actuarial gain from employee benefit plan		Other components of shareholders' equity
Beginning balances, January 1, 2022	637,063,385	42,543,406	63,706,339	141,859,948	53,250,820	21,359,995	74,610,815	959,783,893
Dividend payment				(101,930,142)	-	-	-	(101,930,142)
Comprehensive income for the year				307,299,883	-	-	-	307,299,883
Ending balances, December 31, 2022	637,063,385	42,543,406	63,706,339	347,229,689	53,250,820	21,359,995	74,610,815	1,165,153,634
Dividend payment				(178,377,748)	-	-	-	(178,377,748)
Profit for the year				284,994,867	-	-	-	284,994,867
Other comprehensive income				-	8,533,052	-	-	8,533,052
Revaluation surplus on assets - net of tax					8,533,052	-	-	8,533,052
Total Comprehensive income for the year				284,994,867	8,533,052	-	-	293,527,919
Ending balances, December 31, 2023	637,063,385	42,543,406	63,706,339	453,846,808	61,783,872	21,359,995	83,143,867	1,280,303,805

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TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS (1/3)

FOR THE YEAR ENDED DECEMBER 31, 2023

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the years	285,045,064	307,664,155	284,994,867	307,299,883
ADJUSTMENTS TO RECONCILIATION PROFIT FOR THE YEARS				
TO NET CASH PROVIDED FROM (USED IN) OPERATION :				
Income tax expenses (revenues)	519,908	(641,914)	416,424	(641,914)
Depreciation				
- Plant and equipment	40,364,976	47,434,080	40,364,976	47,434,080
- Right-of-use assets	381,267	373,616	381,267	373,616
Amortization of intangible assets	1,793,161	687,898	1,793,161	687,898
Difference from rental reduction	(228,981)	-	(228,981)	-
Reversed impairment loss according to TFRS 9				
- Accounts receivable	(460,708)	(373,277)	(460,708)	(373,277)
Loss on diminution inventory values	10,222,646	11,412,683	10,222,646	11,412,683
Loss on obsolete goods	2,238,571	1,859,670	2,238,571	1,859,670
Unrealized gain from selling forward exchange contracts	-	(215,128)	-	(215,128)
Unrealized gain on exchange rates	(4,991,556)	(10,726,493)	(5,048,661)	(10,795,925)
Gain on assets disposal	-	(54,661)	-	(54,661)
Loss on unused of equipment	3,791,680	-	3,791,680	-
Interest expenses	5,168,533	7,577,429	5,168,533	7,574,742
Long-term employee benefits expenses	12,747,780	12,107,436	12,747,780	12,107,436
Increase in expense from constuction in process	-	216,980	-	216,980
Write off withholding tax	891	-	891	-
Profit from operation before changes in operating assets and liabilities items	356,593,232	377,322,474	356,382,446	376,886,083

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS (2/3)

FOR THE YEAR ENDED DECEMBER 31, 2023

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade and other current receivables	6,859,380	(165,557,115)	6,655,437	(165,427,671)
Contract assets	(8,250,155)	(8,360,855)	(8,250,155)	(8,360,855)
Inventories	286,946,213	(127,542,956)	284,708,935	(125,739,706)
Receivables from selling forward exchange contract	215,128	-	215,128	-
Other current assets	273,468	(95,865)	273,468	(95,865)
Other non-current assets	-	58,000	-	58,000
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other current payables	22,127,463	(94,867,203)	24,794,010	(96,056,103)
Contract liabilities	15,295,983	(34,664,345)	15,295,983	(34,664,345)
Other non-current liabilities	374,126	-	374,126	-
Payables from selling forward exchange contracts	-	(199,927)	-	(199,927)
Provision for long-term employee benefits	(4,299,200)	-	(4,299,200)	-
CASH PROVIDED FROM (USED IN) OPERATION	676,135,638	(53,907,792)	676,150,178	(53,600,389)
Interest expenses paid	(5,245,051)	(7,518,445)	(5,245,051)	(7,515,758)
Income tax expenses paid	(228,455)	(79,350)	(124,971)	(79,350)
Proceeds from withholding tax refund	668,242	-	668,242	-
Exchange differences on translation of financial statements	61,503	(73,703)	-	-
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	671,391,877	(61,579,290)	671,448,398	(61,195,497)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of building and equipment	(30,332,198)	(26,447,481)	(30,332,198)	(26,447,481)
Proceeds from disposal of equipment	743,286	74,766	743,286	74,766
Purchase of intangible assets	(5,816,985)	-	(5,816,985)	-
Increase in deposit for assets	(5,124,803)	-	(5,124,803)	-
NET CASH USED IN INVESTING ACTIVITIES	(40,530,700)	(26,372,715)	(40,530,700)	(26,372,715)



TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS (3/3)

FOR THE YEAR ENDED DECEMBER 31, 2023

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in short-term loans from financial institutions	(252,031,992)	137,772,278	(252,031,992)	137,772,278
Repayment for leases payables	(414,011)	(451,481)	(414,011)	(451,481)
Repayment for assets acquisition payable	(1,281,859)	(1,953,047)	(1,281,859)	(1,953,047)
Dividend payment	(178,377,748)	(101,930,142)	(178,377,748)	(101,930,142)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	(432,105,610)	33,437,608	(432,105,610)	33,437,608
INCREASE IN CASH AND CASH EQUIVALENTS				
BEFORE EXCHANGE RATE EFFECTS	198,755,567	(54,514,397)	198,812,088	(54,130,604)
EXCHANGE RATES EFFECTS ON CASH				
AND CASH EQUIVALENTS	7,076,182	1,837,839	6,995,648	1,837,839
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	205,831,749	(52,676,558)	205,807,736	(52,292,765)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	124,314,441	176,990,999	121,635,279	173,928,044
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	330,146,190	124,314,441	327,443,015	121,635,279
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS				
NON-CASH FLOWS ITEMS COMPRISE :				
Increase in inventories from current contract assets	3,279,043	5,142,397	3,279,043	5,142,397
Increased vehicles from transferred right-of-use assets	159,225	-	159,225	-
Increase in equipment from assets payable	698,767	1,281,859	698,767	1,281,859
Increase in right-of-use assets from leases payable	-	2,036,641	-	2,036,641
Increase in revaluation surplus on assets	10,666,315	-	10,666,315	-
Increase in deferred tax liabilities of revaluation surplus on assets	2,133,263	-	2,133,263	-

TEAM PRECISION PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. GENERAL INFORMATION

Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
Company and factory Location	- 198 Moo 13, Tambol Dong Khee-Lek, Amphur Muang Prachinburi, Prachinburi Province, Thailand. - 152/8, 152/9, 152/15 Moo 3, Thunyaburi-Lumlukga Road, Tambol Rungsit, Amphur Thunyaburi, Pathumtani Province, Thailand.
Type of business and operations	1) Producing and assembling printed circuit and electronics circuit board. 2) Investing in its subsidiary which carries on business according to Note 7 to the financial statements.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 The consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission. Except the financial statements of overseas subsidiary are prepared in accordance with Accounting Standards of the country where the subsidiary is located. The preparation of the consolidated financial statements have been adjusted to conform with the accounting policies of the Company.

2.2 Accounting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes

directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.3 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

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

2.5 These consolidated financial statements included the financial statements of Team Precision Public Company Limited with its subsidiary as follow :

COMPANY	% HOLDING		ESTABLISHED IN
	2023	2022	
Team Precision (Europe) ApS	100.00	100.00	Denmark

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

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

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

Other income and expenses are recognized on an accrual basis.

3.2 Cash and cash equivalents

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

3.3 Trade accounts receivable and allowance for expected credit loss

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

3.4 Inventories

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

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

3.5 Investments in subsidiary

Subsidiary is company in which the group of the Company has power to govern the financial and operating policies. The Company included the subsidiary in the consolidated financial statements since the date that the group Company has power to govern until the date of the power to govern is ended.

The investments in subsidiary for the separate financial statements are presented by the cost method after deducting impairment of investment.

3.6 Property, plant and equipment

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

In 2023, the Company has appraised its land by the independent appraiser by comparing market information (Market Approach) in determination fair value.

Plant and equipment are stated at cost. Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets:

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

3.7 Leases

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, the recognized right-of-use assets are depreciated on a straight-

line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

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

Leases liabilities

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

Short-term lease and lease of low-value assets

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

3.8 Intangible assets

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

3.9 Deferred tax assets/liabilities

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

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

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

3.10 Employee benefits

Short-term employee benefits

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

Long-term employee benefits

Defined contribution plan

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

Defined benefit plan

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

3.11 Income tax expenses (revenues)

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

3.12 Earnings per share

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

3.13 Foreign currency transactions

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

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

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

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

The translation of financial statement differences in foreign currencies was shown in other comprehensive income.

3.14 Financial instruments

Classification and measurement of financial assets

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

Financial assets at amortized cost

The Group measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at fair value through profit or loss

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

Classification and measurement of financial liabilities

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

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

Impairment of financial assets

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

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

Offsetting of financial instruments

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

3.15 Derivatives and hedge accounting

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

Hedge accounting

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

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

Fair value hedges

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

Any adjustment to the carrying value of fair value hedges relating to items carried at amortized cost, is amortized through profit or loss over the remaining term of the hedge using the effective interest method. The amortization may begin as soon as an adjustment exists or no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

3.16 Fair value measurement

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

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

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

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

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

3.17 Presentation currency

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

3.18 Significant accounting judgments and estimates

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

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed

to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance expected credit loss, provision for diminution in inventories, depreciation of plant and equipment, depreciation of right-of-use asset, revaluation surplus on assets, amortization of intangible assets and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

4. CASH AND CASH EQUIVALENTS

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Bank deposits - Savings	329,979,334	124,122,952	327,276,159	121,443,790
- Current	166,856	191,489	166,856	191,489
Total cash and cash equivalents	330,146,190	124,314,441	327,443,015	121,635,279

5. TRADE AND OTHER RECEIVABLES

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
<u>Trade accounts receivable</u>				
Current	294,233,575	331,283,493	294,233,575	331,283,493
Overdue within 3 months	171,031,532	153,050,843	171,031,532	153,050,843
Over 3-6 months	1,001,151	5,398,931	1,001,151	5,398,931
Over 6-12 months	--	243,489	--	243,489
Total	466,266,258	489,976,756	466,266,258	489,976,756
<u>Less</u> : Allowance for expected credit loss	(70,220)	(530,928)	(70,220)	(530,928)
Trade accounts receivable-net	466,196,038	489,445,828	466,196,038	489,445,828
<u>Other current receivables</u>				
Refundable value added tax	9,054,062	7,243,387	8,997,577	7,108,087
Others	7,148,186	6,713,377	7,148,186	6,519,976
Total other current receivables	16,202,248	13,956,764	16,145,763	13,628,063
Total trade and other current receivables	482,398,286	503,402,592	482,341,801	503,073,891

6. INVENTORIES

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Finished goods	108,865,630	64,431,161	109,137,360	62,184,426
Work in process	127,210,408	112,595,661	127,210,408	112,595,661
Raw materials	544,604,987	892,536,330	544,604,987	892,817,516
Raw materials in transit	12,759,274	9,782,889	12,759,274	9,782,889
Total	793,440,299	1,079,346,041	793,712,029	1,077,380,492
<u>Less</u> : Allowance for diminution in inventory values	(68,515,441)	(58,292,795)	(68,515,441)	(58,292,795)
Inventories-net	724,924,858	1,021,053,246	725,196,588	1,019,087,697

7. INVESTMENTS IN SUBSIDIARY

(BAHT)

SUBSIDIARY COMPANY	% HOLDING		COST METHOD	
	2023	2022	2023	2022
Team Precision (Europe) ApS	100	100	9,788,311 (DKK 1,500,000)	9,788,311 (DKK 1,500,000)

SUBSIDIARY COMPANY	TYPE OF BUSINESS	PAID-UP CAPITAL		DIVIDEND	
		2023	2022	2023	2022
Team Precision (Europe) ApS	Trading electronics components and distributing electronics products	DKK 500,000	DKK 500,000	--	--

Financial statements of subsidiary in the foreign country

The financial statements of the Company's subsidiary in the foreign country were audited by other certified public accountants, and were used to prepare consolidated financial statements for the years ended December 31, 2023 and 2022 have been translated into Baht, the details are as follows :

(MILLION BAHT)

SUBSIDIARY COMPANY	TOTAL ASSETS		TOTAL REVENUES	
	2023	2022	2023	2022
Team Precision (Europe) ApS	12.07	9.08	45.23	45.76

NOTES TO THE FINANCIAL STATEMENTS

Particulars	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS (BAHT)										Total	
	Land	Land improvement	Building and improvement	Machinery and accessories	Vehicles	Cooling systems	Electricity and telephone systems	Office furniture and fixtures	Assets under construction			
Additional appraisal value												
January 1, 2022	66,563,525	--	--	--	--	--	--	--	--	--	--	66,563,525
December 31, 2022	66,563,525	--	--	--	--	--	--	--	--	--	--	66,563,525
Increase	10,666,315	--	--	--	--	--	--	--	--	--	--	10,666,315
December 31, 2023	77,229,840	--	--	--	--	--	--	--	--	--	--	77,229,840
Net book value												
December 31, 2022	128,246,959	570,920	121,968,780	144,935,142	3,083,913	15,599,550	2,258,232	7,255,661	6,874,264			430,793,421
December 31, 2023	138,913,274	418,769	121,225,307	138,901,070	3,155,515	13,218,683	2,031,577	8,380,289	1,505,500			427,749,984

In 2023, the Company has appraised its land by the independent appraiser by comparing market information (Market Approach) in determination fair value. The appraisal value is higher than the cost amount of Baht 10.66 million.

The Company has depreciation of plant and equipment presented in the statements of comprehensive income for the years ended December 31, 2023 and 2022, as follows :

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Cost of sales	37,259,165	45,258,917
Distribution cost	240,339	225,970
Administrative expenses	2,865,472	1,949,193
Total	40,364,976	47,434,080

9. RIGHT-OF-USE ASSETS

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
At cost	
As at January 1, 2022	1,016,617
Increase during the year	2,036,641
End of contract	(450,068)
As at December 31, 2022	2,603,190
Transferred to fixed assets	(566,549)
Difference from rental reduction	(25,780)
Ending balance, December 31, 2023	2,010,861
Accumulated depreciation	
As at January 1, 2022	648,504
Depreciation for the year 2022	373,616
End of contract	(450,068)
As at December 31, 2022	572,052
Depreciation for the year 2023	381,267
Transferred to fixed assets	(407,324)
As at December 31, 2023	545,995
Net book value	
As at December 31, 2022	2,031,138
As at December 31, 2023	1,464,866

The Company has depreciation right-of-use assets presented in the statements of comprehensive income for the years ended December 31, 2023 and 2022 as follows :

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Cost of sales	58,811	101,198
Administrative expenses	322,456	272,418
Total	381,267	373,616

The Company has expenses relating to leases presented in the statements of comprehensive income for the years ended December 31, 2023 and 2022 as follows :

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Depreciation right-of-use assets	381,267	373,616
Interest expenses of lease liabilities	50,792	60,382
Expenses relating to leases of low-value assets	359,280	359,980

10. INTANGIBLE ASSETS

(BAHT)

COMPUTER SOFTWARE	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS					
	JAN 1, 2022	INCREASE	UNUSED	DEC 31, 2022	INCREASE	DEC 31, 2023
Cost	34,594,551	--	(72,400)	34,522,151	5,816,985	40,339,136
<u>Less</u> Accumulated amortization	(32,618,538)	(687,898)	72,400	(33,234,036)	(1,793,161)	(35,027,197)
Net book value				1,288,115		5,311,939
Amortization for the year				687,898		1,793,161

The Company has amortization intangible assets presented in the statements of comprehensive income for the years ended December 31, 2023 and 2022, as follows :

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Cost of sales	867,588	55,532
Administrative expenses	925,573	632,366
Total	1,793,161	687,898

11. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Trust receipt	--	252,031,992

As at December 31, 2022, short-term loans from financial institutions bear interest at 2.50% - 5.90% per annum.

12. TRADE AND OTHER CURRENT PAYABLES

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Trade accounts payables	456,663,504	444,481,572	457,143,449	442,383,964
Accrued expenses	18,842,961	21,486,815	18,842,961	21,486,815
Assets payable	698,767	1,281,859	698,767	1,281,859
Others	7,290,719	7,222,342	7,035,389	6,947,384
Total	483,495,951	474,472,588	483,720,566	472,100,022

13. LEASE LIABILITIES

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Liabilities under the lease agreement as at January 1,	1,902,303	194,166
<u>Add</u> Increase during the years	--	2,220,000
<u>Less</u> Payment during the years	(464,803)	(511,863)
<u>Less</u> Decrease from rental reduction	(270,900)	--
Liabilities under lease agreement at the ended of years	1,166,600	1,902,303
Deferred interest as at January 1,	128,535	5,558
<u>Add</u> Increase during the years	--	183,359
<u>Less</u> Interest expenses during the years	(50,792)	(60,382)
<u>Less</u> Decrease from rental reduction	(16,139)	--
Deferred interest as at the ended of years	61,604	128,535
Lease liabilities	1,104,996	1,773,768
<u>Less</u> Current portion of lease liabilities	(335,977)	(442,013)
Lease liabilities - net	769,019	1,331,755

The Company has interest expenses on lease liabilities presented in the statements of comprehensive income for the years ended December 31, 2023 and 2022, amount Baht 0.05 million and Baht 0.06 million, respectively.

Liabilities under financial leases are fixed for monthly payment which will be finished within 2027.

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

14. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Defined benefit obligation		
Beginning balances	108,755,404	96,647,968
<u>Add</u> Current service cost	11,611,180	11,092,684
Interest cost	1,136,600	1,014,752
<u>Less</u> Employee benefits paid during the year	(4,299,200)	--
Ending balances	117,203,984	108,755,404

The Company has provision for long-term employee benefits presented in the statements of comprehensive income for the years ended December 31, 2023 and 2022, as follows :

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Cost of sales	8,940,287	8,438,846
Distribution cost	1,271,121	1,105,768
Administrative expenses	2,536,372	2,562,822
Total	12,747,780	12,107,436

The key actuarial assumptions at the calculation date were as follows :

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Discount rate	1.05%	1.05%
Future salary increase rate	1-3%	1-3%
Disability rate	5%	5%
Staff turnover rate	0-49%	0-49%

Sensitivity analysis of key assumptions in calculation

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Discount rate		
Decrease 1 percent	9,016,096	8,581,085
Increase 1 percent	(7,974,823)	(7,569,839)
Salary increase rate		
Decrease 1 percent	(10,408,931)	(8,832,602)
Increase 1 percent	11,691,359	9,887,238
Turnover rate		
Decrease 1 percent	2,048,115	2,047,486
Increase 1 percent	(8,317,246)	(7,907,955)

15. DIVIDEND PAYMENT, LEGAL RESERVE AND DIRECTORS' REMUNERATION

15.1 Dividend payment and directors' remuneration

The meeting	Month/Day/Year		Dividend payment		Number of shares (million)	The dividend payment		Directors' Remuneration (million Baht)	Directors' Extra bonus (million Baht)
	Resolution	Dividend payment	Dividend	Year		Per share (Baht)	Total (million Baht)		
The Ordinary General Shareholders	April 26, 2022	May 17, 2022	Annual	2021	637.06	0.11	70.08	2.73	1.00
The Board of Directors	August 9, 2022	September 7, 2022	Interim	2022	637.06	0.05	31.85	--	--
The Ordinary General Shareholders	April 24, 2023	May 23, 2023	Annual	2022	637.06	0.20	127.41	2.73	1.50
The Board of Directors	August 10, 2023	September 5, 2023	Interim	2023	637.06	0.08	50.96	--	--

15.2 Legal reserve

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

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

16. INCOME TAXES

Corporate income taxes of the Company for the years ended December 31, 2023 and 2022, 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 20 percent.

BOI business operation income tax is calculated according to the privileges which are granted (see also Note 17 to the financial statements).

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

Income taxes expenses (revenues) recognized in the statements of comprehensive income for the years 2023 and 2022, consist :

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Corporate income tax for the years	103,484	--	--	--
Amortization and reversal of temporary differences assets/liabilities on temporary differences	416,424	(641,914)	416,424	(641,914)
Income tax expenses (revenues)	519,908	(641,914)	416,424	(641,914)

As at December 31, 2023 and 2022, the deferred tax assets/liabilities arose from the following temporary differences :

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Income tax rate 20%		
Temporary differences in the statements of comprehensive income		
Provision for diminution in inventories	12,468,621	15,060,078
Loss on deteriorated goods	110,873	15,644
Allowance for expected credit loss	460	--
Receivable of the selling forward exchange contracts	--	(13,229)
Depreciation rate different from tax rates	(67,207,339)	(67,035,566)
Provision for long-term employee benefits	89,322,106	88,750,377
Other	356	(110)
Total	34,695,077	36,777,194
Temporary differences in the other comprehensive income		
Recognized in other component of shareholders' equity		
Revaluation surplus on assets	(77,229,840)	(66,563,525)
Provision for long-term employee benefits	(8,890,543)	(8,890,543)
Total	(51,425,306)	(38,676,874)
Income tax rate 10% (BOI-50% of normal tax rate)		
Temporary differences in the statements of comprehensive income		
Depreciation rate different from tax rates	(2,191,315)	(2,191,315)
Provision for long-term employee benefits	19,999,214	19,999,214
Total	17,807,899	17,807,899
Temporary differences in the other comprehensive income		
Recognized in other component of shareholders' equity		
Provision for long-term employee benefits	(1,720,377)	(1,720,377)
Total	16,087,522	16,087,522

(BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Income tax rate 0% (BOI-exemption tax 100%)		
Temporary differences in the statements of comprehensive income		
Provision for diminution in inventories	56,046,820	43,232,717
Loss on deteriorated goods	2,127,698	353,402
Allowance for expected credit loss	69,760	530,928
Receivable of the selling forward exchange contracts	--	(201,899)
Depreciation rate different from tax rates	(6,073,708)	(2,806,969)
Provision for long-term employee benefits	31,192,806	23,315,955
Other	6,935	(1,693)
Total	83,370,311	64,422,441
Temporary differences in the other comprehensive income		
Recognized in other component of shareholders' equity		
Provision for long-term employee benefits	(12,699,222)	(12,699,222)
Total	70,671,089	51,723,219
Deferred tax liabilities calculated		
From income tax rate 20%	(10,285,062)	(7,735,375)
From income tax rate 10% (BOI-50% of normal tax rate)	1,608,753	1,608,753
Total deferred tax liabilities	(8,676,309)	(6,126,622)

17. PROMOTIONAL PRIVILEGES

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

1.Promotional certificates Nos.	2. Effective dates of Promotional Certificates	3. The promotional privileges for manufacturing of	4. Expiry dates according to items 5.1 and 5.3
1759/2539 November 12, 1996	December 1, 1996	Component or accessories used with electronics products	November 30, 2004
1760/2543 October 4, 2000	November 10, 2004	Printed circuit board assembly (PCBA)	November 9, 2012
1696/O./2546 (Replace No. 1057/2534) March 21, 1991	November 13, 1990	Production or assemble electronics products	--
1218(2)/2550 March 6, 2007	July 6, 2007	Printed circuit board assembly (PCBA) and electronics products	July 5, 2012
1355(1)/2553 March 24, 2010	February 17, 2011	Medical products electronic products	February 16, 2019
		Printed circuit board assembly (PCBA)	February 16, 2016
1356(1)/2553 March 24, 2010	February 23, 2011	Electronic products for industrial	February 22, 2019
		Printed circuit board assembly (PCBA)	February 22, 2019
59-1112-0-00-1-0 August 29, 2016	August 2, 2021	Electronic products, part and/or electronic equipment, component or accessories used with electronics products	August 1, 2029 or tax value not over Baht 114.89 million
59-1186-0-00-1-0 September 15, 2016	August 2, 2021	Medical products, electronic products, part and/or electronic equipment, component or accessories used	August 1, 2029 or tax value not over Baht 96.03 million

5. Important privileges which are granted

- 5.1 Exemption from corporate income tax on net profit of promotional operations for 8 years. (Exemption promotional certificates No.1218(2)/2550 and 1355(1)/2553 specifically printed circuit board assembly (PCBA) received 5 years). Where by the promotional certificates No.59-1112-0-00-1-0 and 59-1186-0-00-1-0 have limited amount for corporate income tax exemption maximum of Baht 114.89 million and Baht 96.03 million, respectively. In this regard, the corporate income tax exemption for net profit from the promoted business is not more than 100 percent of the total investment, excluding the cost of land and working capital, for 8 years starting from the date of earning from the promoted business.
- 5.2 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate since the exemption of 5.1 for 5 years expired of the promotional certificates No.1355(1)/2553 specifically medical products and electronic products and 1356(1)/2553 specifically electronic products for industrial.
- 5.3 Exemption from income tax on dividends from promoted business which was exempted from income tax as 5.1, Income tax is calculated during the exemption income tax period of each card.
- 5.4 Allowance to deduct the annual loss incurred during the income tax exemption period as 5.1 from the net profit incurred since the exemption from corporate income tax was expired within 5 years, by which can be deducted from net profit of any year or several years.

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

The Company has sales both local and overseas for the years ended December 31, 2023 and 2022, according to Note 21 to the financial statements.

18. EXPENSES BY NATURE

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Increase in the changes of finished goods and work in process	(59,049,216)	(69,372,604)	(61,567,681)	(67,559,885)
Raw material and consumables used	2,453,351,504	2,269,526,171	2,453,351,504	2,269,526,171
Director and management benefit expenses	37,110,785	37,334,759	37,110,785	37,334,759
Employee benefit expenses	311,317,396	295,076,951	311,317,396	295,076,951
Depreciation and amortization expenses	42,539,404	48,495,594	42,539,404	48,495,594

19. FINANCE COST

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Interest expense on lease liabilities	50,792	60,382	50,792	60,382
Other finance cost	5,117,741	7,517,047	5,117,741	7,514,360
Total	5,168,533	7,577,429	5,168,533	7,574,742

20. FOREIGN CURRENCY TRANSACTIONS

20.1 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, 2023 and 2022, the Company and subsidiary have outstanding assets and liabilities denominated in foreign currencies as follows :

(THOUSAND)

PARTICULARS	Foreign currencies		Converted to Baht	
	2023	2022	2023	2022
<u>CONSOLIDATED</u>				
ASSETS				
USD	17,581	15,810	598,901	543,724
EUR	50	10	1,912	366
TOTAL			600,813	544,090
LIABILITIES				
Portion due within one year				
USD	11,031	16,750	379,333	581,773
GBP	4	1	167	52
EUR	529	43	20,310	1,605
TOTAL			399,810	583,430
<u>THE SEPARATE</u>				
<u>FINANCIAL STATEMENTS</u>				
ASSETS				
USD	17,517	15,741	596,627	541,344
EUR	42	--	1,606	--
TOTAL			598,233	541,344
LIABILITIES				
Portion due within one year				
USD	11,027	16,668	379,192	578,951
GBP	4	1	167	52
EUR	538	44	20,656	1,644
DKK	61	130	315	652
TOTAL			400,330	581,299

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

As at December 31, 2022, 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 :

(MILLION)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS		
	Foreign currency	Fair value in Baht	Settlement date
As at December 31, 2022			
USD	0.05	1.80	February 2023
	0.84	28.93	March 2023

21. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiary operate business of producing and assembling printed circuit and electronics circuit board, and in geographical areas, Thailand and overseas. Both local and export sales for the years ended December 31, 2023 and 2022, as follows :

(MILLION BAHT)

PARTICULARS	CONSOLIDATED					
	2023			2022		
	Local	Overseas	Total	Local	Overseas	Total
Sales revenues	60.31	3,148.50	3,208.81	35.94	3,023.99	3,059.93
Cost of sales	(52.39)	(2,734.10)	(2,786.49)	(30.36)	(2,553.43)	(2,583.79)
Distribution cost	(0.18)	(31.27)	(31.45)	(0.12)	(30.02)	(30.14)
Profit by segment	7.74	383.13	390.87	5.46	440.54	446.00
Profit for the year			285.05			307.66
Property, plant and equipment			427.75			430.79

22. 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 7	Subsidiary
2) Energy Innovation Co., Ltd.	Distribution of electrical and electronic equipment	Director is shareholder
3) Alpine Technology Manufacturing (Thailand) Co., Ltd.	Distribution of electrical and electronic equipment	Director is shareholder and director
4) Finest Med Design Co., Ltd.	Design and distribution part of electronics circuits board and printed circuits	Major shareholder is shareholder and director

The significant related accounting transactions are as follows :

(BAHT)

THE STATEMENTS OF FINANCIAL POSITION	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Trade accounts receivables				
- Energy Innovation Co., Ltd.	2,139,786	--	2,139,786	--
- Alpine Technology Manufacturing (Thailand) Co., Ltd.	1,172,969	2,922,987	1,172,969	2,922,987
Total trade accounts receivables	3,312,755	2,922,987	3,312,755	2,922,987
Trade accounts payables				
- Team Precision (Europe) ApS	--	--	8,970,457	3,849,200
Current contract liabilities				
- Finest Med Design Co., Ltd.	70,859	70,859	70,859	70,859

(BAHT)

THE STATEMENTS OF COMPREHENSIVE INCOME	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022	2023	2022
Sales				
- Alpine Technology Manufacturing (Thailand) Co., Ltd. (Mutual agreement)	12,401,814	20,791,908	12,401,814	20,791,908
Other income				
- Alpine Technology Manufacturing (Thailand) Co., Ltd. (Mutual agreement)	180,000	180,000	180,000	180,000
Purchase of goods and raw materials				
- Team Precision (Europe) ApS (Mutual agreement)	--	--	45,229,151	42,592,430
Other expenses				
- Energy Innovation Co., Ltd. (Mutual agreement)	260,252	226,410	260,252	226,410

23. COMMITMENT AND CONTINGENT LIABILITIES

As at December 31, 2023 and 2022, the Company has commitment and contingent liabilities as follows :

(MILLION BAHT)

PARTICULARS	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	
	2023	2022
Letters of credit	1,010.00	297.97
Letters of guarantee from commercial bank	3.80	3.80

As at December 31, 2023 and 2022, the Company has credit lines of letters of credit and trust receipt, totaling Baht 1,010 million and Baht 550 million, respectively.

24. PROVIDENT FUND

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

Provident fund contributions made by the Company for the employees and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2023 and 2022, are Baht 4.66 million and Baht 4.39 million, respectively.

25. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

25.1 Accounting policies and procedures

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

25.2 Risk from breach of contracts

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

25.3 Risk relating to interest rate

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

25.4 Risk from exchange rate

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

25.5 Determination of fair values

As at December 31, 2022, the Group had the assets that were measured at fair value were disclosed using different levels of inputs as follows :

	(BAHT)			
	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Financial assets measured at fair value through profit or loss				
Receivables of the selling forward exchange contracts	--	215,128	--	215,128

26. CAPITAL MANAGEMENT

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

27. EVENT AFTER THE REPORTING PERIOD

On February 20, 2024, the Board of Directors' Meeting No.1/2024 was held and passed a resolution to pay the dividends for the year 2023 to the shareholders of 637,063,385 shares at Baht 0.15 per share, totaling Baht 95,559,507.75 by fixing the payment date for dividend on May 21, 2024. The Company will request for the approval to pay the dividend in the annual general meeting of shareholders.

28. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 20, 2024.