SVI Public Company Limited

ANNUAL REPORT 2019

"Superior Service , Highest Quality"

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Financial Highlights

	2015	2016	2017	2018	2019
Consolidated Income Statement (Mil Baht)					
Sales	8,119	10,948	12,426	15,610	14,962
Other Revenues	1,745	1,496	256	182	281
Cost of Goods Sold and Expenses	7,844	10,658	12,130	14,914	14,765
Earnings Before Interest and Taxes	2,020	1,786	552	878	477
Net Profit	2,029	1,603	491	803	372
Balance Sheet (Mil Baht)					
Total assets	7,752	10,735	11,313	12,905	11,333
Total liabilities	2,071	3,637	4,068	5,264	7,866
Paid-up capital	2,266	2,266	2,266	2,266	2,267
Shareholders' equity	5,681	7,098	7,245	7,641	3,467
Financial Ratio					
No. of Shares (Mil Shares)	2,266	2,266	2,266	2,266	2,266
Book Value per Share (Baht)	2.51	3.13	3.20	3.37	1.53
Earnings per Share (Baht-Basic)	0.90	0.71	0.22	0.37	0.17
Return on Equity (%)	37.18	25.80	6.85	10.63	6.68
Return on Assets (%)	25.90	19.27	4.91	6.90	3.60
Gross Profit Margin (%)	11.40	8.78	8.04	8.82	6.34
Current Ratio (Times)	2.88	3.03	2.81	2.29	1.77
Interest Bearing Debt to Equity	0.00	0.11	0.12	0.10	1.26
D:E Ratio (Times)	0.36	0.51	0.56	0.69	2.27

CG Check List

	Principles	Annual Report
Section 1 Rights of Shareholders	1. Other rights apart from voting right	Page 61 Section 1
	2. The Approval of Directors' remuneration	Page 62 Item 6-7
	3. To give an opportunity for shareholders to participate in management	Page 61-62
	4. The Quality of Invitation Letter	Page 61 Item B
	5. The Quality of Minutes of Shareholders' Meeting.	Page 62 Item F
	6. The attendance of Director/Sub-Committee in Shareholders' Meeting	Page 62 Item 3
Section 2 Equitable Treatment of Shareholders	1. Voting Right	Page 64 Item 3
	2. Procedure/Channel of the Appointment of Director	Page 64 Item 1
	3. Policy of the Use of Internal Information	Page 74 Item 8
	4. Policy of Conflict of Interest	Page 93
	5. Policy of Security Trading that the directors and executives shall notify the Company at least 1 day in advance.	Page 64 Item 7
Section 3 Role of Stakeholders	1. Policy/Guideline of Stakeholders	Page 65 Section 3
	2. Policy/Procedure related to Anti-corruption	Page 109
	3. Training of Anti-corruption	Page 109 Item 1 and 3
	4. Channel/ Process of Complaint and Protection of Complainer	Page 72
	5. Policy of Employee Remuneration in short and long terms	Page 102 Item 2
Section 4 Disclosure and transparency	1. The Company shall comply with Corporate Government	Page 61
	2. Long Term of Business Goal	Page 92 Item 2
	3. Key Risks for Business Operation	Page 111
	4. Dividend Policy	Page 49
	5. Whistle Blowing of Illegal Activities	Page 72
	6. Details of Directors' History, Meeting Attendance, and Remuneration	Page 6-11, 54 and 79
	7. Director Training	Page 94
Section 5 Responsibilities	1. Long Term of Business Goal	Page 92 Item 2
	2. The Limitation of Other Directorship held in Other Listed Company	Page 72
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	4. To specify Policy that the President held other directorships in other limited companies	Page 83-84
	5. To set Compliance Unit	Page 92
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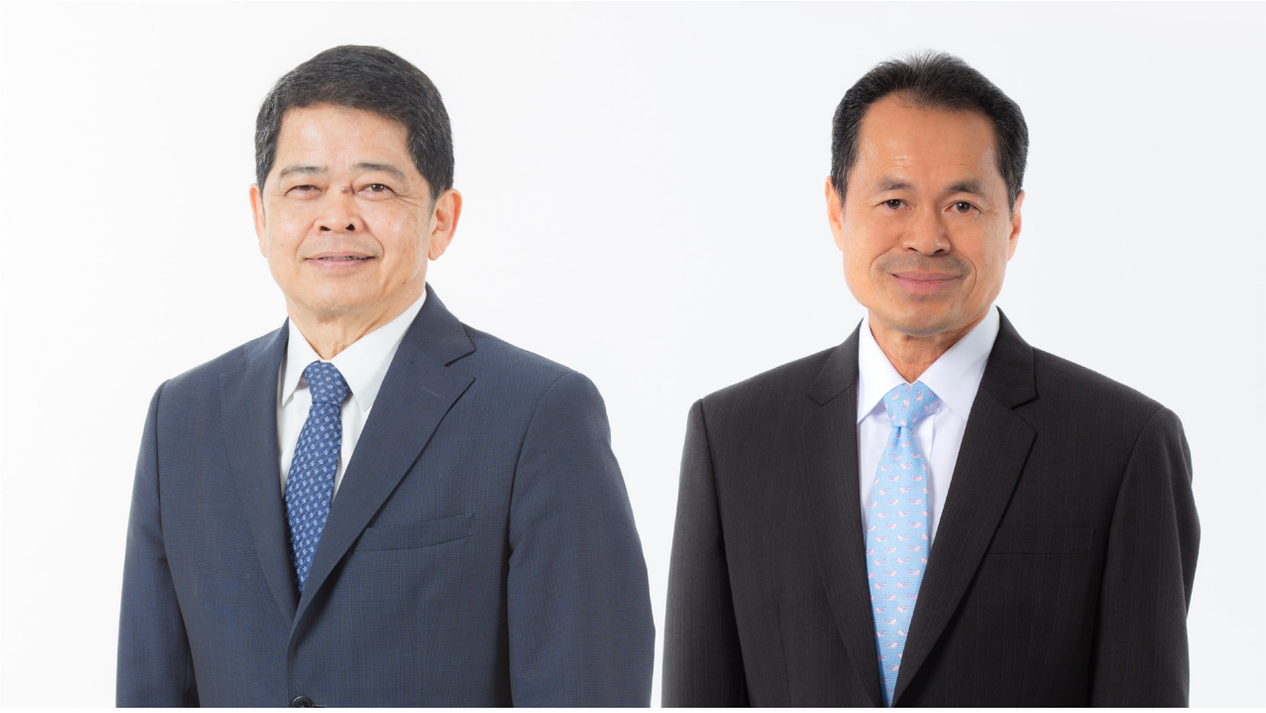
	7. Meetings/ Minimum of quorum not less than two third	Page 77
	8. Rule/ Procedure of Self-Assessment of Director and Sub-Committee	Page 85
	9. President Evaluation/Policy of President Remuneration	Page 79
	10. Succession Plan of Executives Staff	Page 95

Letter to Shareholders



Dear Shareholders,

SVI had a challenging year in 2019 with the global economic slowdown and the appreciation of the Thai Baht. Nonetheless, our revenues remained relatively flat from 2018 and reached USD 484 million in 2019. This is the result of the continued commitment to and from our customers. However, our margins were significantly impacted by the appreciation of the Thai Baht throughout 2019. We achieve gross profit of THB 948 million and net income of THB 372 million, both of which, were lower than 2019. In 2020, we look forward with optimism as we aim to grow with our customers as well as to attract new ones in new markets. In terms of our expansion efforts, we plan to expand our European and Cambodia operations so that capacity is immediately accessible for existing and new customers.

Our acquisition in Europe has continued to be a stable revenue generating subsidiary for SVI. In 2019, our European subsidiaries reached revenue of USD 113 million, a significant increase from USD 90 million in 2017 but a minor decrease from 2018 of USD 125 million. Our greenfield investment in Cambodia is beginning to yield successful results as the number of the customers has grown while achieving 2019 revenue of USD 10 million, a significant growth from USD 0.7 million in 2018. In 2019, we've also began our initiative to improve our supply chain and inventory management, which have started to produce positive results as can be demonstrated by the improved working capital requirement of 22% of sales in 4th Quarter compared 26% in the 3rd Quarter 2019. We will continue with this effort throughout the foreseeable future.

In 2020, we will continue our focus on our commitment to serve and to grow with our existing customers. Moreover, with our focused sales efforts in Asia and Europe, we hope to be able to gain new customers in new markets such as Japan and China as well as continue our growth in underpenetrated industries such Automotive & Public Transportation and Optical Electronics. In meeting with the potential demands of our existing and new customers, we plan to expand our production space in Cambodia and Slovakia so that our customers will have immediate access to the available capacity. Currently, SVI has a total manufacturing area of 92,000 sqm. with land area of 312,000 sqm. Our Cambodia operations has a manufacturing area of 9,200 sqm. with a land area of 67,000 sqm while our European operations has a total manufacturing area of 18,000 sqm. with land area of 70,000 sqm. The readily available manufacturing and land area will allow us to expand for our customers.

Corporate social responsibility and governance continues to be an integral part of our business. We are active in social participation caring for our next generation, our children. SVI joined the project, “Factory Tour” to convey the knowledge and experience to primary school on the topic “Environment conscious And Safety”. We also support student education by offering an internship for 1 semester to support students to learn about working processes in order to enable them to work after graduation.

Finally, on behalf of all management team members, we are grateful to all customers, suppliers, shareholders for your support to SVI group. My thanks to all SVI colleagues for your dedication and endeavor, enabling SVI to achieve consistent stable operation performances. We will continue to enhance our organizational capability and operational results while at the same time act on our corporate mission to contribute back to the society. SVI is fully committed to become a respectable world-class corporate citizen that bring positive contribution to society.

Mr. Prasert Bunsumpun
Chairman of the Board

Mr. Pongsak Lothongkam
Chief Executive Officer

Board of Directors

Mr. Prasert Bunsumpun

Age: 67

Independent Director, Chairman of the Board, and Chairman of the Nomination and Compensation Committee

Appointed Date
1 May 2017

Common shareholding as of December 31, 2019
-None-

Warrant holding as of December 31, 2019
-None-

Education

- Honorary Doctoral in Engineering, Chulalongkorn University, Thailand
- Honorary Doctoral in Management, National Institute of Development Administration (NIDA), Thailand,
- Honorary Doctoral in Management Science, Petchaburi Rajabhat University, Thailand
- Honorary Doctoral in Management, Mahasarakarm University, Thailand
- Honorary Doctoral in Social Innovation Management, Suan Sunandha Rajabhat University, Thailand
- MBA, Utah State University, USA
- Bachelor in Engineering (Civil Engineering), Chulalongkorn University, Thailand

Experience

- President and CEO; PTT Public Company Limited
- Director, PTT Public Company Limited
- Director and Chairman, PTT Exploration and Production Public Company Limited
- Independent Director, Krungthai Bank Public Company Limited
- Chairman/ Chairman of Executive Board of Director, IRPC Public Company Limited
- Member of the National Legislative Assembly (NLA)

Present Positions

Listed Company

- Independent Director, Chairman of the Board, and Chairman of the Nomination and Compensation Committee, SVI Public Co.,Ltd.
- Independent Director/ Chairman of the Board, Thaicom Public Company Limited
- Chairman/ Chairman of the Executive Board of Director, Thoresen Thai Agencies Public Company Limited
- Independent Director / Chairman of Risk Management Committee, PTT Global Chemical Public Company Limited
- Independent Director, Intouch Holdings Public Company Limited
- Chairman of the Board, Nok Air Airline Public Company Limited
- Chairman, Yuanta Securities (Thailand) Company Limited
- Chairman, Aira Property Public Company Limited

Non-Listed Company

- Chairman, Mermaid Maritime Public Company Limited
- Chairman, Thailand Business Council for Sustainable Development (TBCSD)
- Distinguished Member of Chulalongkorn Council
- Distinguished Member of Suranaree University of Technology Council
- Distinguished Member of King Prajidapok's Institute

Mr. Threekwan Bunnag

Age: 62

Independent Director and Chairman of Audit Committee

Appointed Date
In year 1998

Common shareholding as of December 31, 2019
-None-

Warrant holding as of December 31, 2019
-None-

Education

- Master of Business Administration, University of North Texas, U.S.A.
- Directors Certification Program Class 12/2001, Thai Institute of Directors
- Director Accreditation Program 2006, Thai Institute of Directors
- Advanced Audit Committee Program (AACP) Class 27/2017, Thai Institute of Directors

Present Positions

Listed Company

- Independent Director and Chairman of Audit Committee, SVI Public Company Limited

Non-Listed Company

- Director and Chairman of the Audit Committee, Siam Agro-food Industry Public Company Limited
- Director, Gold Master Public Company Limited
- Director, Emerald Bay Resort Company Limited
- Director, Emerald Bay Villa Company Limited
- Chairman Frasers Property Industrial REIT Management (Thailand) Company Limited
- Director and Chairman of the Audit Committee, Beryl 8 Company Limited

Board of Directors

Mr. Pongsak Lothongkam

Age: 60

Director, Member of the Nomination and Compensation Committee and Chief Executive Officer

Appointed Date
22 April 2002

Common shareholding as of December 31, 2019
1,561,944,732 shares

Warrant holding as of December 31, 2019
-None-

Education

- Bachelor of Science in Electrical Engineering and Computer Science, University of California at Berkeley, U.S.A.
- Director Certification Program, Thai Institute of Directors
- Executive Program, Capital Market Academy in 2011

Experience

- Managing Director of Universal Instrument Corporation, Asia Operation
- Vice President and General Manager, Hana Microelectronics Public Company Limited.
- President, Multichip Technologies Incorporated

Present Positions

- Director, Member of the Nomination and Compensation Committee and Chief Executive Officer, SVI Public Company Limited

Mr. Chatchaval Jiaravanon

Age: 58

Independent Director and Member of the Nomination and Compensation Committee

Appointed Date
24 April 2013

Common shareholding as of December 31, 2019
-None-

Warrant holding as of December 31, 2019
-None-

Education

- Bachelor Degree in Business Administration, University of Southern California
- Director Accreditation Program, Thai Institute of Director
- Executive Program, Capital Market Academy in 2009

Experience

- Independent Director, Cal-Comp Electronics (Thailand) Public Company Limited
- Director, Hi Pro Electronic Public company Limited
- Independent Director, Seamico Securities Public Company Limited
- Chairman of the board, Metrostar Property Public Company Limited
- Director, Chia Tai Enterprises International Company Limited
- Advisor to the Deputy Minister of Commerce
- Director, The Federation of Thai Industries
- Director, Thailand Management Association

Present Positions

Listed Company

- Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee, SVI Public Company Limited.
- Director and Managing Director, TRUE Corporation Public Company Limited
- Chairman, Finansia Syrus Securities Public Company Limited
- Director, AEON Thana Sinsap (Thailand) Public Company Limited
- Director, Director of Audit Committee, member of Compensation Committee and Chairman of Nomination Committee, Frasers Property (Thailand) Public Company Limited

Non-Listed Company

- President and CEO, Telecom Holding Company Limited
- Chief Executive Officer, True Multimedia Company Limited

Management Team

Mr. Sopon Punyaratabandhu

Age: 57

Independent Director, Member of the Audit Committee

Appointed Date
1 July 2019

Common shareholding as of December 31, 2019
-None-

Warrant holding as of December 31, 2019
-None-

Education

- B.BA. in Accounting (Hons) and M.S. in Accounting, Thammasat University
- Certified Public Accountant (Thailand)
- Fellow Member, Thailand Institute of Directors

Experience

- Partner, Coopers & Lybrand
- Executive Director, VST ECS (Thailand) Co., Ltd.
- Director, Sanko Diecasting (Thailand) Public Company Limited.
- President, Thai Venture Capital Association

Present Positions

Listed Company

- Independent Director, Audit Committee Member, Chairman of Risk Management Committee, Asia Plus Group Holdings Public Company Limited.
- Independent Director, Audit Committee Member, Chairman of Corporate Governance Committee, SVI Public Company Limited.
- Director, Vintcom Technology Public Company Limited.
- Director, Copperwired Public Company Limited.

Non-Listed Company

- President, Vnet Capital Co., Ltd.
- Independent Director, Frasers Property Industrial REIT Management (Thailand) Co., Ltd.
- Director, Japan Strategic Capital Co., Ltd.
- Director, Chairman of Audit Committee, Electrical and Electronics Institute

Mrs. Pratamaporn Svasti-xuto

Age: 56

Independent Director, Member of the Audit Committee

Appointed Date
8 November 2019

Common shareholding as of December 31, 2019
-None-

Warrant holding as of December 31, 2019
-None-

Education

- Master of Business Administration, Indiana University, USA
- Bachlor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University

Experience

- ANZ Bank (Thai) Pcl., Board of Directors and Executive Vice President 2015 - 2019
- ANZ Representative Office, Chief Representative, 2010 - 2014
- Standard Chartered Bank (Thai) Pcl., Board of Directors and Senior Executive Vice President 2005 - 2010
- Hong Kong and Shanghai Banking Corporation, Senior Vice President, 2001- 2005
- Citibank NA, Senior Vice President

Present Positions

Listed Company

- Independent Director and Member of the Audit Committee, SVI Public Company Ltd.

Mr. Chatchawal Eimsiri

Age: 60

Director

Appointed Date
27 November 2019

Common shareholding as of December 31, 2019
100,000 shares

Warrant holding as of December 31, 2019
-None-

Education

- Master of Science in Operation Research, London School of Economics and Political Science University of London
- Bachelor of Science in Mathematics, Imperial College of Science and Technology University of London
- O/A Levels, Geldeston Hall, UK

Experience

- Acting President, PTT International Company Limited
- Executive Vice President, PTT Exploration and Production Public Company Limited
- President PTT Natural Gas Distribution Company Limited

Present Positions

Listed Company

- Director, SVI Public Company Limited

Management Team

Mr. Pongsak Lothongkam

Chief Executive Officer

Education

- Bachelor of Science in Electrical Engineering and Computer Science, University of California at Berkeley, U.S.A.
- Director Certification Program, Thai Institute of Directors
- Executive Program, Capital Market Academy in 2011

Experience

- Managing Director, Universal Instrument Corporation, Asia Operation
- Vice President and General Manager, Hana Microelectronics Public Company Limited.
- President, Multichip Technologies Incorporated

Present Positions

- Director, Member of the Nomination and Compensation Committee and Chief Executive Officer, SVI Public Company Limited.

Mr. Phichet Kanogsirima

Vice president of Corporate Support

Education

- Master of Business Administration, Thammasat University
- Bachelor of Science in Engineering (2nd class honors), Major in Electronics, King Mongkut's Institute of Technology (Ladkrabang)

Professional Certificates

- CPIM (Certified in Production and Inventory Management), APICS USA
- CIPS (Certified in Purchasing and Supply) Level 2, CIPS UK
- Pre-CSCP (Pre-Certified Supply Chain Professional), APICS USA

Experience

- Director of Sourcing and Purchasing, SVI Public Co., Ltd.
- Assistant Director of Global Sourcing, SVI Public Co., Ltd.
- Assistant Director of Materials, SVI Public Co., Ltd.
- Director of Sourcing ACT Co., Ltd.

Present Positions

- Vice President of Corporate Support, SVI Public Co., Ltd.

Mr. Somchai Siripanyanon

Vice President of Operations

Education

- Master of Business Administration, Thammasat University
- Bachelor of Engineering, Major in Electrical and Electronics, King Mongkut's Institute of Technology, Thonburi

Experience

- Engineering Manager, AT&T Microelectronics (Thai) Company Limited.
- General Manager, Alphatec Semiconductor Company Limited
- Managing Director, Vigilant Technology Company Limited

Present Positions

- Vice president of Operations, SVI Public Company Limited

Mr. Naresh B. Lahoti

Vice President of Financial Office

Education

- Chartered Accountant, Institute of Chartered Accountants of India
- Bachelor of Commerce, Mumbai University

Experience

- Deputy Manager (Audit & Assurance), Deloitte Haskins & Sells
- Divisional Manager – CVBU Business Planning - Tata Motors Limited
- Chief Financial Officer – Tata Motors (Thailand) Limited

Present Positions

- Vice President of Financial Office, SVI Public Company Limited

Management Team

Mr. Apirak Saengsie

Director of Finance and Accounting

Education

- Master of Business Administration (Major: Accounting), Dhurakij Pundit University.
- Strategic CFO รุ่น 8, The Stock Exchange of Thailand
- Insight Financial Management, The Stock Exchange of Thailand
- IT Governance and Cyber Resilience Program (ITG), The Institute of Directors

Experience

- Accounting Section Manager, GMM Grammy Public Company Limited.
- Accounting Manager, SVI Electronic (Tianjin) Co.,Ltd.
- Factory Manager, SVI Electronics (Tianjin) Co.,Ltd.
- Corporate Controller, SVI Public Company Limited.
- Senior Manager International Accounting, Mono Technology (Thailand) Public Company Limited.

Present Positions

- Director of Corporate Accounting and IT, SVI Public Company Limited
- Corporate Governance Committee, SVI Public Company Limited

Policy and Business Overview

Vision and Business Goals

Vision

To be a premium manufacturing company that strives for growth, profitability, integrity and social responsibility. We are a passionate team that work hard to build highest quality products and to provide unsurpassed service, that, together, create superior value to our customers, globally.

Our objectives are to support our customers to be the leader in their respective industry and to provide fulfillment to our employees.

Business Goals and Objective

The Company's objective is to be a leader in full turnkey electronics manufacturing services, according to the following goals:

1. The company is focusing on high value added products, such as, niche products and industrial control systems. Particularly, the product features require highly specialized labor as well as advanced production technology processes. The products also have a long lifecycle. The Company does not focus on electronics consumer products such as mobile phones that are less value added and are characterized by a short lifecycle. The characteristics of our products manufacturing are diversified product lines with small volume builds. Hence there is less competition from larger companies in terms of production costs. Also there is less competition from similar sized or smaller sized companies as it requires highly specialized skills in terms of experience, technology and materials management. We take advantage of these factors to stay ahead of the competition.
2. As for targeted customers, the Company's strategy is to have revenue generated by selling 50 % to the customers in Scandinavia, Europe and others 50 % is derived from customers in the United States, Germany, France, Switzerland and Japan.
3. Driven and established in house the business vertical integration and gain more market shares into major keys electronics components such as metal parts, plastic part and wire harness.
4. Established and providing the product design development to our strategic customers. Added services and engineering values to our existing manufacturing services and supply chain, gain more in Total Cost of Ownership and add values to our services.
5. In addition to our product strategy, the Company has improved its production capacity and improved its quality and manufacturing capability to support the needs of our customers and their complex technology requirements, (high-end system-build). The Company also continues to review and increase its production capability.

The business goal is to grow income steadily and consistently despite the volatile global economic environment. Moreover, it will be makes efficient in competitiveness and stepping to large target markets.

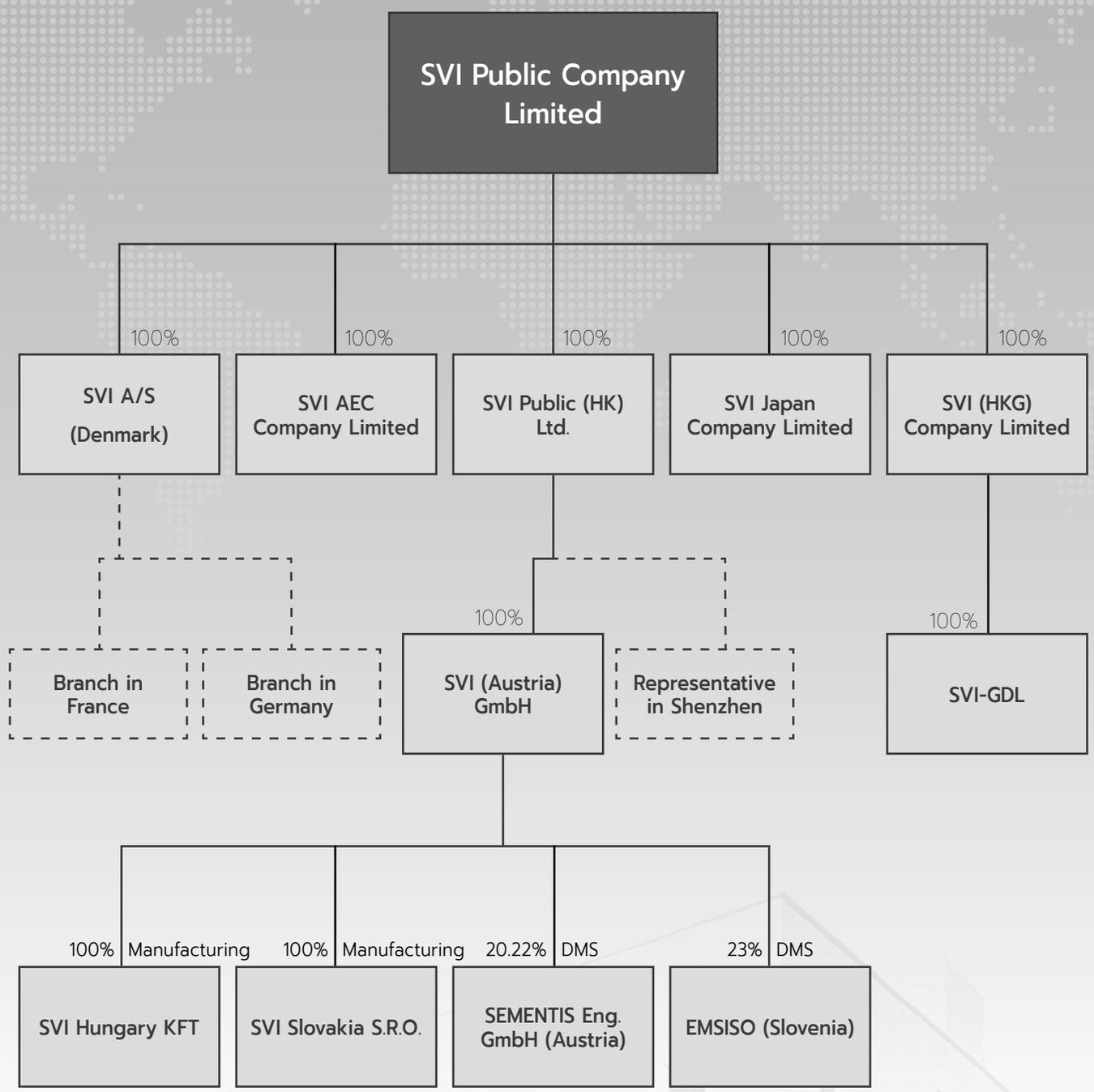
The Company provides full turn key business solutions of outsourced services for print circuit board assembly, and electronic finished products (Electronics Manufacturing Service - EMS) to customers who own the product prototype (Original Equipment Manufacturer: OEM). Also, servicing clients who are contract designers (Design House) The Company began operations assembling electronic circuit board and later developed more proficient strategies by concentrating on the production of finished electronic products (Turnkey Box-Build) and the production of finished system-builds (System-Build).

Background and Major Progress

SVI Public Company Limited, formerly known as Semiconductor Venture International Limited was established on August 2, 1985 to operate as an Electronics Manufacturing Service (EMS). The Company's background and major milestones are as follows:

Year	Activities
1985	• SVI founded as a COB assembly house
1989	• Initial Public offering in Thailand (SET), named Semiconductor Venture International Public Company Limited
2000	• Began high technology production process of "Micro-BGA and Flip Chip.
2002	• Mr. Pongsak Lothongkam has been appointed as a CEO,.New Vision, New Strategies
2003	• Changed company's name to SVI Public Company Limited
2004	• Acquired the 2nd factory "SVI-2" at Bangkadi Industrial Park, Pathumthani, Thailand
2005	• Setup factory at Tianjin, China
2008	• Acquired the 3rd facility "SVI-3" at Bangkadi Industrial Park, Pathumthani, Thailand
2009	• Nominated by SET as one of The Best Performance Awards and The Best CEO Awards.
2010	• Acquired additional facilities "SVI-5" at Bangkadi Industrial Park, Pathumthani, Thailand
2013	• Moved HQ to "SVI-3" at Bangkadi Industrial Park,Pathumtani..
2016	• Acquired Seidel Electronics Group in Europe, 3 productions facilities in Austria, Hungary and Slovakia, 2 Research Design companies located in Austria and Slovenia.
2017	• SVI (AEC), in Phnom Penh, Cambodia on construction of factory on land area of 64,000 sq.m.
2018	• Setup factory at SVI (AEC), in Phnom Penh, Cambodia • SVI acquired land and building area of 13,000 sq.m.
2019	• Setup subsidiary SVI (HKG) Ltd, the procurement office at Hong Kong • Setup factory, SVI – GDL at Mexico

Company and Subsidiaries Structure



Relation with shareholders' business

-None-

Characteristics of Business

The Company provides turnkey Electronics Manufacturing Services (EMS) to customers who are Original Equipment Manufacturers (OEM) and Design Houses. At the beginning, the Company only provided PCBA services and later developed its business strategy to focus on Turnkey Box-Build and System-Build product manufacturing. SVI's flexible manufacturing process is able to produce and meet the finished goods requirements for its customers, to produce according to the specific production process, step 1 or step 2, or both step 1 and 2 or totally 3 steps, based on the following processes:

1. Printed Circuit Board Assembly (PCBA)

The PCBA services was the original business of SVI and the Company evolved skills, knowledge as well as developed its capability in line with the market requirements and customer demands. In order to generate more income and added value, the Company changed its strategy by concentrating on the production of finished products (Turnkey Box Build). Our revenue generated from PCBA was approximately 37% of the total revenue in 2019.

2. Turnkey Box-Build

Besides PCBA manufacturing, the Company produces completed box-build products. SVI provides services and advice to customers using high technology and flexible product lines with short lead-times for product delivery at competitive prices which these mentioned factors are our competitive advantages. The products in this category are high technology products, such as, high frequency radio communication, satellite communication, Digital Signal Processing Audio used in radio and television station, Professional IP video and Medical products such as hearing aids. The products in this category generated revenue approximately 62% of the total revenue in 2019.

3. System-Build

System builds are more advanced products that involve more complex manufacturing processes than box-build manufacturing. The Company has increased its manufacturing capabilities to produce systems used in large industrial control systems and instruments. This contributes to higher revenue and added value for the Company. Examples of products in this category are large boards or systems such as Temperature Control Equipment for cold storage, Blood Analysis Systems and other Laboratory Equipment used in hospitals, representing approximately 1% of the total revenue in 2019.

Type of Products and Services

The products built under the above mentioned three processes are classified into 9 major categories based on the type of business as follows:

1. Industrial Control System: The company's revenue generated by this product category was 25% of total revenue in 2019. The main products are Temperature Control Equipment for cold storage, Circuit Breaker Equipment, Alternative Energy Control System and Communication Component Products-CCP which used as a transmitting and receiving device through high-technologies optical fiber. It is a new business of the company that has a very large market in the United States and Japan.

2. Automotive and Transportation segment: The products are tire pressure monitoring system (TPMS), telematics control unit, closing systems of electric tram etc. The revenue in Y2019 was reported at 10% of total sales.

3. Medical Laboratory Equipment segment: This is new market with high potential growth. The company certified for ISO13485 to enter this market. The product needs to be produced under clean room environment manufacturing control. The current customers are considered as forefront of global market with major market share. The products are hearing aids and hospital equipments. The revenue in Y2019 was reported at 8% of total sales.

4. Communication and Network System segment: The products are IP network camera, wireless network communication devices, satellite communication equipment etc. The revenue in Y2019 was reported at 35% of total sales.

5. Professional Audio and Video segment: The products are studio recording system, audio system for international conference room, professional audio equipment for musician etc. The revenue in Y2019 was reported at 7% of total sales.

6. Photonics and Lighting segment: The products are airfield lightings, aircraft parking assistance, professional light shaping etc. The revenue in Y2019 was reported at 4% of total sales.

7. Clean-Energy segment: The product is a controller of wind turbine. In Y2017, the company was in process of producing samples to customer. The revenue in Y2019 was reported at 3% of total sales.

8. Micro-Electronics segment: The product is a digital price tags for displaying in department stores with centralized system control to update pricing or promotion program of products. The revenue in Y2019 was reported at 3% of total sales.

9. Vertical Integration segment: The Company has diversified its production capabilities while the demand has grown significantly. The company has developed 2 plants located in Europe and Asia for cable assembly manufacturing facility. The global market of this product will be grown continuously for the next three years. The company is able to accommodate demand from many markets i.e. train, automotive, medical devices etc. The products are cable sets, cable trees, electrical and hybrid cable. The revenue in Y2019 was reported at 5% of total sales.

SVI has eight manufacturing plants, there are four plants in Thailand, one plant in Austria, one plant in Hungary, one plant in Slovakia and one plant is under construction in Cambodia, the details of each plant are stated below:

1. The factories located at Bangkadi Industrial Park (BIP), Pathumtani, are as follows:

   1.1 Head Quarters, the total land area is 71,000 sq. meters, and office space is 17,000 sq. meters.

   1.2 There are 4 plants for production, located in SVI2 and SVI5, total space of 82,900 sq. meter, which the details can be described below:
   - SVI 2A total space for production and warehouse is 12,500 sq. meters.
   - SVI 2B total space for production and warehouse is 6,500 sq. meters.
   - SVI 2M total space for production and warehouse is 6,500 sq. meters
   - SVI 5 total space for production and warehouse is 12,500 sq. meters.

2. The factory located at Chaengwattana road, Nonthaburi province, this is the first factory of the company which has been reserved as the back- up factory. The total land area is 21,400 sq. meters and total production area is 9,700 sq. meters.

3. The factory located in Austria, for supporting the expansion of the company's business in European markets, total land area is 12,000 sq. meters, and production space is 7,300 sq. meters.

4. The factory located in Hungary, for supporting the expansion of the company's business in European markets, total land area is 25,000 sq. meters, and production space is 3,000 sq. meters.

5. The factory located in Slovakia, for supporting the expansion of the company's business in European markets, total land area is 32,686 sq. meters, and production space is 7,640 sq. meters.

6. The factory located in Phnom Penh, Cambodia, for supporting labor intensive business, total land area is 67,000 sq. meters, and production space is 9,200 sq. meters.

BOI Privilege

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Company are as follows.

The details of BOI privileges are presented in Note 30 of the Financial Statement.

Details						
1. Certificate No.	1065(2)/2550	1296(2)/2554	2724(2)/2555	5152(2)/2556	1587(2)/2558	1595(2)/2558
2. Promotional privileges for	Manufacturing of PCBA, electronic products	Manufacturing PCBA, electronic products and hand-microphone	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products	Manufacturing of Submount, electronic products
3. The significant privileges are						
1. Exemption of corporate income tax for net profit from promotional privileges and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	5 years (Transfer right to 5152(2)2556)	5 years (Transfer right to 5152(2)2556)	5 years	8 years	5 years	5 years
2. Allowance for 5% of the increment in export income over the preceding year for ten years, providing that the export income of that particular year should not be lower than the average export income over the three preceding years except for the first two years.	Non-granted	Non-granted	Non-granted	Non-granted	Non-granted	Non-granted
3. Exemption of import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted	Granted	Granted
4. Exemption of import duty on raw materials and significant supplies used in export production for a period of one year from the first import date.	Granted	Granted	Granted	Granted	Granted	Granted
4. Date of first earning promotional privileges under the promotion certificates						
• Raw materials	24 Apr 2008	1 May 2011	-	17 Jun 2013	1 Oct 2017	-
• Machinery	27 Dec 2006	25 Jan 2011	3 Oct 2012	17 Jun 2013	2 Mar 2015	23 Mar 2015
• Income tax	14 May 2008	13 May 2011	Not yet exercised	17 Jun 2013	10 Oct 2017	-

The structure of revenue

The Company's revenue is mainly generated from manufacturing electronics products. The Company's revenue from 2017 to 2019 was classified by product category as per the details listed below:

Table 1: **Revenue** classified by product category

Revenue Structure	2017 (Consolidated)		2018 (Consolidated)		2019 (Consolidated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Revenue						
1. Industrial Control	3,349	26.95	3,766	24.13	3,715	24.83
2. Automotive and Transportation	1,348	10.85	1,496	9.58	1,554	10.39
3. Medical Laboratory Equipment	692	5.57	1,038	6.65	1,272	8.50
4. Communication and Network System	4,447	35.79	5,830	37.35	5,206	34.79
5. Professional Audio and Video	1,092	8.79	1,205	7.72	1,005	6.72
6. Photonics and Lighting	540	4.35	604	3.87	531	3.55
7. Clean-Energy	3	0.02	79	0.51	399	2.67
8. Micro-Electronics	527	4.24	523	3.35	478	3.19
9. Vertical Integration	428	3.44	1,069	6.85	802	5.36
Total Sales Revenue	**12,426**	**100.00**	**15,610**	**100.00**	**14,962**	**100.00**
Gain on exchange rate	-		63		-	
Other income*	256		119		280	
Total Revenue	**12,682**		**15,792**		**15,242**	

*Note:** *Other income was the sales of scrapped and salvaged materials from the production line, profit from investment, interest income, equity and dividend.*

The revenue generated by the company and subsidiaries are listed below:

Table 2: Classified by the company and subsidiaries

Revenue Structure	2017 (Consolidated)		2018 (Consolidated)		2019 (Consolidated)	
	Million Baht	%	Million Baht	%	Million Baht	%
The Company	9,717.50	76.63	12,119.20	76.74	11,511.26	76.94
Subsidiaries						
SVI Public (HK) Limited	20.19	0.16	68.73	0.44	30.80	0.21
SVI A/S (Denmark)	1,534.64	12.10	1,747.60	11.07	1,466.40	9.80
SVI (AEC) Company Limited*	0.01	0.00	46.38	0.29	334.31	2.23
SVI (Austria) GmbH	2,508.33	19.78	2,889.15	18.30	2,711.27	18.12
SVI Hungary KFT	110.25	0.87	109.41	0.69	99.69	0.67
SVI Slovakia S.R.O.	613.48	4.84	1,173.99	7.43	898.13	6.00
SVI Japan Company Limited	-	-	1.79	0.01	-	-
Total	14,504.44	114.37	18,156.25	114.97	17,051.86	113.97
Related transaction (Deducted)	(1,822.87)	(14.37)	(2,364.32)	(14.97)	(2,090.31)	(13.97)
Total Revenue	12,681.57	100.00	15,791.93	100.00	14,961.55	100.00

Marketing and Competition Strategy

Marketing

The Company has developed long-term relationships with our customers, who are mainly in top tier and mid-sized Original Equipment Manufacturers (OEMs) which are well-accepted in the global market. In our business, the company is always signed contracts with customers who are providing us a 12-month rolling demand forecast for supporting our materials and capacity planning. Our customers will issue purchase order to confirm their orders and fully liable in their demand forecast. Our customers are mainly located in the Scandinavian countries, and some of them have subsidiaries in other countries. Additionally, during the past year the company is successfully enhancing our markets footprint more and more into Scandinavian countries, US and Europe both current customer and new customer. The company risk caused by economic fluctuations shall be minimized since our customers with their subsidiaries in other countries and market region will issued their orders separately. If the economy slows down in a country, we can still get orders from their subsidiaries located in other countries and also from our new market footprint. SVI's sales can be reported by region as listed below

Table 3: Revenue classified by region are listed below:

Sales Revenue by Region	2017 (Consolidated)		2018 (Consolidated)		2019 (Consolidated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Scandinavia	6,271.83	50.47	8,344.45	53.46	7,857.44	52.52
USA	955.11	7.69	1,458.05	9.34	1,389.79	9.29
Europe	3,560.77	28.66	3,978.06	25.48	3,864.48	25.83
Global (customers who have subsidiaries in many countries)	1,272.08	10.24	1,206.77	7.73	1,470.37	9.82
Total Overseas Market	12,059.79	97.06	14,987.33	96.01	14,582.08	97.46
Domestic & Others	365.84	2.94	622.22	3.99	379.47	2.54
Total Sales Revenue*	**12,425.63**	**100.00**	**15,609.55**	**100.00**	**14,961.55**	**100.00**

**Excluding others incomes*

Competition

In order to compete in its markets, SVI's strategic plan is continue focusing in operations efficiency, high quality manufacturing processes, supply chain services with an additional design and development services.

Operations Management

We offer a complete, dynamic, turn-key service to customers by providing materials procurement to customers who require us to be their material supplier. To increase flexibility and cost competitiveness, we established and driven in house the business vertical integration and gain more market shares into major keys electronics components such as plastic part, wire harness and metal part. We have professional technical product development teams to work with customers closely for System build, box build and PCBA, enhancement prior to starting actual production in order to boost efficiency and save costs. We also provide design services to all of our customers to win more in their markets as well as a great continuously supporting in test equipment development in order to test finished products and insure their products quality before delivering, ensure customers' satisfaction.

Our design development and NPI (New Product Innovation) team have been established to provide a great new products design, quicker prototype and quick turn-around time to customers, enabling SVI to be more competitive in terms of time to market and design involvement from the beginning of product life cycle.

Manufacturing

SVI expanded its capacity along with the improvement of product quality and production capability. This supports the growing demand of customers, product technology, including high complexity of production process for high-end and system build products. SVI continued to expand production floor space and investing an additional production facility in Cambodia. The European plant continued to expand especially in Slovakia to support Europe customer with focus on High-End System Products to gain freight cost.

Additional Surface Mount Technology (SMT), Flip Chips, X-Ray and Coating machines, Chip On Board machine, robotic, and automation lines have been installed and implemented. Those machines and our automation lines are hi-technology and improve efficiency and quality in the production process.

Product

The Company has focused to produce high value-added products in the Industrial Control and Office Automation categories. These products have higher labour incentive, require high technology and also have a long life-cycle. The Company has purposely avoided production of consumer products and mobile phones because they are low value-added products which have rapid changes in design and technology.

With regards to the high value-added products, since the production volumes are typically low or medium quantity and products have a high mix; therefore, the larger players do not focus on this business category. The small to medium sized EMS also avoid this category due to the lack of efficient materials management and production skills.

Quality Standard

In recognition of our commitment to excellence in the manufacturing business, SVI received recognition for international quality and environmental management standards as follows:

1995	Received systems certification ISO9002:1994 from TRADA, a leading multi-sector certification body accredited by UKAS (United Kingdom Accreditation Service).
1999	Received systems certification ISO9002:1994 from QSU (Quality Science Universal), Singapore.

2002	Received ISO14001:1996, the Environmental Management System certificate, from the AJA Registrars. Received ISO/TS16949:2002, quality certification which is the highest quality standard specified by the automotive industry, from TUV Rheinland Thailand Ltd. Some parts of ISO/TS16949:2002 standard derive from ISO9001:2000 which is an upgraded certificate of ISO9002:1994 the company received in 1995.
2003	Passed basic assessment of quality standard ISO13485:2002, a standard in manufacturing medical equipment.
2005	Expanded quality management system of ISO 9001:2000 and ISO/ TS 16949:2002 to SVI-2 and all system was certified by TUV Rheinland Thailand Ltd. Received new version of ISO 14001:2004, the Environmental Management System certificate, which is an upgraded standard from ISO 14001:1996 received earlier from the AJA Registrars.
2006	Passed surveillance audit of ISO9001:2000, ISO/TS16949:2002 and ISO14001:2004. SVI-3, located in Tianjin, China started operation and later received ISO9001:2000 Quality Management System certificate from TUV Rheinland Thailand Ltd.
2007	Passed surveillance audit of ISO9001:2000, ISO/TS16949:2002, ISO14001:2004. SVI-3, located in Tianjin, China received ISO 9001:2000 with the expansion of product quality certification from only PCBA to both PCBA and Box-Build. SVI-3 passed the basic test of ISO 14001:2004, Environmental Management System, certified by the Chinese organization.
2008	In accordance with the Surveillance Audit, the new document control system (DocMASTER System), which is an on online document controlling system, has been implemented for SVI's factory in Thailand and China as well. This system has been recognized, both internal and external customers have been satisfied, and accepted by ISO9001:2000, ISO/TS16949:2002 and ISO14001:2004..
2009	Successfully passed ISO audit certification with new version ISO9001:2008, TS16949: 2009 Awarded ISO Certification for Medical Devices and Hearing Aid Accessories – ISO13485 by British Standard Institute (BSI) Thailand.
2010	Successfully passed the audit certification for ISO9001:2008, TS16949:2009, ISO13485:2003 and Environmental Management System ISO14001:2004. We have to be certified every year.
2011	Bangkadi plants successfully passed OSHE Certification (ISO14001:2004 and OHSAS18001:2007) from the AJA Registrars. Chaeng Wattana plant has been under contingency plan per Business Continual Improvement Procedure and Quality System Management from TUV Rhienland ISO9001:2008 and ISO/TS16949:2009 since April 3, 2010 to February 11, 2012.

2012	Successfully passed ISO9001:2008 Certification for general products, TS16949:2009 for Automotive Products and ISO13485:2003 for Medical Products from Certified Body TUV Rheinland from Germany and BSI from England respectively.
2013	Completed systems training for Aerospace AS9100 Requirements. Achieved IPC 610E CIT certifications to enable SVI provide in-house IPC-A-610E "Acceptability of Electronic Assemblies "to organize Certified Inspection Specialist (CIS) for engineers and operators.
2014	Successfully passed monitoring audit for ISO9001 standard quality management system quality management system, ISO/TS16949 – Automotive, ISO13485 quality management system, Medical ISO14001 environmental management system, OHSAS18001 occupational health and safety management system, environmental occupational health and safety, ISO14001: 2004 + OHSAS 18001: 2007 from AJA Registrars for SVI's factory at Bangkadi.
2015	Passed re-certified audit for ISO9001:2008 quality management system and ISO/TS16949:2009 quality management system for Automotive from certified body TUV Rhineland from Germany for SVI's factory at Bangkadi and Chaeng Wattana. ISO13485:2003 quality management system-Medical device from certified body BSI from England for SVI's factory. Passed 1st surveillance audit ISO14001:2004 Environmental management system and OHSAS18001:2007 occupational health and safety management system from certified body AJA Registrars for SVI's factory at Chaeng Wattana and Bangkadi extend scope to SVI.
2016	Passed 1st Surveillance audit for ISO9001:2008 Quality Management System and ISO/TS16949:2009 Quality Management System-Automotive from certified body TUV Rhineland from Germany, ISO13485:2003 Quality Management System-Medical device from certified body BSI from England. Passed 2nd Surveillance audit ISO14001:2004 Environmental Management System and OHSAS18001:2007 Occupational Health and Safety Management System from certified body AJA Registrars for SVI's factory at Bangkadi. Achieved IPC/WHMA-A-620 "Requirements and Acceptance for Cable and Wire Harness Assemblies" CIT & CIS Certification.
2017	Passed the 2nd Surveillance audit for ISO9001:2008 Quality Management System and ISO/TS16949:2009 Quality Management System-Automotive from TUV Rhineland Germany, ISO13485:2003 Quality Management System-Medical device from BSI, England. Successfully passed ISO audit certification with new version ISO14001:2015 Environmental Management System and passed re-certification audit OHSAS18001:2007 Occupational Health and Safety Management System from AJA Registrars for SVI's Thailand. SVI has also developed further Quality system in accordance with Japanese requirement to support new Automotive Products / customer for new coming year.
2018	Successfully to upgrade and re-certification of ISO9001:2015 new version together with the IATF16949:2016 updates quality management system for Automotive Products requirement from TUV Rhineland Germany. And also succeed to upgrade and re-certification of the ISO13485:2016 from BSI England. Pass the 1st. ISO14001:2015 + OHSAS18001:2007 surveillance audit from AJA Registrars for SVI Bangkadi Plants

2019	Passed the 1st Surveillance audit for ISO9001:2015 Quality Management System and IATF16949 : 2016 Quality Management System-Automotive from TUV Rhineland Germany, ISO13485:2016 Quality Management System-Medical device from BSI, England. Successfully passed ISO14001 : 2015 Environmental Management System and ISO45001 : 2018 Occupational Health and Safety Management System from AJA Registrars for SVI's Thailand Passed the 1st Surveillance audit for ISO9001:2015 Quality Management System and ISO14001 : 2015 Environmental Management System from AJA Registrars for SVI's Cambodia.

The Company's Potential Competition

The company has expanded the market into countries in Europe, America and China, and has extended into some new markets such as microelectronics, green energy management, medical devices and automotive, that resulting in increased competition with new competitors.

Our Company has no big size competitor in Thailand. There are some competitors from Europe tried to set up factory in Thailand. However, the company has produced unique products different from competitors. Our competitors who can share our orders in Europe and Scandinavia are those companies from USA, Europe and Japan. In the U.S. market, our competitors are based in South Korea, Mexico, Malaysia, and the U.S. itself. SVI has a great cost advantage and more alternative for sourcing of materials as compared to the EMS providers located in the U.S. and Europe. Additionally, the Company has advantage in producing good quality product, high protection of intellectual property, good services and design from manufacturing at lower costs than the companies located in US or Europe. The Company has long term experience supply chain development, competitive cost driven, in this business in which the production capability and technology have been improved continuously.

There are 5 major competitors currently, in which 2 of them located in Scandinavia which one Scandinavia's subsidiary company located Thailand, 2 of them are US companies and one is from Canada.

Industry and Competition Trend

Electronics Manufacturing Services (EMS) is an industry designed to support the electronics products industry and other high-end equipment such as airline industry, automotive, telecommunication and medical services. Those products are now necessary for supporting people who live in the city.

The business primarily depends on the global economic situation and overall demand of electronics products which is increasing more and more each year. In Thailand, most of the EMS and electronics products are produced for export, and the value of exports have been gradually increasing for many consecutive years.

Most of our products are mainly produced for Niche system and Industrial Control system which they are not depended on the economic condition since the demand of this product category is generated by variety of industries. Once there is a recession in one specific industry, SVI can change its direction to better serve other industries.

Also, in our main market segment the selling price is not the key critical factor for competition because the quality of products is the primary factor considered by high end customers and products.

Additionally, our new market segment in medical is gradually increasing year over year to support the modern life style and longer aging of worldwide population. The automotive product is continued growth segment as most of control unit in automotive are using electronic parts. Another new business segment is clean energy with high potential growth been promoted by government in European countries. Clean energy generates electricity from sustainable sources like wind, solar, and geothermal power with little or no pollution or global warming emissions.

Product Supplies

Production

The Company manufactures products based on customer's orders. Our engineers have a high expertise in ensuring the improvement of electronic circuit boards prior to launching into production. We really focus and provide the best manufacturing options for cost competitiveness as well as increasing the efficiency of production and quality. The Company also has high capabilities to design and develop the test systems in order to test assembled products and their reliability before delivery to our customers.

Currently, our company has five mains technologies to manufacture the products for our customers.

1. SMT Technology (Surface Mounted Technology) is our main technology which is mainly used for most of our products. This technology is to connect electrical circuits and other semiconductor devices onto the surface of printed circuit boards (PCB). The SMT is useful for both design and manufacturing since it can save space in the assembly of electronic components onto printed circuit boards. Our SMT lines also cover the technology of BGA (Ball Grid Array), flip chip as well as other higher technologies of SMD (surface mount devices) with fully integrate with AOI machines (automatic Optical Inspection).
2. IMT Technology (Insertion Mounted Technology) is a technology for assembling electronic Components by inserting these into the cavity of the printed circuit board (PCB). The production of any components of IMT technology products has a lower cost compared to the manufacture of SMT products.
3. COB Technology (Chip on Board) this technology is connected to the integrated circuit devices without the chassis (Bare IC) directly to the printed circuit board. This type of technology is popular for the product which is limited in the area of electronic product assembly. The COB technology enables lower production costs compared to the cost of producing integrated circuit devices with chassis (Package IC) which is a significant part of the higher prices. Moreover, the company also provides the gold wire bonding as an additional technology of aluminium wire bond.
4. Box build and system build Our company has provided full services of back end operation to support a completed box build and/or system build. The dedicated lines are full equipped with custom tools, functional testers as well as fully trained operators to match our products requirement and output.
5. Microelectronics Technology are based on precision and accurate process i.e optical micro-packaging. The technology and know-how that obtained through process, production and equipment are transfer from our OEM customer. The special equipment is Photolithography machine, Wafer dicing, Thin film metallization Titanium(TI), Platinum (Pt) and Gold(Au) and Gold wire bonding.film metallization Titanium (TI), Platinum(Pt),Gold(Au) and Gold wire bonding.

The Company currently had a total capacity as follows:

Capacity * (Unit: dots per year)	2017	2018	2019
Bangkadi Plant			
- Capacity	7,582,306,764	8,329,208,725	10,281,308,921
- Utilization	5,540,318,389	6,570,229,806	7,357,952,174
Factory in Europe			
- Capacity	420,000,000	450,000,000	450,000,000
- Utilization	292,000,000	256,000,000	256,000,000
Total			
- Capacity	8,002,306,764	8,779,208,725	10,731,308,921
- Utilization	5,832,318,389	6,826,229,806	7,613,952,174
The rate of capacity utilization	73%	78%	71%

Remark: Capacity has been calculated from the working schedule of operators which are 6 days per week, 7 hours per shift and 3 shifts per day. Generally, production also needs operators to assemble products. Therefore, measuring the rate of capacity utilization above is only a measure of the capacity of the machines.*

Material Sourcing

Most of our major materials are imported from Europe, Singapore, Hong Kong, Japan and USA. SVI gives the highest attention to costs and delivery time when sourcing for raw materials. Since the Company has efficient materials management, we maintain a smooth production process and continually serve customers' orders.

SVI also has a strong strategy for the materials sourcing which applies to our international purchasing offices located in Denmark, Austria, China and Thailand. However, the materials purchasing functions are centralized in the Thailand office, where the lists of required materials are distributed to those selected suppliers and the final decision is made by the Headquarters with consideration to the cost, performance, and other conditions. We also have an e-bidding system in place. The company continually improves the material sourcing and procurement system both from overseas and local sources that are able to deliver at reasonable costs and ensure the quality of products.

Proportion of imported raw materials from abroad and purchases from domestic are as follows.

Materials	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Oversea Sources	7,343.55	90.62	9,841.65	91.72	7,985.52	94.61
Local Sources	599.84	9.38	888.05	8.28	750.04	8.59
Total	8,103.76	100.00	10,729.70	100.00	8,735.56	100.00

Product Testing

Prior to starting mass production, SVI performs test runs in order to ensure the quality of the products produced to meet customers' requirements and approvals. Product testing helps minimize risks from technology transfers or test requirements.

Environmental Care

SVI has been certified by the International Standard for Environmental Management Systems or ISO 14001 since 2002 which provides practical tools for the Company to manage not only its environmental responsibilities but also the business development by focusing on the pollution prevention and environmental protection so overall help reduce the environmental impact as well as reduce operating costs of the business.

The Company controls materials waste from production processes by assigning companies, licensed by The Department of Industrial Works, Ministry of Industry, to be responsible for all solid waste. Moreover, SVI constructed vapor ducts at soldering stations to separate gas and contamination particles by using Wet Scrubbers to ensure only clean air is released back into the atmosphere. All in all, SVI has not seen any substantial expense or conflicts on any environmental issues. Instead of using cleaning liquid with CFC chemicals as a mixing component, the ingredients were changed to a water-based solution.

Our cooperation with the Department of Health, Ministry of Public Health to follow up and report on quality measurement ensures our environmental management is in compliance with the law at all times. To achieve this, SVI has set up the Occupational Health & Safety Environmental Committee (OSHE Committee) to take care of the environmental matters, reduce pollution problems, and maintain good quality of life for its employees, community and society.

In terms of environmental operation, the Company has achieved the objectives specified by the legal rules and regulations as well as the environmental management system. In 2017, the Company operated the business according to the environmental laws. The expert will analyze the quality of waste water inside the Company. After comparing the analysis and the standard announced by the Ministry of Science Technology and Environment No. 3 (1996), and the standard announced by the Ministry of Industry No. 2 (1996), it showed that all the parameters are in the standard. Moreover in 2018, the company will initially encourage to set up the Energy Saving Committee to ensure its serious commitment to the energy saving practice. The Objectives are to support National Energy Conservation Policy by collaborating to improve energy efficiency, reducing energy use, reduces energy costs and results in a financial cost saving to maximize the profit.

Operational Result: According to the drive and strictly comply with the sustainable policy, it has been clearly resulted that the Company has been certified ISO 14001. This certificate is international standard acceptable in economy and social. This certification can be leaded into the production in the following area:

- Environment Governance Project: In 2019, the Company has strict direction to manage environment in accordance with Environment Government Project comprising of 6 essential elements which are principal of law, integrity, transparence, cooperative, responsibility, accountability and value to money which those principal are in line with the feeling and expectation of society.

กรมโรงงานอุตสาหกรรม
DEPARTMENT OF INDUSTRIAL WORKS

กรมโรงงานอุตสาหกรรม กระทรวงอุตสาหกรรม

ขอมอบเกียรติบัตรนี้ให้ไว้เพื่อแสดงว่า

บริษัท เอส วี ไอ จำกัด (มหาชน)

ผ่านเกณฑ์การประเมินการมีธรรมาภิบาลสิ่งแวดล้อมที่ดี

ประจำปี ๒๕๖๒

ให้ไว้ ณ วันที่ ๖ พฤศจิกายน พ.ศ. ๒๕๖๒

(นายประกอบ วิริยจินดา)

อธิบดีกรมโรงงานอุตสาหกรรม

- Green Industry Factory : The Company has been developing to be green industry according to the project of Ministry of Industry. This project will enhance to continuously develop including show, directly or indirectly, the responsibility of the Company to the social and environmental and also supply chain. The Company also has the direction to maintain and to develop environment in order to get into green industry in higher level.

- Save Energy Project : The Company has used alternative energy to be source of energy sharing usage. In 2019, Solar Rooftop was fixed at 2A building, 2A parking area 2A and SVI 5 building. The Company achieved to reduce energy usage at 36,000 kWh per month.

Risks Factors

Risk Assessment

There are some potential risks that could affect SVI's business. The actions listed below are to minimize exposure to those risks.

1. Operational Risks

1.1 Risk on Materials supplied

SVI realizes that Supply Chain Management is critical to a successful business. The Company is aware of and focuses on material issues to ensure competitive pricing, quality, delivery and service from our supply base. Although there may be some instances that affect the electronics industry in or outside of Thailand, the Company regularly reviews our prevention plan and strategy to avoid any negative affects to the material requirements of the Company. SVI implements a number of methods to minimize these risks. We closely monitor the market of materials supply and related issues to see where a potential problem may occur. Also, SVI works proactively with key suppliers to implement new techniques and advanced systems in managing materials supply productively such as VMI (Vendor Managed Inventory) program and providing forecasts to ensure suppliers prepare products ahead of required dates. In addition, VPA (Volume Price Agreement) technique has been applied for better prices which can help the Company in cost reductions. In addition, we establish effective communication systems with suppliers to obtain all materials related information accurately and on time. This helps us determine the potential risk and prepare contingency plans. Furthermore, the Company and its overseas sourcing offices in Denmark, Austria and China connect directly with approved manufacturers to develop key components or parts together. This advantage provides better service to support our production lines.

1.2 Risk from dependency on a major product segment or customer

SVI product category contains in wide range of market segment per table. In the past year, there were no customers that accounted for proportions of revenue higher than 30% of total revenue. The percent contributed by product type are listed below. The communication & network System is the major revenue target approximated 35%of total sales, followed by Industrial Control and Automotive and Transportation, the revenue target are 25% and 10% of the total sales, respectively. In 2019, The clean energy is continued growth with 53% from Year 2018.

Type of Industrial	Contribution		
	Year 2017	Year 2018	Year 2019
INDUSTRIAL CONTROL	26.95%	24.13%	24.85%
AUTOMOTIVE AND TRANSPORTATION	10.85%	9.58%	9.97%
MEDICAL LABORATORY EQUIPMENT	5.57%	6.65%	8.49%

COMMUNICATION & NETWORK SYSTEM	35.79%	37.35%	34.80%
PROFESSIONAL AUDIO AND VIDEO SYSTEM	8.79%	7.72%	6.71%
PHOTONICS & LIGHTING	4.35%	3.87%	3.96%
CLEAN ENERGY	0.02%	0.51%	2.67%
MICRO ELECTRONICS	4.24%	3.35%	3.19%
VERTICAL INTEGRATION	3.44%	6.85%	5.35%
Grand Total	100%	100%	100%

Due to the high proportion of revenue generated from Communication and Network System and Industrial Control product category, including the majority of our customers are located in Scandinavian, therefore there are risks associated with declining demand or changing features of products, change of trade policies, or an economic recession in Scandinavian market. However, the demand in these categories have less fluctuation. The Company also closely monitors the market situation and regulatory requirements and constantly adjusts its production to comply with the laws issued by EU Committee i.e. the ROHS (Restriction of Hazardous Substances) standard, an EU-Directive in hazardous materials used in electrical and electronic products. Moreover, SVI expanded its production capacity by investing in its plants at Bangkadi, Cambodia and Europe to support the customers' orders from Scandinavian market and other regions as well as to diversify our source of revenue. In 2019, the Company successfully gained more market share in the medical, clean energy and automotive and transportation markets. Moreover, the Company plans to expand our customer base to other regions, such as, Japan, USA, and Central Europe. This will result in minimizing the risk from dependency on a major product or market segment.

2. Technology Risks

In order to sustain our customer base in the high-tech market sector, SVI must demonstrate its ability to produce products to the customers required level of technology. SVI prides itself in its technological expertise and remains a leader by:

- Participating in the world class organization for standards: IPC, The Association Connecting Electronics Industries.
- Regularly reviewing and participating in conferences and technical trainings from world class manufacturers/suppliers for technology of automation machineries, materials, and processes.
- Developed our company's R&D team and participating with the customers' R&D at the early phase of design with NPI and our R&D organization. Participating and utilizing the R&D service from NSTDA (National Science and Technology Development Agency) and Academic Institute for improvement on efficiency and R&D as required.

3. Financial Risks

Risk from fluctuation of exchange rate.

Since the Company's major revenues and costs are in foreign currencies. The US Dollar is the main currency for both revenues and expenditures. The fluctuation of exchange rate can affect our revenues and the cost of sales which contributes to the gains or losses from the exchange rates based on accounting transactions. The revenue of Thailand group derived from USD and Euro accounted for 95 % and 4% of total revenue in 2019 respectively, whereas, the material costs purchased in the USD were approximately 80% of the total cost of sales. The revenue of Europe group derived from Euro and USD accounted for 97 % and 3% of total revenue in 2019 respectively, whereas, the material costs purchased in the EUR were approximately 70% of the total cost of sales. Thus, SVI's exchange rate risk was minimized by a natural hedge. Additionally, SVI reduced exchange rate risk of excess exposure with the purchase of Forward Exchange Contracts at the sufficient amount for "Thai Baht" requirements, which is an effective tool in minimizing risks of exchange rate fluctuation.

4. Disaster Risks

A Disaster is a factor that may interrupt the Company's business operations. It could be from flood, storm, fire, earthquake, tsunami, land slide and etc., which can impact to the Company's business by losing customers to competitors due to capacity disrupted during recovery period. In order to reduce the risk of flooding at BIP where SVI's headquarters is located, BIP has established its flooding protection project by building 5-meters-tall dikes around the BIP premises. Additionally, the Department of Highway has been raising the road in front of BIP at additional 60 centimetres. for better protection. As for the Company itself, we have constructed the second floor in Productions area as a potential storage place for machines, tools and equipment. Meanwhile, the plant at Chaengwattana, Nonthaburi has been renovated to be a backup plant.

Whereby the Provincial Electricity Authority (PEA) who currently distributes electricity to the companies at BIP, has built a new building on the high filling land and changed its system to Gas Insulated Switchgear (GIS) which is installed inside the building and result in better electricity distribution

We have reviewed and installed fire prevention system both in the building and production process in which the systems are based on world class standard. The emergency management system has been improved for quick and on time response accordingly.

Apart from that, the Company pursues business opportunities to have more backup plant by setting up an additional plant in Phnom Penh, Cambodia start production at the year 2018.

Assets for Operation

The main assets of the company and subsidiaries

As of December 31, 2018 and 2019, the Company and its subsidiaries had the following assets to operate the business as follows:

Type of property, plant and equipment	Details	Ownership Characteristics	Net Book Value (Million Baht)		Obligation
			2018	2019	
1. Land					
Chaengwattana Plant	21,400 sq.m., production and office space 9,700 sq.m.	own	171.70*	171.70*	None
Bangkadi Plant (SVI 2A)	20,400 sq.m., production and office space 12,500 sq.m.	own	39.55	39.55	None
Bangkadi Plant Head office	71,000 sq.m office space 17,000 sq.m.	own	218.62	218.62	None
Bangkadi Plant SVI 5, SVI 2B and SVI 2M	62,500 sq.m., production and office space 25,500 sq.m.	own	118.12	118.12	None
Slovakia Plant	28,000 sq.m., production and office space 6,000 sq.m.	own	5.96	7.94	None
SVI (AEC) Cambodia*	67,000 sq.m., production and office space 17,700 sq.m.	50 years Rent	101.19	92.00	None
Total			655.14	647.93	
2. Buildings and building improvements and land			857.92	817.61*	None
3. Machinery and equipment			709.84	582.56	None
4. Furniture, fixtures and office equipment			34.11	50.91	None
5. Vehicles			8.74	10.74	None
6. Construction and machinery under installation			23.32	83.76	None
			2,126.87	2,193.51	

** Grouping in Investment Properties by Land Baht 171.70 million Buildings and building improvements and land Baht 17.85 million*

The summary of Land Rental Agreement. Buildings, Machinery and Equipment.

The rental of land of SVI Public Company Limited

Tenant: SVI Public Company Limited (Thailand).

Landlord: Mr.Surinee Chanpaetruk.

Object: Renewal of the contract to rent the land, title deed No. 118489, land No. 3240, Tambol Bangtalad, Amphur Pakkred, Nonthaburi. The total land area is 575 sq. wah from the total area of land declared on title deed 2 rai 1 ngan 27 sq. wah, which is the space left from the rental of the land by Muang Thong Parking that rents the same piece of land under with the same title deed. This is to develop and improve the parking for the company's employees and visitors.

Rental Term: 1 year from June 1, 2019 to May 31, 2020.

Rental Rates: Monthly Rental is Baht 33,157.89

Rental renewal: 1 year renewal can be processed by 30 days written notice by the tenant before expiry of the contract.

Termination: Either party giving to the other 30 days writing notice intention of termination. In which, tenant will move out all tenant's assets and deliver the land back to the landlord without requesting a moving fee or any compensation costs from the landlord.

The rental of land of SVI (Austria) GmbH

Tenant: SVI (Austria) GmbH

Landlord: Seidel Liegenschaftsvcrwaltung GmbH

Object: The production and storage of electronic components.

Rental Term: 5 year from February, 2016 to December 31, 2021.

Rental Rates: Monthly Rental is Euro 50,496.17

The rental of land of SVI Hungary KFT

Tenant: SVI Hungary KFT

Landlord: Seidel Hungária Ingatlankezel Kft

Object: The production and storage of electronic components.

Rental Term: 5 year from February, 2016 to December 31, 2021.

Rental Rates: Monthly Rental is Euro 11,900 per month, start March 2016. In February, rental fee is Euro 14,000 per month

Plant, Machinery and equipment

Buildings, machinery and equipment without obligation.

Intangible Assets

As of December 31, 2019, the Company had intangible assets classified as customer base, in the amount of Baht 36.27 million, which is amortized for a period of 5-8 years. As of December 31, 2019 and 2018, the Company had intangible assets under software license, in the amount of Baht 38.96 Million and Baht 18.79 Million respectively, the computer software is amortized on a straight line method for a period of 5-10 years.

The details of Intangible Assets are presented in Note 17 of the Financial Statement

Investment Policy in associated companies.

The Company Financial Statement as of December 31, 2019 and 2018 reported an investments in subsidiaries, not included impairment, in the amount of Baht 212.13 Million and Baht 212.09 Million respectively, the details are as follows:

Company's name	Country of incorporation	Paid-up Share Capital	% of Shareholding	Cost Method (Million Baht)	
				2018	2019
SVI A/S	Denmark	DKK 500,000	100.00	3.27	3.27
SVI Public (HK) Limited	Hong Kong	HKD 36,945,910	100.00	174.14	174.14
SVI AEC Limited, Cambodia*	Cambodia	USD 1,000,000	100.00	34.45	34.45
SVI Japan Company Limited	Japan	JPY 750,000	100.00	0.22	0.22
SVI (HKG) Limited	Hong Kong	HKD 10,000	100.00	-	0.04

The Company and its subsidiaries' have an investment policy to invest in businesses that related to the company business. This is to support and expand the core business of the company and its subsidiaries. Regarding the management of subsidiaries, the company monitors and follows up on their performance regularly and provides the direction for operations, including the appointment of company's representatives as directors or the management teams of all subsidiaries.

Legal Dispute

The Company and its subsidiaries have no legal disputes that could have negative impact on the company's assets that exceed 5% of the shareholders' equity as of December 31, 2019, and no legal disputes affecting the business of the Company and its subsidiaries.

Important Information

General Information

General Information for the Company

Company Name	:	SVI Public Company Limited
SVI-Headquarters address	:	141-142 Moo 5, Tiwanon Rd., Bangkadi, Muang, Pathumthani 12000 Thailand
Type of Business	:	Full turnkey Electronics Manufacturing Services (EMS) Company, providing comprehensive services primarily to Original Equipment Manufacturers (OEMs) with the main customers in Europe, USA and other regions.
Registration number	:	0107537001790 (Previous No. Bor Mor Jor 426)
Telephone number	:	(66) 2 105 0456
Fax number	:	(66) 2 105 0464-6
Website	:	http://www.svi-hq.com
Investor Relations	:	http://www.svi-hq.com/investor-relations/
Registered Capital	:	2,296,749,381.00 Baht
Paid – Up Capital	:	2,266,749,381.00 Baht
Common Stock	:	2,266,749,381 shares, Par Value 1 Baht
Address	:	SVI Public Company Limited Chaengwattana Road 33/10 Moo 4 Soi Chaengwattana-Pakkred 40, Chaengwattana Road, Bangtalad, Pakkred, Nonthaburi 11120 Thailand

Subsidiaries and Overseas Offices, which hold more than 10% shares

SVI Public (HK) Limited

Company Name	:	SVI Public (HK) Limited
Headquarters address	:	Room 337, 3/F, South China C.S. Building,13-17 Wah Sing Street, Kwai Chung, Hong Kong
Type of business	:	Materials
Registration number	:	1107198 Sourcing
Telephone number	:	(852) 2 374 1213
Fax Number	:	(852) 2 374 1212

Website	:	http://www.svi-hq.com
Registered Capital	:	36,942,910.00 Hong Kong Dollar
Paid – Up Capital	:	36,942,910.00 Hong Kong Dollar
Common Stock	:	36,942,910 shares, Par Value 1 Hong Kong Dollar

SVI A/S (Denmark)

Company Name	:	SVI A/S (Denmark)
Headquarters address	:	Stamholmen 173 2650 Hvidovre Denmark
Type of Business	:	Sales office and Materials Sourcing
Registration number	:	30722914
Telephone number	:	(45) 3 634 4600
Website	:	http://www.svi-hq.com
Registered Capital	:	500,000.00 Krone Denmark
Paid – Up Capital	:	500,000.00 Krone Denmark
Common Stock	:	500 shares, par Value 1,000.00 Krone Denmark

SVI (AEC) Company Limited,

Company Name	:	SVI (AEC) Company Limited
Headquarters address	:	Phnom Penh Special Economic Zone Kantok, Phleung Chheh Roteh, Beong Thum Commune, Khan Por Senchey Phnom Penh, Cambodia
Type of Business	:	Full turnkey Electronics Manufacturing Services (EMS) Company, providing comprehensive services primarily to Original Equipment Manufacturers (OEMs) with the main customers in Europe, USA and other regions
Registration number	:	Inv. 3068 E/2015
Telephone number	:	+85523934777
Website	:	http://www.svi-hq.com
Registered Capital	:	1,000,000.00 US$
Paid – Up Capital	:	1,000,000.00 US$
Common Stock	:	2,000 shares par Value 500.00 US$

SVI (Austria) GmbH

Company Name	:	SVI (Austria) GmbH
Headquarters address	:	Frauentaler Strasse 100, A-8530 Deutschlandsberg, Austria
Type of Business	:	Holding Company and/or assembly of electronics product, computer and printing circuit board, including relevant spare parts and tooling. Sourcing and Procurement of electronics parts. Designing of electronics product. Trading and exporting electronics product.
Registration number	:	441556 y
Telephone number	:	+45 3634 4600
Website	:	http://www.svi-hq.com
Registered Capital	:	4,401,000 EUR
Paid – Up Capital	:	4,401,000 EUR

SVI Hungary KFT

Company Name	:	SVI Hungary KFT
Headquarters address	:	Ipari park hrsz 5749/2, H/8400 Ajka, Hungary
Type of Business	:	The assembly of electronics product, computer and printing circuit board, including relevant spare parts and tooling. Sourcing and Procurement of electronics parts. Designing of electronics product. Trading and exporting electronics product.
Registration number	:	19-09-507646
Telephone number	:	+45 3634 4600
Website	:	http://www.svi-hq.com
Registered Capital	:	37,500.00 EUR
Paid – Up Capital	:	37,500.00 EUR

SVI Slovakia S.R.O.

Company Name	:	SVI Slovakia S.R.O.
Headquarters address	:	Vysne Febriky 739, SK-033 01 Liptovsky Hradok, Slovakia
Type of Business	:	The assembly of electronics product, computer and printing circuit board, including relevant spare parts and tooling. Sourcing and Procurement of electronics parts. Designing of electronics product. Trading and exporting electronics product.
Registered Capital	:	36 402 141

Telephone number	:	+45 3634 4600
Website	:	http://www.svi-hq.com
Registered Capital	:	132,776.00 EUR
Paid – Up Capital	:	132,776.00 EUR

Sementis Engineering GmbH (Austria)

Company Name	:	Sementis Engineering GmbH (Austria)
Headquarters address	:	Industriestrabe 1, 2100 Korneuburg, Austria
Type of Business	:	Product Design and Development
Registered Capital	:	308 673 g
Telephone number	:	+43(0) 2262 62511
Website	:	www.sementis.at

EMSISO d.o.o (Slovenia)

Company Name	:	EMSISO d.o.o (Slovania)
Headquarters address	:	Pesnica PRI Maribora 20a, 2211 Pesnica PRI Maribora, Slovenia
Type of Business	:	Product Design and Development
Registered Capital	:	2160587
Telephone number	:	+386 2 46 12 907
Website	:	www.emsiso.com

SVI Japan Company Limited

Company Name	:	SVI Japan Company Limited
Headquarters address	:	5F, Ochanomizu Oyaide Bldg., 1-9-5 Yushima, Bunkyo-ku, Tokyo
Type of Business	:	Sale Support and Procurement
Registered Capital	:	0100 – 01 - 192238
Telephone number	:	+81–3-4540-6404
Website	:	www.svi-hq.com

SVI (HKG) limited

Company Name	:	SVI (HKG) limited
Headquarters address	:	Room 337, 3/F South China C.S. Building., 13-17 Wah Sing Street, Kwai Chung, Hong Kong
Type of Business	:	Purchasing raw material
Registered Capital	:	2825838
Telephone number	:	(852) 2 374 1213
Website	:	www.svi-hq.com

SVI – GDL

Company Name	:	SVI GDL
Headquarters address	:	Guadalajara, Jalisco, Mexico
Type of Business	:	producing materials relating to the electronic and computer manufacturing industry
Website	:	www.svi-hq.com

References

Shares Registrar	:	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindeang, Bangkok 10110, Thailand Telephone number: (66) 2 009 9000 ext. 9384 Fax number: (66) 2 009 9991
Share representative	:	-None-
Auditors	:	SVI Public Company Limited Miss Orawan Techawatanasirikul, Auditor's Registration Number: 4807 E&Y Co., Ltd. 33rd Fl., Lake Rachada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone number: (66) 2 264 9090 Fax number: (66) 2 264 0789-90

SVI Public (HK) Limited
Yau Wai Ching, Certified Public Accountant # P05128
Room 337, 3/F, South China C.S. Bldg., 13-17 Wah Sing St., Kwai Chung, Hong Kong
Telephone number: (852) 237 4121 Fax number: (852) 237 4121-3

SVI A/S (Denmark)
John Bagger - Petersen
Nejstgaard & Vetlov
Statsautoriseret Revisionsaktiese Gydevang 39 – 41, 3450 Allerod
Telephone number: (45) 4817 5777 Fax number: (45) 4817 2208

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Ronald C. Almera,
Grant Thornton (Cambodia) Limited
20th Floor Canadia Tower 315 Preah Ang Duong Street Corner
Monivong Boulevard Sangkat Wat Phnom Khan Daun Penh Phnom Penh
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SVI (Austria) GmbH
Maq. Walter krainz
Ernst & Young Wirtschaftsprüfungsges. m.b.H.
Wagramer Straße 19, IZD Tower, 1220 Vienna, Austria
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Bamabas Bodecs
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SVI SLOVAKIA S.R.O
Ing. Dagmar Gombarcíkova, CA
PKF Slovensko s.r.o.
Nábr. Sv. Cyrila 47, Prievidza
Audit Oversight Authority License No: 40
Telephone number: +421 46/ 518 38 11 Fax number: +421/ 518 38 38

Others Important Information

SVI Slovakia s.r.o. entered into Land and Building Purchase Agreement with Arzo Alpha s.r.o (Madacom building) on February 22, 2019 to purchase the asset at the purchase price of 350,000 EURO (Three hundred fifty thousand Euro). This Land and Building is former operation.

SVI Austria GmbH entered into Land and Building Purchase Agreement with Seidel Liegenschaftsverwaltung GmbH to purchase the asset at the purchase price of 5,200,000 EURO (five million two hundred thousand Euro). This Land and Building is former operation.

Financial Structure

Capital as of December 31, 2019

Registered capital:	2,296,749,381	Baht
Common Stock	2,296,749,381	shares (1 Baht per share)
Paid – Up capital:	2,266,749,381	Baht
Common Stock	2,266,749,381	shares (1 Baht per share)

Shareholders

List of top 10 major shareholders of the Company on the closing of registration book as of December 31, 2019 were as follows:

Ranks	List of Shareholders	Number of Shares	% of total number of Share
1	Mr. Pongsak Lothongkam	1,561,944,732	68.907%
2	EAGLE MOUNT ASIA EQUITIES LIMITED.	166,752,400	7.356%
3	SVI Public Co., Ltd.	113,539,400	5.009%
4	Mr. Anucha Kijthanamongkolchai	38,650,000	1.705%
5	Bank Julius Baer & Co.LTD, SINGAPORE	21,630,971	0.954%
6	Mr. Prasit Rakthaiseantavee	21,285,400	0.939%
7	UBS AG SINGAPORE BRANCH	17,670,342	0.780%
8	Mr. Viboon Watcharasurung	10,181,000	0.449%
9	Thai NVDR Limited	8,816,326	0.389%
10	Mr. Supparoj Rojweera	8,500,300	0.375%

Issued other Securities – Issued the Warrants to purchase ordinary shares of the Company no. 3 (SVI - W3)

The Annual General Meeting of the Company's shareholders No.1/2014 dated April 25, 2014, approved the issue of 31 million warrants to purchase ordinary shares of the Company no. 3 (SVI - W3), to be offered free of charge solely to the Company's directors and employees. The purpose is to reward directors and employees and to provide an incentive for them to remain with the Company.

The Company received an approval from the Office of the Securities and Exchange Commission on March 18, 2015, to transfer or trade the warrants allotted to directors and employees each year on the Stock Exchange of Thailand. The first allotment of warrants can be traded from May 8, 2015 and until no later than July 15, 2019. The details are as follows:

No. of securities offered:	31,000,000 units
No. of shares reserved for exercise:	31,000,000 shares
Term of warrants:	5 years
Offering date:	27 March 2015
Expiry date:	26 March 2020
Exercise price:	Baht 4.44 per share
Exercise ratio:	1 ordinary share per 1 warrant
Exercise period:	The warrants can be exercised once a year, with the warrant holders to exercise in each year not more than 20% of the total warrants allotted to them, plus unexercised warrants from previous years. The warrants can be exercised to purchase ordinary shares on 15 July of each year for a period of 5 years, with the first exercise date on 15 July 2015 and the last exercise date on 26 March 2020.

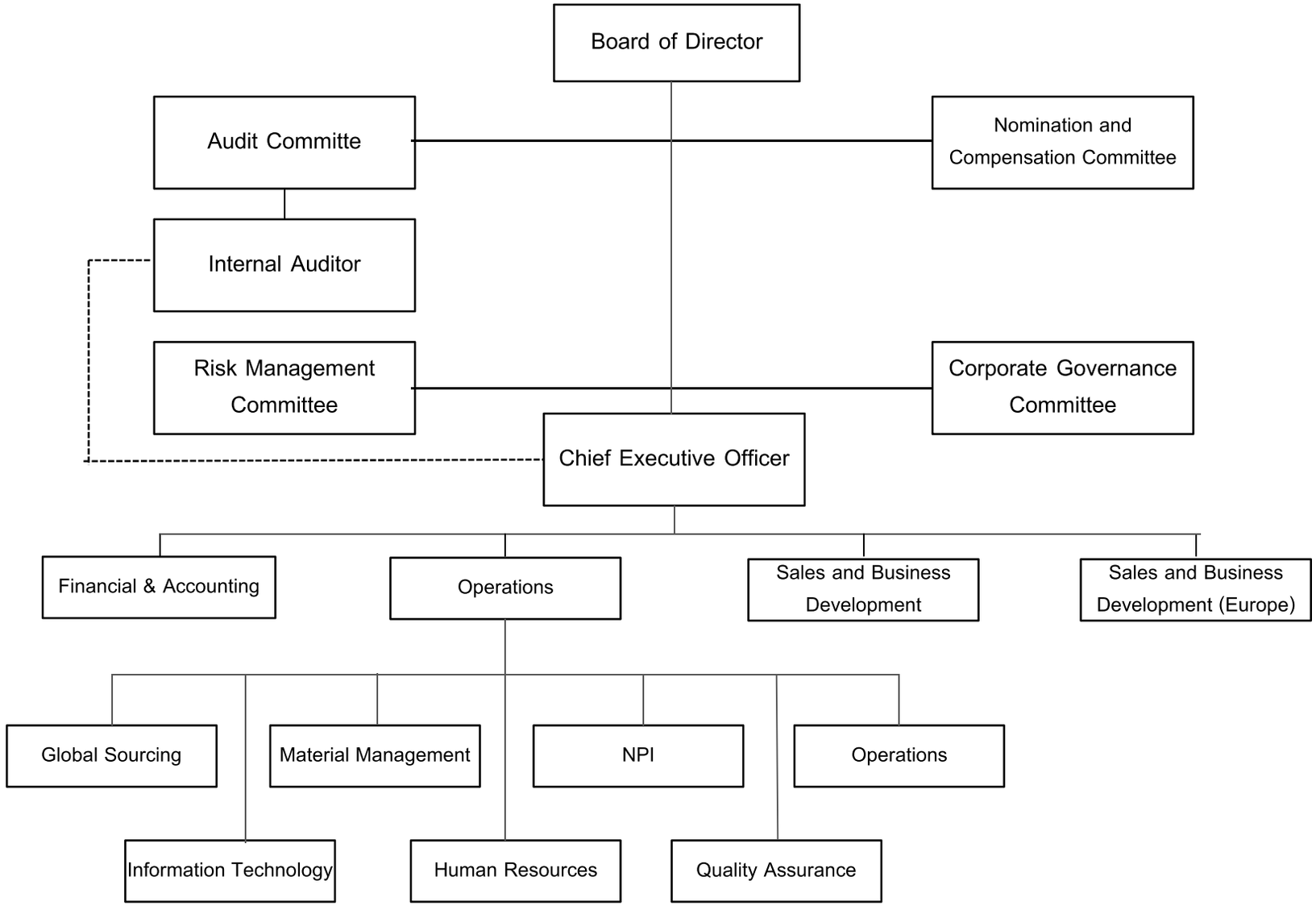
The Board meeting held on December 6, 2019 resolved to approve the interim dividend payment from the net profit and unappropriated retained earnings pursuant to the separate financial statement at the rate of Baht 1.9282 per share, is equal to the dividend payout ratio of approximately 792.3% and falls under Clause 3.3.1 (e) of the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of SVI-W3 Warrants, which states that the Company shall adjust the exercise price and/or exercise ratio of SVI-W3 Warrants, in the event that the Company distributes dividends in cash in excess of 80% of the Company's net profit after income tax under the standalone financial statements of the Company of any relevant fiscal year.

The adjustment of the exercise ratio and the exercise price of the SVI-W3 Warrants are as follows:

	Prior to Right Adjustment	After Right Adjustment
Exercise ratio	1 unit : 1 share	1 unit : 1.5098 share
Exercise price	Baht 4.44 per share	Baht 2.9408 per share

The adjustment has been effected since December 19, 2019 onward.
The detail has disclosed in Note of financial statement no. 25

Organizational and Management Structure



Dividend Payment Policy

To pay dividend at least 30% of consolidated net profit after deduction of all reserves required by law and the company. However, it's dependent on the operating performance, cash flow, investment plans, financial status, restriction of laws and other considerations as deemed appropriate for the company and subsidiaries. The payment of dividend is subject to final approval from the shareholders.

Below table shows the Company's dividend payment in the past five years.

Year Earned	Dividend Payment (Baht per Share)
2014	0.080
2015	No Dividend
2016	0.080
2017	0.083
2018	0.110
2019	1.9282

Organization Management Structure

The Board of Directors and Sub-Committees

The Board of Directors

As of December 31, 2019, SVI's Board of Directors consisted of 7 directors as follows:

Director's Names	Position
Mr. Prasert Bunsumpun	Chairman of the Board Director and Independent Director
2. Mr. Threekwan Bunnag	Independent Director
3. Mr. Chatchaval Jiaravanon	Independent Director
4. Mr. Pongsak Lothongkam	Director
5. Mr. Sopon Punyaratabandhu*	Independent Director
6. Mrs. Pratamaporn Svasti-xuto**	Independent Director
7. Mr. Chatchawal Eimsiri***	Director

Mr. Thaphop Kleesuwan is the Company's secretary since June 1,2018.
**Mr. Sopon Punyaratabandhu has been appointed as an independent director since July 1,2019*
***Mrs. Pratamaporn Svasti-xuto has been appointed as an independent director since November 8,2019*
****Mr. Chatchawal Eimsiri has been appointed as a director since November 27,2019*

The Authorized Directors

Authorized Directors consisted of Mr. Pongsak Lothongka and Mr. Chatchaval Eimsiri are empowered to jointly sign on behalf of the Company with the Company seal affixed.

The Audit Committee

As of December 31, 2019 the Audit Committee consisted of 3 independent directors as follows:

Director's Names	Position
1. Mr. Threekwan Bunnag	Chairman of the Audit Committee
2. Mr. Sopon Punyaratabandhu*	Audit Committee
3. Mrs. Pratamaporn Svasti-xuto **	Audit Committee

Miss. Laksanee Yensuang is the Audit Committee's secretary
Note: All of them are knowledgeable and have experiences in accounting and finance.

The Nomination and Compensation Committee

As of December 31, 2019 the Nomination and Compensation Committee consisted of 3 directors:

Director's Name	Position
1. Mr. Prasert Bunsumpun	Chairman of the Nomination and Compensation Committee
2. Mr. Chatchaval Jiaravanon	Nomination and Compensation Committee
3. Mr. Pongsak Lothongkam	Nomination and Compensation Committee

Mr.Thaphop Kleesuwan is the Nomination and Compensation Committee's secretary

The Risk Management Committee

As of December 31, 2019 the Risk Management Committee consisted of 8 management staffs appointed by the Board of Directors as follows:

Member's Name	Position
1. Mr. Threekwan Bunnag	Chairman of Risk Management Committee
2. Mr. Naris Chandang	Committee Member
3. Mr. Nonthaphan Akrasuwanasri	Committee Member
4. Mr. Kritsada Umnouyvittayakul	Committee Member
5. Miss Saichol Pengsangthong	Committee Member
6. Mr. Suraphol Nilabon	Committee Member
7. Mr. Porakit Krisirisophon	Committee Member
8. Mr. Thaphop Kleesuwan	Committee Member

Mr. Pongsak Lothongkam, (Director) is the committee's advisor
Mr. Thaphop Kleesuwan is a secretary of the Committee

The Corporate Governance Committee

As of December 31, 2019, the Corporate Governance Committee consisted of 5 management staffs appointed by the Board of Directors as follows:

Member's Name	Position
1 Mr. Sopon Punyaratabandhu	Chairman of the Corporate Governance Committee
2. Mr. Phichet Kanogsirima	Committee Member
3. Mr. Apirak Saengsie	Committee Member
4. Mr. Nitus Traiwatchiya	Committee Member
5. Miss Angkana Sornsakrin	Committee Member

Mr. Threekwan Bunnag (Independent Director) is the committee's advisor
Mr. Phichet Kanogsirima is a secretary of the Committee.

The Management

As of December 31, 2019, SVI's Management consisted of 5 members:

Name	Position
1. Mr. Pongsak Lothongkam	Chief Executive Officer
2. Mr. Somchai Siripanyanon	Vice President of Operation
3. Mr. Phichet Kanogsirima	Vice President of Corporate Support
4. Mr. Naresh B. Lahoti	Vice President of Financial Office
Mr. Apirak Saengsie	Director of Finance and Accounting

Remuneration of Directors and Managements

Remuneration of the Board of Directors and Member of the Sub-Committees

The 2019 Annual General Meeting of Shareholders approved the Directors fee and their remuneration for fiscal year 2019, which was already approved by the Nomination and Compensation Committee. The remuneration has been reviewed and considered, based on various factors including market comparison with electronic industry of the same size of revenue, operation results, duties and responsibilities of the Board of Directors and economic situation. Thus, appropriate directors' fee and remuneration was recommended for the Board of Directors and other sub committees for the fiscal year 2019 of not exceeding Baht 9,000,000 (Baht: Nine million). This is the same amount approved by the 2018 Annual General meeting of Shareholders held on dated April 27, 2018.

The remuneration of the Board of Directors and Board Committee members for the year 2019 are listed below:

	Meeting Allowance (Per Attendance)	Remuneration (Quarterly)	Director Bonus (Yearly)	Warrant SVI-W3 (Yearly)
Chairman	30,000 THB/Person	150,000 THB/Person	350,000 THB/Person	192,280 THB/Person
Director	20,000 THB/Person	100,000 THB/Person	300,000 THB/Person	192,280 THB/Person

Directors are responsible for paying the withholding tax.

Remuneration for Sub Committee members who are appointed by the Board of Directors shall receive a meeting allowance as follows:

Remuneration (Position)	Y2019		
	Remuneration (Quarterly)	Director Bonus (Yearly)	Allowance (Per Attendance)
Audit Committee			
Chairman	50,000 THB/Person	20,000 THB/Person	30,000 THB/Person
Committee Member	50,000 THB/Person	None	20,000 THB/Person
The nomination and Compensation Committee			
Chairman	None	None	30,000 THB/Person
Committee Member	None	None	20,000 THB/Person

Directors are responsible for paying the withholding tax.

The company has a policy for remuneration for the CEO by paying salaries at a fixed rate and pay compensation at variable rates depending on the turnover of each year. This must be approved by the Nomination and Remuneration Committee.

In 2019, a total of Baht 7,963,066 was paid to the Company's Directors and Sub Committees members as per the following details.

Directors Name	Director Bonus for 2018 paid in 2019	Director Fee paid quarterly	Meeting Allowance paid in 2019				Warrant SVI-W3	Total
			Board of Directors (10 meetings)	Audit Committee (4 meetings)	Nomination and Compensation Committee (4 meetings)	Annual General Meeting		
1. Mr. Prasert Bunsumpun	350,000	600,000	270,000	-	120,000	30,000	-	1,370,000
2. Mr. Threekwan Bunnag	320,000	600,000	200,000	120,000	-	20,000	192,280	1,452,280
3. Mr. Pongsak Lothongkam	300,000	400,000	180,000	-	80,000	20,000	192,280	1,172,280
4. Mr. Chatchaval Jiaravanon	300,000	500,000	160,000	40,000	40,000	20,000	192,280	1,252,280
5. Mrs. Pissamai Saibua*	-	200,000	60,000	-	-	20,000	192,280	472,280
6. Mr. Sopon Punyaratabandhu ****	150,000	300,000	140,000	40,000	-	-	-	630,000
7. Mr. Virapan Pulges**	-	333,333	100,000	-	-	20,000	192,280	645,613
8. Mr. Weerayuth Sajjaphanroj***	-	500,000	140,000	60,000	-	20,000	-	720,000
9. Mrs. Pratamaporn Svasti-xuto*****	50,000	100,000	20,000	-	-	-	-	170,000
10. Mr. Chatchawal Eimsiri******	25,000	33,333	20,000	-	-	-	-	78,333
Total	1,495,000	3,566,666	1,290,000	260,000	240,000	150,000	961,400	7,963,066

Note : ** Mrs. Pissamai Saibua has been resigned as a director since July 1, 2019*
*** Mr. Virapan Pulges has been resigned as a director since November 7, 2019*
****Mr. Weerayuth Sajjaphanroj has been resigned as a director since November 7, 2019*
*****Mr. Sopon Punyaratabandhu has been appointed as an independent director since July 1, 2019*
******Mrs. Pratamaporn Svasti-xuto has been appointed as an independent director since November 8,2019*
*******Mr. Chatchawal Eimsiri has been appointed as the director since November 27,2019*

Remuneration of Management

In 2019, a total of Baht 29,371,232.33 was paid to the Company's management executives as per the following details:

Remuneration	Year 2019	
	Number of Management*	Remuneration (Baht)
Management Salary including bonus and fringes benefits	5	28,327,064.33
Management Provident Fund	5	1,044,168.00
Total	5	29,371,232.33

*Note : *The Management in this table are all directly reported to CEO*

Other Remuneration

Provident Fund

The provident fund has been registered as "Sin Permpoon Provident Fund" of which Bualuang Securities Public Company Ltd., is the fund manager. All employees are entitled to apply as members of the fund. The members contribute 3% to 15% of their monthly salary to the fund. The employer's contribution rate in percentage of salary is set as follows:

Number of Member Year	Employer's Contribution Rate (%)
Less than 2 years	3
Completed 2 years but less than 5 years	4
years and above	5

Common Shares and Warrant held by the Board of Directors and the Management

The common shares and warrants held by the Board of Directors and Management including the shares or warrants held by their spouses and children under 20 years old are reported in the table stated below. The percentage of shares held in 2019 and 2018 was based on the total of 2,266,749,381 and 2,265,749,381 common shares and 30,000,000 Warrants respectively.

	Number of Common Shares				Number of Warrant SVI-W3
	As of 31-Dec-18	% of total share	As of 31-Dec-19	% of total share	31 December 2019
The Board of Directors					
1. Mr. Prasert Bunsumpun	-	-	-	-	-
2. Mr. Threekwan Bunnag	3,914,200	0.173	-	-	-
Mrs. Atiwan Bunnag (Spouse)	640,000	0.028	-	-	-
3. Mr. Virapan Pulges	-	-	-	-	-
Mrs. Thippawan Pulges (Spouse)	-	-	-	-	-
4. Mr. Pongsak Lothongkam	983,264,523	43.397	1,561,944,732	68.907	-
5. Mr. Chatchaval Jiaravanon	-	-	-	-	-
6. Mrs. Pissamai Saibua	80,000	0.000	-	-	-
7. Mr. Sopon Punyaratabandhu	-	-	-	-	-
8. Mrs. Pratamaporn Svasti-xuto	-	-	-	-	-
9. Mr. Chatchawal Eimsiri	-	-	100,000	0.0004	-
The Management*					
1. Mr. Verne Mundell	600,000	0.026	-	-	-
1. Mr. Phichet Kanogsirima	1,093,142	0.048	1,200,042	0.053	32,500
2. Mr. Somchai Siripanyanon	15,000	0.000	20,000	0.001	-
3. Mr. Naresh B. Lahoti	-	-	-	-	-
4. Mr. Apirak Saengsie	-	-	-	-	-
Total	**989,606,865**	**43.677**	**1,563,264,774**	**68,965**	**32,500**

** Management are executive staff who are direct report to CEO*

Employees

As of December 31, 2019 the Company's total number of employees were 3,062 * reported by department as follows:

Department	Number of Employees
	As of 31 December, 2019
CEO Office	2
Material Management	109
Business Development	87
Sourcing	28
Manufacturing	1,805
NPI	48
Engineering	349
Quality Assurance	157
Human Resources	58
Finance & Accounting	43
MIS	14
Operation support , IE, Facility	362
Total	**3,062***

** Number of Employees are not included employees of Subsidiaries Company (the total number is 1,127 persons : as of 31 December, 2019)*

Employee turnover during 2015-2019

Year	Number of Employees	Increase/Decrease	% of Increase/ Decrease
2015	2,413	(7)	(0.29)
2016	2,853	440	18.23
2017	2,973	120	4.21
2018	3,308	335	11.27
2019	3,062	(246)	7.44

Employees' Remuneration for 2019

Unit: Baht

Remuneration	Monthly Employee	Daily Employee	Total
Number of employees (person)	937	2,125	3,062
Salary (Baht)	401,181,971.48	243,077,995.79	644,259,967.27
Bonus and others fringes benefits (Baht)	80,652,379.32	185,792,162.69	266,444,542.01
Company's Contribution to the Provident Fund (Baht)	11,711,472.00	2,663,944.00	14,375,416.00
Total (Baht)	**493,545,822.80**	**431,534,102.48**	**925,079,925.28**

Human Resources Development Policy

The Company realizes the importance of personal development for all employees at all levels, they must be knowledgeable, have a good potential, a good attitude and good relationships. The Company realize that good employees can contribute growth and sustainable the business in the long term. The Company supports continuous training and the development of employees both for skills and management development. Therefore, the Training and Development Section arranges a training plan annually to continually improve employees' knowledge and ensure the development of the necessary skills. This includes the orientation of new employees as to create an understanding of the company's vision, mission, value, key performance indexes in order for them to be effective in performing their duties. The employees' performance is appraised and evaluated regularly. Internal training and external training programs are conducted to enhance the capability, knowledge and working skills of all employees. The ultimate aim is to provide good quality, good service and prompt response to satisfy our customers' needs, and be ready to manage a changing environment.

The Company initiated various training courses. They were designed based on the result of the Training Needs Survey through interviews with the Directors of every Department, assessment of their employee's needs. They are also designed based on the defined competencies for each position in order to allow them to contribute to the superior work result for the company. Our training programs consist of

1. Orientation:
   The objective is to make employee understand the essential information about the company, such as the "Vision", "Mission", rules, regulation and benefits provided by the company. This is to help new employees to familiarize themselves with the company's environment and culture in order to integrate quickly and productively in the company's operations. There were 1,260 employees attended orientation training during 2019, total training hours was 5,040 hours.

2. Basic training:

   This helps employees to meet the basic entry-level requirements for their jobs, resulting in working more effectively and productively. The company also monitors, follows up and evaluates their performance continuously so that their result meets the company's standard and expectations. Retraining opportunities are also provided to employees who cannot deliver results as required by the company's standard. There were 1,260 employees attended this course in 2019, total training hours was 22,680 hours

3. On Job Training (OJT) support for Production and QA Operators:

   The follow up program for qualifying operators who work in manufacturing before going for certification, on the job training is the responsibility of the supervisor. There are 1,186 employees attended this course in 2019, total training hours was 225,852 hours.

4. Functional training:

   This training is to make employees being more productive, meeting the basic performance standards and expectations of their job. There were 1,001 employees attended this course in 2019, total training hours was 21,021 hours

5. Cross training:

   The Cross-training is to help employees to have more knowledge beyond their direct knowledge for the job. This is to make them more flexible and support rotation programs or to replace absent employees to allow the company to operate continuously. There were 605 employees attended this course in 2019, total training hour was 8,450 hours

6. Recertification Training:

   This is to provide training to employees who aren't performing in line with current work standards or upgrading their current skills on new technology or other required knowledge. There were 4,788 employees attended this course in 2019, total training hours was 14,364 hours.

7. Management training:

   This is to provide training to supervisory level and management staff, mainly related to management techniques in order to improve their management skill and achieve the company's goals and objectives.

   In 2019, the company provided training to employees in various groups to enhance employee productivity as well as the competitiveness of the Company as outlined below:

- In–house Training, arranged for 47 courses, provided to 1,461 employees, total 16,766 hours.
- External Training, arranged for 19 courses, provided to 28 employees, total 314 hours.

The company training course and hours for staff and operators projection:

- Staff, consolidated training hours 17,080 hours - schedule for 850 persons, average 20 hours per person
- Operator, consolidated training hours 288,857 hours - schedule for 2,240 persons, avg 129 hours per person

Corporate Governance

The Company's Board of Directors fully recognizes the importance of good Corporate Governance (CG) and is determined that good governance be widely embedded in the entire organization, from the Directors and Management to the Company's employees. This is a key factor in adding value and ensuring the highest return to the Company shareholders in the long-term. The Board of Directors appointed a Corporate Governance Committee holding duties and responsibilities for the establishment of good governance practice and follow-up measures to enforce the implementation of the policy. Also to update the policy to conform with both local and overseas good governance practices and to international standards.

In 2019, the Board of directors has completely complied with the Corporate Governance according to the good practice of the Stock Exchange of Thailand (SET) in line with to ASEAN CG Scorecard as follows;

1. To adjust the practice of the Corporate Governance Policy in accordance with ASEAN CG Scorecard.

2. To be evaluated as one of 193 listed companies to receive "Excellent" CG Scoring from the Corporate Governance Report of Thai Listed Companies 2019 from Thai Institute of Directors for 4 consecutive years. The company earned each category of the Company's score is higher than average score of 588 companies, including a very good performance score in organizing the Annual General Shareholders Meetings for ten consecutive years from 2010 to 2019.

The Company has determined to have a good CG so as to minimize conflicts of interest of stakeholders by introducing a proper process and procedure for working: including the establishment of policy, rules and practices as appropriate control tools. However, the key factor for successful CG is its ownership by our team.

Besides adopting the SET guidelines on Corporate Governance principles, the Company has consistently implemented the six Company Core Values of:

Mutual Support	Support each other focus on the organization's goals
Respect	Respect, listen to others and understand their differences
Accountability	Responsible for actions related to personal and organizational goals
Commitment	Self-determination and work at full capabilities
Trust	Trust in each other
Transparency	Manage work with transparency that can be audited.

The Company has communicated the Core Values to employees at all levels in the organization through various internal channels to ensure that everyone acknowledges, understands and practices them at all times which leads to greater work efficiency, good management and success.

Good Corporate Governance Policy

The Board of Directors' objective is to enable SVI to conduct its business efficiently, have good corporate governance and excellent management with the aim of benefiting shareholders' interests, taking into account the interest of other stakeholders, maintaining business ethics and transparency. Therefore, the Company has established a good corporate governance policy as a guideline to which directors, management and employees must adhere which will result in the company's business being sustainable.

The Company has fully complied with the principles of good corporate as prescribed by the Stock Exchange of Thailand in five sections such as Shareholders' Rights, Equitable Treatment of Shareholders, Stakeholder's interest, Disclosure of Information and Transparency, including Responsibility of the Board of Directors.

Section 1 Rights of Shareholders

SVI gives great importance to the protection of shareholders' rights and promotion of exercising such rights. The basic legal rights consist of the right to buy, sell or transfer securities held, the right to receive dividend, the right to take part in decision-making in SVI's important issues, such as the approval of key activities affecting business direction, the right to vote for the appointment of auditors and fixing the auditor fee, the right to the declaration of dividends, increase or reduction of capital, amendment of the Memorandum of Association and the Articles of Association, director's remuneration. Also facilitating the shareholders to enable them to attend the meetings, exercise their rights and fully vote by providing transportation as a support to shareholders and institutional investors, provide adequate staff and technology and provide duty stamp for shareholders. The Company has the following guidelines for Shareholders Meeting:

a. The Company provides a notice of the shareholders meeting, the meeting venue, date, time, agenda and relevant information, clear details with attachments including the opinion of the Board of Directors related to that agenda. In case there is an additional agenda, the company will send an appropriate advance notice to Shareholders accordingly.

b. The Company sends out notices of the shareholders meeting together with the agenda at least 21 days before the meeting date. SVI shall provide multiple communication channels via the SVI's website in advance.

c. All relevant information is posted on the SVI's website: (www.svi-hq.com), before the meeting date. In case of doubt, shareholders can submit queries or propose a nominee for the company's director prior to the meeting. The rules of the meeting and the procedures of voting are posted on the SVI's website. (www.svi-hq.com)

d. SVI shareholders shall receive adequate information, accurate, transparent and on time for making decisions before the meeting. All information is posted in SVI's website (www.svi-hq.com) at least 30 days before sending out notices of the meeting to shareholders.

e. The voting results should be computed in a timely manner so they can be promptly presented to shareholders on the next business day via the SVI's website. (www.svi-hq.com)

f. The minutes of the Shareholders Meeting including Shareholders' recommendations, inquiries and answers should be posted on the SVI's website 14 days after the meeting date. This is to allow shareholders to access the relevant information.

In 2019, the Company proceeded as follows:

1. The Company gives an opportunity for shareholder to propose the issue to be considered as the meeting agenda and nominate qualified person to be elected as Directors during September 24,2018 to December 30,2018 through the SET information system and disclosed the criteria and procedure on the Company website (www.svi-hq.com)
2. The Company posted the meeting notice and supporting documents for the meeting agenda on the Company website (www.svi-hq.com) on March 25, 2019 (31 days before the meeting date). Shareholders who had any questions could send their queries to the director prior to the meeting date via the Company website.
3. The Company held the General Meeting of Shareholders on April 26, 2019. Board members attended the meeting, together with Chief Executive Officer, Chief Financial Officer and the company's external auditor which conforms to good Corporate Governance requirements and strictly adheres to the law and regulations. During the meeting, the Chairman offered all shareholders an equal opportunity to ask questions, to give suggestions or comment on the business operation.
4. The Company posted the Meeting Minutes, together with a list of all suggestions, questions and answers raised in the meeting, posted on the Company website on May 10, 2019.
5. To inform the scoring method and score counting method prior to Shareholders' meeting and use the voting card.
6. To present all types of the directors' remunerations which are salary, meeting allowance, bonus/reward and other benefits to the shareholders to consider and approve every year.
7. To present the explicit policy and principle on remuneration payment regarding the remuneration specification for each position to the shareholders.
8. The company gives an opportunity to the shareholders to vote for individual director by nominating the name list of directors to the shareholders to vote one by one.
9. In every shareholders' meeting, the Company has established the Independent auditor who has no conflict of interest with the company to check the shareholders' document, count the quorum and votes, verify the result of resolution and ballot so as to make the meeting be transparently, legally and correctly to the Company's articles of association.
10. The company did not add the meeting agenda or change the significant information without information to the shareholders in the 2019 Annual General Meeting of Shareholders. The company also provided the opportunity for shareholders to question and give opinion at the meeting. The details were recorded in the shareholders' meeting report.

11. The company provided facilities and encouraged all shareholders to attend the meeting by arranging the transportation from BTS or MRT to the venue.

Section 2 Equitable Treatment of Shareholders

The Company provides equitable and fair treatment to all shareholders whether they are minority shareholders or not, to build the investors' trust. The company has organized the Shareholders Meeting based on the following process:

1. The Company informs the Shareholders by publishing the venue and agenda of meeting through the Stock Exchange of Thailand's "Set Portal" system, and sends out notices of the shareholders meeting to the Shareholders. All relevant information is also posted on the SVI's website in the investor relations section under Shareholder Meeting Topic at least 30 days before the meeting date, both in Thai and English under.

2. Shareholders shall be entitled to appoint a proxy to attend the Shareholders' Meeting. Each shareholder has the rights to receive a proxy form and instructions to complete the form. Any proxy who submits a completed proxy form to the company's representatives at the Shareholders' Meeting shall be allowed to attend the meeting and vote on behalf of the shareholder, and provide duty stamp for proxy.

3. The Company shall allocate sufficient time and encourage shareholders to participate in the Shareholders' meeting, given equal opportunities to express their opinions and raise questions in which Directors and Managements who are involved in those matters will respond to those questions.

4. The Company gives the shareholders the right to vote for the appointment of each Director accordingly.

5. The main questions, answers and opinions are recorded in the minutes of the meeting for future review by shareholders.

6. The director who has a conflict of interest is prohibited from approving such transaction that bears a conflict of interest or handling the related–party transaction.

The Company has a procedure to secure inside information by having an appropriate silent period. The Directors and Managements who possess inside information which may result in the increase or decrease of the company's stock price are prohibited from buying, selling, transferring or accepting transfer of securities before such information is disclosed to the general public or SET. In the case where the director or management sell, buy or transfer in/out of the company's stock beyond the silent period, they have to disclose and report such a transaction to SET one day after the transaction has been made. If there is any rumor or leak to the public without accurate information, the company will inform Shareholders and Investors through SET's electronic on line system immediately. This is to ensure fair treatment to all shareholders and investors. The company also reports the policy related to the protection on disclosure of inside information in the annual report every year.

In 2019, the Company proceeded as follows:

1. To give an opportunity for shareholders to nominate qualified person to be elected as Directors during September 24 to December 31, 2018 by notifying the information to shareholders via the news system of the SET as well as announced the rules and processes in the company's website at (www.svi-hq.com)

2. The company specified the rules for shareholders' meeting in the invitation Letter to facilitate shareholders who attended the meeting by themselves or by being a proxy holder to prepare documents or evidences of the meeting correctly and not to be a problem on the meeting's attendance.

3. To give the equitable right to vote due to the amount of share.

4. The Company attached the Proxy form B of which shareholders could vote independently for each period with an appointment letter in order for unavailable shareholders to give the power of attorney to independent director or others to join and vote.

5. In 2019, the Company arranged one shareholders' meeting which was the Annual General Meeting of Shareholders on April 26, 2019. Seven directors in total attended the meeting and assigned the Thailand Securities Depositories Co., Ltd which was the Company's registrar to deliver the Invitation Letter to shareholders and post it both Thai and English versions on the Company's website 30 days prior to the meeting for the shareholders to read.

6. The Company adjust the Rules of Shareholders Meeting for documents required to be shown before entering into the meeting under the security Commission and Stock Exchange no. Kor Lor Tor. Por Sor (Wor) 4/2559 re: To review a practice before the Annual General Meeting of Shareholders. The Company shall not specify to require the original of the identification card of the proxy giver or the original passport of the proxy giver in case of the foreigner to be shown for the meeting (under the Rules of Shareholders Meeting enclosed with the Invitation Letter of the Annual General Meeting of Shareholders)

7. The Board of Directors provided the Policy for the directors and the executives to inform the Company at least 1 day prior conducting the securities' trading. (Details specified in the handbook of business ethics and best practice under the ethics of directors section).

In addition, the Company has determined that all employees have to work for the company's best benefit. Any actions and decisions have to be free from the influence of personal life, family, relatives or other known persons. All activities and transactions have to comply with the company's standard rules. The Company has taken measures to prevent the use of insider information. The inside information must not be used in any channel that leads to any benefit for themselves, family or partisan interests, whereby the inside information must be secured, not disclosed or taken advantage of for oneself, family and third parties, such as providing operational activities or the Company's business plans and so on.

Section 3 Role of Stakeholders

The Company recognizes the rights and roles of all group of stakeholder by including their rights as part of a code of conduct and disseminating this through various channels, i.e., the Company website and internal communications, so that the concerned personnel can acknowledge and strictly comply with the code. The Company established the Role of Stakeholders Policy and reports social responsibility activities in an annual report. The policy is summarized as follows:

Roles and responsibilities of each group of stakeholders

Shareholders

The Company recognizes the importance of the rights and roles of shareholders, both major and minority shareholders. The Company has the objective to achieve good operating performance, sustainable growth and competitiveness, minimizing risk factors, in order to maximize shareholder value in the long term. The Company discloses all information in a fair and transparent manner and makes every effort to protect the Company's assets and its reputation. In addition, the Company realizes the importance of shareholder involvement by organizing Company visits for interested shareholders, so that the shareholders have an opportunity to obtain business information directly from the Management.

Customers

Customer satisfaction is a key focus of the Company. We will achieve this by delivering high quality products and excellent service to customers at a competitive price using qualified people and up-to-date innovation and technology. The contract between the Company and the customer will be written in understandable language. The agreement shall have enough conditions to cover the business relationship and no condition will violate copyrights or break any agreement. The Company has to strictly follow the agreement. In the event of any potential deviation from the agreement, the Company will notify the customer immediately in order to jointly find a proper solution. The Company is supportive of activities to develop good relationships between the Company and the customer in order to build a long-term partnership.

Creditors and Business partners

The Company realizes the importance of the equal rights of business partners and creditors and it will strictly comply with contracts and agreements it has entered into. The Company will do its utmost for mutual support in order to achieve benefits for both parties. In addition, useful information will be provided as well as potential business risks. In the Company's Code of Conduct and Ethics, the Company states the guidelines that employees have to comply with in dealing with business partners with the acknowledgement and understanding of employees.

The criteria for selecting a business partner are as follows:

1. Financial status
2. Capability in business operation

3. Potential of organizational growth
4. Innovation and technology development
5. Conditions of Guarantee
6. Fund Management
7. In case of default on Payment

Competitors

The Company has a strategy to operate within the framework of fair competition. The Company will not search for any confidential information from competitors inappropriately, such as bribery of a competitor's employee. The company will not try to damage the competitor's reputation by means of slander, accusations or providing incorrect information.

Employees

The Company actively focuses on human resource management. Employees are the most valuable asset of the Company, and the key factor driving the Company to achieve our business goals and objectives. We do our best to make our employees proud of being a part of the Company, where there is a supportive working environment with fair and friendly treatment. The Company treats all employees with respect and dignity, and in accordance with the law and the Company's working rules and regulations. The Company assigns jobs to employees fairly, focusing on two-way communication between the employee and the Company. The Company establishes clear compensation and employee benefits policy which is consistent with the company's performance and provides such benefits as provident fund, a saving fund for staff, transportation etc. Our emphasis on people development programs to develop the potential of all employees is disclosed through the average number of hours of training per year in an annual report. The Company organizes various recreational activities for employees as a part of a program for a better quality of working life and encouraging good relationships between employees and the Company.

Social responsibility

To ensure long-term business success we depend on the organizational, administration ability and business ethic consistency in line with good governance policy. Social responsibility is one of the SVI areas of concern. The Company has a serious intention to work cordially with relevant stakeholders such as shareholders, employees, customers, vendors, society, government agencies nationwide. The Company has promoted the use of resources with efficiency and worthiness and directed employees to be definitely attentive and perform duties with consciousness by taking into account the safety and environment, together with the development and promotion of social responsibility, participation in activities beneficial to society and neighboring communities, including caring for the environment.

Regarding the social responsibility activities, the details are described in the section "Corporate Social Responsibility.

Occupational Health, Safety and the Environment

The Company is intensely committed to continual improvement in the area of Occupational Health & Safety and Environmental control, In order to support the Company employees, operation of effective safety to prevent injury & ill health and fulfill our corporate obligation and contribute to a better life for the community, country and the world as a whole we will adhere to the following;

1. Comply with all relevant local & national Occupational Health & Safety and Environmental laws, regulations and applicable legal requirements. (ISO 14000, ISO-14001, ISO 18001)
2. Utilize the natural resources, substitute materials in the most efficient way and provide appropriate resources to fulfill these objectives.
3. Set and achieve Occupational Health & Safety and Environmental objectives and targets. We shall also create greater awareness for all employees on Occupational Health & Safety and Environmental responsibility and the protection of our current and future environment. We shall also disclose and compile accident reports and rates of illness from work in the annual report.

Regarding the Occupational Health, Safety and the Environment activities, the details are described in the section "Corporate Social Responsibility

Human Rights

The Company upholds and complies with human rights principles as well as principles in other areas. All employees are treated equally through a policy of non-discrimination, whether it is a matter of race, nationality, religion, sex, age, education. Overall, the Company listens to Employees' opinions, trusts them and treats them fairly as individuals and as the most important asset in its business. The Company supports ethical and talented Employees and respects Employees' privacy. Therefore, we have a clear policy as a general guideline in supporting the rights of people.

1. The Company respects all the rights of the employees in any form, not only as stated by law or constitution but also general principles, and will not create any obstruction or prevent the employees exercising their rights.
2. The Company will not support employees that violate the human rights or other general rights of other people.
3. The Company will keep the personal information of employees confidential and will not disclose it to others without the permission of the employees.
4. All SVI employees will treat others equally and fairly, and will not violate or threaten the rights of other people.

Policy on Intellectual Property

The Company acknowledges the importance of intellectual property created from an individual's knowledge and ability. The Company, therefore, always makes sure that the information used in the Company will not violate the intellectual property of others.

1. The Company does not permit nor encourage its employees to use illegal software for any Company business.

2. Employees who use Company computers must strictly follow the rules and conditions of the manufacturer and only with the permission of the Company.

3. Employees are not allowed to use any intellectual initiatives created for Company business for personal purposes unless they receive permission from the Company. Employees have to return any intellectual property to the Company as soon as their employment is terminated.

4. Employees will ensure that external information used for Company business purposes is legal and does not violate the intellectual property of others.

Section 4: Disclosure and Transparency

The Company provides valuable information such as financial information, and performance related information as prescribed in the requirements of the Securities and Exchange Commission of Thailand and those of the Stock Exchange of Thailand (SET) as follows.

- Financial information and related information is disclosed accurately, completely, transparently, comprehensively and timely. Apart from disclosing annually (form 56-1) and in the Annual Report (56-2), most of the information is also posted on the SVI's website in Thai and English thus enabling shareholders, customers and interested persons to access the information with ease, equality and reliability.

- Information disclosed including corporate governance policy and results of its practice in Annual Report and on the Company's website.

- The Board of Directors places an emphasis on, and is responsible for the financial reporting of the Company and its subsidiaries, including financial information in the Annual Report. The Company's financial statement is prepared according to generally accepted accounting principles, adopting appropriate accounting policy and using a conservative approach, accuracy and completeness, and reflects true operating performance. Furthermore, important information is adequately disclosed in the notes to the financial statement, which is audited by an external, independent auditor who is qualified by the SEC to increase the reliability of financial reporting. In addition, the Board of Directors appoints an Audit Committee to be responsible for overseeing and reviewing the accuracy and reliability of financial reporting, including the adequacy of the internal control system.

- The Company shall also provide a management report and supporting the analysis in addition (Management Discussion and Analysis or MD&A) to the quarterly financial statements then posted on the SET's and SVI's website.
- The Company declares the audit fee and other auditor's fee in the annual report (form 56-1) and the report (56-2).
- The Company discloses in the annual report for The Board of Directors' and Sub Committee's roles and responsibility, meetings attendance, including their training and seminar for further development.
- The Company discloses the remuneration of Directors and senior executives in the Annual Report.
- The Company has formed an Investor Relations Unit as a focal point in conducting proactive investor relation activities according to the best practices of leading international organizations. A number of channels are available to communicate effectively. Those shareholders and investors can visit our operations and access required information via the Company's Investor Relations website at (http://investorrelations.svi.co.th), or through direct phone line and email (ir@svi.co.th) which enables investors to receive quick responses to clarify and answer their questions.

The Company realizes the value of its Investor Relations, focusing on transparency, fairness, equality and consistency provided to minority investors, institutional investors, general investors, analysts, the media, local and overseas fund managers and other related parties. The company participates and organizes an Opportunity Day and Analyst Meeting as to provide information related to the Company's quarterly and yearly operating results for investors, analysts, media, local and offshore fund managers, and others.

In 2019, the Company organized many Investor Relations activities for analysts and investors, as follows:

Type of Activities	Number of Events
Provide information to Analysts, Fund and shareholders	80
Press conference	1
Conference call with International fund	27
Meeting Investor, Fund Manager and Analyst	12
Factory visit for Shareholder and Analyst	1
Road show, Domestic and International	2

Anti-Corruption

Anti-Corruption Policy

The Company regards corruption as an illegal conduct that harms the Company's credibility in operating the business, which is why policies against all types of corruption, either directly or indirectly are deemed as significant. The scope of the policies covers all areas of the business and relevant transactions in order to avoid any possible damages to the Company and society. An emphasis has been placed on corporate governance under the concepts of moral and ethical principles, transparency, especially processes that are directly involved with or at risk of internal dishonesty, including all types of corruption. Therefore, the Company has created the following anti-corruption practices and policies:

1. The Company's directors, executives and employees are prohibited from making requests for or receiving benefits or properties, leading to certain inappropriate acts or ignorance of one's own duties, possibly causing the Company damage to its interests.
2. The Company's directors, executives and employees are prohibited from making an offer of any benefits or properties to outsiders with the aim of persuading them to carry out any acts deemed illegal or inappropriate.
3. In case of any dishonest acts, the Company regards them as severe misconduct and the person(s) involved will be subject to disciplinary punishment according to the Company's regulations and the rules of law.

Duties and Responsibilities

1. The Company's Board of Directors are responsible for identifying anti-corruption policies and effectively monitoring the systems and processes in support of such policies, ensuring that the Management is fully aware of the significance of anti-corruption initiatives and that they are embedded in the Company's culture.
2. The Audit Committee is responsible for performing an investigation of financial and accounting reports, internal control and audit systems, as well as risk management systems, to ensure that they comply with the latest local and international standards.
3. The Chief Executive Officer is responsible for identifying the systems and providing support to any activities in the anti-corruption policies, ensuring that messages have been thoroughly communicated to all relevant staff members and departments. The CEO is also responsible for reviewing the appropriateness of different systems and practices to make sure they facilitate business changes, rules and legal regulations.
4. The Audit Manager is responsible for verifying and investigating operating practices to ensure they are ethically on track, and in accordance with the policies, practices, authority, rules of law and the department's regimen, to ensure that proper control systems are in place and adequate to cope with potential corruption risks and subsequently report to the audit committee.

5. Directors, Executives and all levels of Employees are responsible for strictly abiding by the anti-corruption policies. Should one fail to comply, one would be subjected to disciplinary actions.

Anti-Corruption Practices

1. Directors, executives and all levels of employees are requested to strictly adhere to anti-corruption policies and the Company's code of conduct, without getting involved in any sort of corruption, either directly or indirectly.

2. Directors, executives, and all levels of employees should not be negligent when witnessing any acts deemed potential for corruption, and must immediately report to their supervisors or any responsible individuals. He or she must give full cooperation in the investigation process and should there be any doubts or queries, one is advised to consult with their supervisor or responsible persons, through available channels.

3. The Company guarantees justice and protection for employees who report any corrupt acts related to the Company, whereby petitioner protection practices will be reinforced to safeguard those who give cooperation in reporting corruption as specified in the operating manual.

4. Directors, executives, and employees involved in corruptions are considered guilty of violating the Company's code of conduct, which will result in them being subject to the Company's stated disciplinary actions.

5. The Company is aware of the importance of disseminating anti-corruption knowledge and ensuring an understanding with suppliers and other stakeholders whose roles or responsibilities are involved with the Company's business and might possibly cause adverse effects upon the Company, with regards to ways of practicing the anti-corruption policies.

6. Directors, executives, and employees must not make any requests, or accept any sort of corruption for one's own benefits, and those of the families, friends and acquaintances.

7. The company has published the anti-corruption policy, responsibility and practice to new employees on the orientation day, in which, new employees have to sign for acknowledgement of this policy, whereby the existing employees are communicated of this policy twice a year through Smart Meeting which is conducted on weekly basis, publishing in SVI newsletter, and posting on the company's bulletin board.

The Company has announced its intention to join the private sector in anti-corruption (Collective Action Coalition or CAC) on January 24, 2020. Moreover, in 2020, the Company conducted the compliance with Anti-Corruption policy and also made a self-assessment (71 questions) which are related to the guidelines of CAC, and the result will be announced by the Board of Directors of CAC in May 2020.

Regarding the Anti-Corruption Policy, the details are described in the company website: www.svi-hq.com

Whistle-Blowing reporting and Whistle-Blower Protection Mechanisms

The Company believes that Good Corporate Governance is vital for the achievement of sustainable long-term growth. Therefore, the Company provides a channel for employees, stakeholders and concerned personnel to send their comments or useful suggestions, or to report or submit information concerning wrongdoing, violation of the law, regulations, or any conflict of Good Corporate Governance principles via email to audit.svi@svi.co.th. Furthermore, to ensure that people making such a report receive proper protection, the Company has a policy to receive complaints directly through the Audit Committee. All details are kept confidential, and there is a mechanism in place when investigating the party accused to ensure that there is fair treatment before disciplinary or legal action is taken.

Regarding the Whistle-Blower Protection Mechanisms, the details are described in the Anti-Corruption Policy in the company website: www.svi-hq.com

Section 5 Responsibilities of the Board of Directors

The Board of Directors is responsible for setting policies, corporate vision, strategies, goals, mission, business plans and budgets as well as ensuring the Company's Management operates in accordance with the policies, laws, objectives, regulations and shareholder resolutions. Directors discharge their responsibilities accountably, honestly and discretely according to the principles of best practice. In addition, the Board is responsible for monitoring and auditing the Management's administration in regards to transparency and compliance within the Code of Conduct, and overseeing communication and disclosure of appropriate information. The Board of Directors is led by a capable Chairman who is able to control and manage the Company's executives to ensure the effective performance of their duties, adding greater economic value to the business and providing the highest security for shareholders.

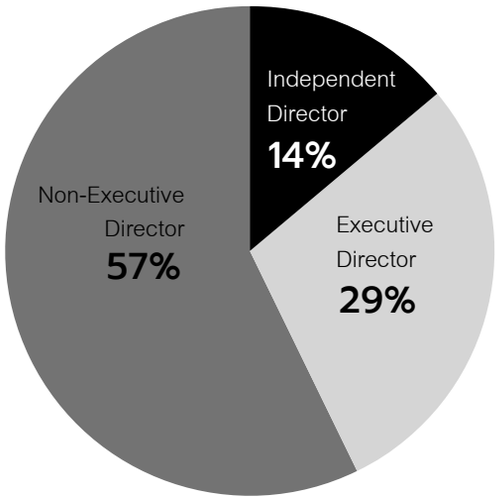
Structure of the Board of Directors

The Board of Directors shall be no less than 5 directors. At least one-third (1/3) of all directors must be Independent Directors, and the number of Independent Directors shall not be less than three. The remaining directors shall be allocated on a proportional basis according to the investment made by each group of shareholders. All directors are highly qualified and possess none of the characteristics prohibited under the Public Company Limited Act. Directors must not be over 70 years of age, are entitled in no more than 5 public companies. Independent directors and members of the specific committee shall serve no more than 9 consecutive years, must be knowledgeable, capable and have diversified experience in business management. Furthermore, all directors are devoted and work with full responsibility.

In addition, an appointment of director will follow the agenda as well as transparent and clear information. The name and profile of nomination of director is adequate for decision making in voting. All information is disclosed in the company's website.

In the case where it is necessary to appoint a director with the age of more than 70 years or where there is no appropriate independent director who has knowledge and capability to replace the existing one who has retained in office for more than nine consecutive years, the Nomination and compensation Committee may consider renewing the term of the existing independent director for another term.

Portion and Structure of Directors



Gender	person
Male	6
Female	1

Directors' Term	person
Not exceeding 6 years	5
7-10 yrs.	0
More than 11 Yrs.	2

The company appointed the Company's secretary, Mr. Thaphop Kleesuwan to assist the Directors to provide appropriate recommendations to Directors concerning legal matters, rules and regulations SEC, SET and ensuring the Company has appropriate, efficient and transparent operations.

In addition, the company has established a compliance unit to monitor and follow-up with the concerned party to ensure effective and efficient compliance with approved policies and in line with good corporate governance, the compliance unit will report directly to the company's secretary.

Roles, Duties and Responsibilities of the Board of Directors

1. Undertake the Company management in compliance with the law, the Company objectives, Articles of Association and the resolutions of the Shareholders' Meeting with integrity and in good faith and protect the Company interest.

2. To approve and review key business matters of the Company, such as the vision and mission of the Company, strategy, financial targets, risks, work plans and budget at least once a year.

3. To monitor and follow-up the management to ensure effective and efficient compliance with approved policies and strategy plans.

4. To be responsible for internal control and risk management, including the process on receiving and handling complaints.

5. To oversee to ensure long-term business continuity, including supervising employee development plan and succession plans.

6. To establish a written corporate governance policy for the Company and approve, review and assess the compliance with such policy at least annually;

7. To arrange to have a written code of business conduct in place so that all directors, executives and employees understand business ethical standards of the Company. The Board shall closely monitor compliance to the code, and review and revise the business ethics to be appropriate with the changing environment. The Board shall also establish clear guidelines for the practice, monitoring and assessment, which are an integral part of the Corporate Governance Policy, to be adhered to by all directors, executives and employees to ensure integrity, honesty and ethics in business;

8. A policy to prevent directors, executives and employees from using inside information for personal benefit has been put in place in order to prevent any conflicts of interests. It is required that the Board be informed of transactions that may pose a conflict of interest and the Board shall review the suitability of each transaction. The Company complies with the SET's regulations and discloses the related transactions in the annual report. In addition, the Board shall oversee the use of inside information, by requiring directors and executives to report their change in shareholding information to the SEC and establishing business ethics of the Company to prevent the directors and executives who receive inside information from disclosing it to any third party;

9. To arrange to have control systems for financial reports and compliance with rules, regulations and policies, and to set up an internal audit unit to independently perform the duty and to be responsible for auditing such control systems and reviewing material systems at least annually as well as disclosing the same in the annual report;

10. To carefully and efficiently establish a policy to manage all risks that has an effect on the Company. The risk can be derived from an internal or external factor, and may be changed by the economic situation as well as social and political matters. The risk management policy covers the preventive measure as well as management of the risk. The Risk Management Committee is responsible for overseeing and monitoring the operation as planned, and reporting the result to the Board regularly. The Board should review the risk management system or assess the effectiveness of risk management at least annually with the disclosure of risks in the annual report. In addition, the Company has established a strategy to respond to risk at each level: avoidance, reduction, transfer or acceptance of the risk. To ensure that the Company has considered and selected the most worthwhile and efficient approach to managing the risk, the risk factor that has the highest effect to the shareholders' value is chosen as the first priority;

11. To provide opinions on the adequacy of the internal control and risk management systems in the annual report;

12. To provide a channel for employees, outsiders wishing to report complaints or stakeholders to send their comments or useful suggestions, or to report or submit information concerning wrongdoing, violation of the law or Good Corporate Governance principles;

13. To consider the suitability of persons to be assigned as directors of its subsidiaries to control management under the Company's policies, including transactions to ensure compliance with the laws, securities and exchange regulations and the SET's Notifications.

14. To arrange regular meetings of the Board of Directors, at least once a quarter, to consider general business of the Company with the presence of as many directors as possible;

15. To consider and resolve important matters or transactions in addition to appointing independent directors who are not involved in the daily management of the Company. The independent directors are free to make decisions and are not influenced by any major shareholders in exercising their decision in order to boost the confidence of shareholders, minority shareholders and other related parties;

16. To report to the Company any conflicts of interest of their own and/or related persons in relation to the Company or subsidiaries' management according to the regulations, conditions and procedures prescribed in the Notifications of the Capital Market Supervisory Board;

17. To consider and approve the budget for annual spending and capital expenditures for machinery and other equipment, ad to ensure that the Company controls the spending under the approved budget. Additional approval is required if the Company has any expenses that are not included in the approved budget, more than Baht 10 Million. Any additional investment in subsidiaries or purchases of immovable property requires the Board's approval.

The Board of Directors may appoint any person to operate the Company's business under its supervision or delegate such person to have the authority as it deems appropriate within an appropriate period of time. The Board of Directors can amend, change or cancel such appointment or delegation of authority. The delegation of authority must not be carried out in a nature that will enable the delegates, or the persons authorized by the delegates, to approve the transactions in which they or any persons who may have a conflict of interest may have an interest or conflict of interest (as defined by the Notification of the Office of the SEC) with the Company or its subsidiaries.

The Company has a clear separation of roles and responsibilities between the Board of Directors and the Chief Executive Officer, in which the Board's role is to monitor Management's performance in achieving targets and ensuring that there are systems in place to enhance the legal and ethical integrity of business operations. All directors understand the responsibility of the Board of Directors and the nature of the business operation of the Company. They perform their duties with honesty and in good faith, using due care and diligence with regard to the highest benefits of the Company and the fair treatment of all stakeholders. They have expressed their opinion independently and are completely dedicated to their duties.

Roles, Duties and Responsibilities of the Chairperson

The Chairperson of the Board of Directors shall have duties in addition to other directors as follows:

1. To call for a meeting with the attendance of the Managing Director, and to determine agenda items for the Board's meetings and shareholders' meetings;
2. To preside over the Board's meetings and shareholders' meetings, and to consider and sign the resolutions of the meetings;
3. To cast the deciding vote in cases when have a vote in the Board's or shareholders' meeting receives equal "yes" or "no" votes.

Meetings of the Board of Directors

The meetings of the Board of Directors are scheduled in advance and notified to each director so that they can arrange their schedules to attend. The Chairperson of the Board and the Chief Executive Officer should work together to consider and select matters to be included in the agenda to ensure that any major subject is incorporated into the agenda. Each director is provided with the opportunity to freely propose matters that are beneficial to the Company to be included in the agenda, and the Chairperson and the Chief Executive Officer shall consider such proposals and determine to include major subjects in the agenda for the next meeting. Directors will receive supporting documents for the meeting at least five working days prior to the meeting to provide sufficient time for them to study and consider the case to ensure proper decision making.

Board meetings are held regularly at least once a quarter, a quorum shall consist of not less than two-thirds (2/3) of the total number of members of the Board of Directors. All directors are encouraged to attend the meeting at least 75 percent of the total number of the meetings held in a year. The secretary of the Board of Directors will set tentative schedules and agenda items of the regular meetings for one year in advance. This is to provide sufficient time for the directors to attend all the meetings. For each meeting, Management prepares information and supporting documents for the Board's consideration. During any meeting, the Chairperson of the meeting also gives sufficient time for all directors to consider each item on the agenda thoroughly and provide comments thereon. The minutes of the meeting are taken in written form and a certified copy is kept for auditing by the concerned parties. The Company's Board of Directors also supports to invite senior Management to attend the Board's meetings to provide additional information or details as they directly relate to the matters and can access and obtain additional and necessary information, advice and services from the Chairperson of the Executive Committee, the Company Secretary or other relevant Management or seek opinions from independent advisors. It is the Company's policy to allow non-executive directors to hold a meeting to discuss management issues in focus without attendance of the Management at least twice a year, and report to the Chief Executive Office for the result of such meeting. In 2019, The Board of Directors meeting without director who is appointed from the company's management was arranged 10 times as follows;

1st	on February 23,2019
2nd	on May 9,2019
3rd	on June 8,2019
4th	on August 9,2019

5th	on September 11,2019
6th	on September 14,2019
7th	on October 7,2019
8th	on November 9,2019
9th	on November 27,2019
10th	On December 6,2019

The Audit Committee has a regular meeting at least once a quarter with the Internal Audit Manager to monitor and plan the internal audit items. The Audit Committee conducts a meeting at least once a quarter for consideration, selection and nomination of external auditors and their remuneration, including providing the opinions for the interim and annual financial statements duly reviewed or audited by the auditor, considering compliance with the accounting standards, and reviewing disclosure of information in the financial statements before submitting for the Board's consideration and disclosure of connected and related party transactions as well as suitability of internal supervision and audit plan.

The Board of Directors and member of the Sub-Committees meeting attendance in 2019 as outlined below:

Director's name	Meeting Attendance in 2019			
	Board	Audit Committee	Nomination and Compensation Committee	AGM
1. Mr. Prasert Bunsumpun	9/10	-	4/4	1/1
2. Mr. Threekwan Bunnag	10/10	4/4	-	1/1
3. Mr. Chatchaval Jiaravanon	8/10	2/2	2/4	1/1
4. Mr. Virapan Pulges**	5/7	-	-	1/1
5. Mr. Pongsak Lothongkam	9/10	-	4/4	1/1
6. Mrs. Pissamai Saibua*	3/3	-	-	1/1
7.Mr. Sopon Punyaratabandhu****	7/7	2/2	-	-
8.Mr. Weerayuth Sajjaphanroj***	7/7	3/4	-	1/1
9.Mrs.Pratamaporn Svasti-xuto*****	1/1	-	-	-
10.Mr. Chatchawal Eimsiri******	1/1	-	-	-

** Mrs. Pissamai Saibua has been resigned as a director since July 1, 2019*

*** Mr. Virapan Pulges has been resigned as a director since November 7, 2019*

**** Mr. Weerayuth Sajjaphanroj has been resigned as a director since November 7, 2019*

*****Mr. Sopon Punyaratabandhu has been appointed as an independent director since July 1, 20*

******Mr. Mrs. Pratamaporn Savasti-xuto has been appointed as an independent director since November 8,2019*

*******Mr. Chatchawal Eimsiri has been appointed as a director since November 27,2019*

Board Sel - Assessment

The Board has established self-assessment evaluation and cross performance evaluation for the overall performance of the Board of Directors, Sub-Committee and individual member and cross performance evaluation of the board of directors and committee members on an individual basis. It serves as a tool to reflect the operational efficiency of the Board and Sub-Committee in accordance with Good Corporate Governance principles and to facilitate a regular review of the performance of the Board and Sub-Committee. The process aims to set a standard of practice for the Board of Directors and Sub-Committee performance assessment, which is conducted on an annual basis and led by the Chairman of the Board.

1. Self- Assessment for the board of directors as a whole, A self-assessment is based on a preliminary format set by the SET, covering the following topics:

   - Structure and qualifications of the Board;
   - Roles, duties and responsibilities of the Board;
   - Board meetings;
   - Discharge of duties of the Board;
   - Relationship with the Company's Management;
   - Self-development of directors and executive development

The Board of Directors 2019 performance evaluated by the team of the director was reported at 98.75% which is an excellent score.

2. Self- Assessment of committee as a whole, A self-assessment is based on a preliminary format set by the SET, covering the following topics:

   - Structure and qualifications of the sub-committee;
   - Sub-Committee meetings;
   - Roles, Duties and Responsibilities of member of Sub-Committee.

Performance evaluation of Self- Assessment of committee as a whole was reported at 97.69% which is excellent score.

3. Self- Assessment of the board of directors and of committee members on an individual basis, A self-assessment is based on a preliminary format set by the SET, covering the following topics:

   - Structure and qualifications of the Board and Sub Committee;
   - Board and Sub-Committee meetings;
   - Roles, Duties and Responsibilities of Directors and member of Sub-Committee

Performance evaluation of Self- Assessment of the board of directors and of committee members on an individual basis was reported at 99.24% which is excellent score.

4. Cross performance evaluation of the board of directors and of committee members on an individual basis, A Cross performance evaluation form is based on a preliminary format set by the SET, covering the following topics:

- Structure and qualifications of the Board and Sub Committee;
- Board and Sub-Committee meetings;
- Roles, Duties and Responsibilities of Directors and member of Sub-Committee.

Performance evaluation of Cross performance evaluation of the board of directors and of committee members on an individual basis was reported at 99.62% which is an excellent score.

The performance evaluation form has been modified since 2016 to include four measurements: the first criteria is to conduct a Self- Assessment of the board of directors as a whole, the second criteria is to Self- Assess the committee as a whole, the third criteria is to conduct a Self- Assessment of the board of directors and of committee members on an individual basis and fourth is a cross evaluation of the board of directors and of committee members on an individual basis.

Evaluation of the Performance of the Chief Executive Officer

Evaluation of the performance of the Chief Executive Officer through the use of the assessment form covers the following topics:

Section 1. Progress of Planning

Section 2. Performance Evaluation

1. Leadership
2. Strategic Planning
3. Strategy Execution
4. Financial Planning/Performance
5. Relationship with the Board of Directors
6. External Relations
7. Human Resources Management/Relations
8. Succession planning
9. Product/Services Knowledge
10. Personality

Section 3. Development of the Chief Executive Officer

The evaluation of the performance of the Chief Executive Officer for the year 2019, was separately evaluated by the director and brought to the meeting for discussion. The final score was reported at 98.89% which is considered as excellent performance.

The Sub-Committees

To ensure effective and efficient operation, the Board of Directors has established sub-committees to assist in the study and screening of the operations as necessary. Currently, the Company has four specific sub-committees, i.e. the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Governance Committee. Scope of duties of each sub-committee is as follows:

The Audit Committee

The Company selects members of the Audit Committee from directors. The Company's Audit Committee consists of three members. All members are independent Directors who are capable have knowledge, understanding and experience about the law, accounting and/or finance. At least one member of the Audit committee is required to possess financial capability. The Chairperson of the Audit Committee and its members shall remain in position for two-year term.

Scope of Powers and Duties of the Audit Committee

The Audit Committee is responsible to the Board of Directors based on the scope of duties and responsibilities assigned by the Board of Directors with the following details:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are appropriate and efficient, to determine an internal audit department's independence, as well as to approve the appointment, transfer and dismissal of the Manager of an Internal Audit Department.
3. To ensure that the Company has duly complied with the laws on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select, nominate, remuneration and dismissal of the external auditor who is independent and qualified to be accepted to act as auditor of the company. The auditor has been approved by the SEC, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the connected transaction, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare an audit committee's report and disclose in an annual report, which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
   - An opinion on the accuracy, completeness and creditability of the Company's financial report,
   - An opinion on the adequacy of the Company's internal control system,
   - An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
   - An opinion on the suitability of an auditor,
   - An opinion on the transactions that may lead to conflicts of interests,
   - The number of the audit committee meeting, and the attendance of such meetings by each committee member,

- An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
- Other transactions which according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.

7. To audit cases informed by the Company's auditor when he/she discovers any suspicious circumstance that the director, manager or any person responsible for the Company's operational commits an offence, which is specified under the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and report the result of the preliminary inspection to the Securities and Exchange Commission and the auditor within thirty days.
8. To express opinions regarding the operation plan and operational results, budgeting and manpower of the Internal Audit Department.
9. To revise the Audit Committee Charter at least once a year.
10. To invite executive officers or supervisors to attend its meeting for clarification purpose or to submit relevant documents based on the scopes of its authority.
11. To obtain appropriate consultations from the independent specialist relating to its scope of duties and responsibilities with the Company's expenses.
12. Review and approve the Internal Audit Charter.
13. The Chairman of the Audit Committee shall attend the Annual General Meeting.
14. To perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent.

The Audit Committee is responsible to the Board of Directors and the Board of Directors continues to have responsibility directly to shareholders, stakeholders and other outsiders.

The Nomination and Compensation Committee

The Company's Nomination and Compensation Committee consists of 4 members. The Company selects from directors who are capable, knowledgeable, experienced, and have a good connection with many capable, knowledgeable and qualified candidates in various organizations. The Chairperson of The Company's Nomination and Compensation Committee and its members shall remain in that position for a two-year term. The Nomination and Compensation Committee shall conduct the meeting at least two times annually.

Scope of Powers and Duties of the Nomination and Compensation Committee

1. To seek and approve the persons to be appointed as directors and Chief Executive Officer of the Company;
2. To consider the appropriate criteria of remuneration policy for the directors and the Chief Executive Officer;
3. To consider and approve the issuance and offering for sale of securities to the directors and employees (Employee Stock Option Program (ESOP)) and propose this program to the Board for further consideration.

The Risk Management Committee

The Company's Risk Management Committee consists of 5 members, The Company selects members from the company's executives who are capable and knowledgeable in this subject and propose to the company's board of directors for approval. There is a director nominated by the board of directors to be an adviser of the Committee. The Chairperson of the Company's Risk Management Committee and its members shall remain in their position for a two-year term.

Scope of Powers and Duties of the Risk Management Committee

In order to fulfill its responsibilities to the Board, the Committee will:

1. Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
2. Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems.
3. Set reporting guidelines for management to report to the RMC on the effectiveness of the Company's management of its business risks and disclose to the Board the content of management reports.
4. Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company.
5. Oversight of internal systems to evaluate compliance with corporate policies and to assess whether such policies are effective.
6. Approve policies to inform all employees, visiting suppliers, customers and contractors of their rights and responsibilities consistent with the risk management framework generally and specific business.
7. Approve and update as necessary a summary of the Company's policies on risk oversight and management of business risks, to be made publicly available.

8. Contribute to the corporate governance statement in the Company's annual report, as appropriate given RMC policies, reports and results in the reporting period.

The Corporate Governance Committee

The Company's Corporate Governance Committee consists of 5 members. The company selects from the company's executives who are capable and knowledgeable in this subject and propose to the company's board of directors for approval. There is a director nominated by the board of directors to be an adviser of the Committee. The Chairperson of The Company's Corporate Governance Committee and its members shall remain in position for two-year term.

Scope of Powers and Duties of the Corporate Governance Committee

1. To propose the practiced guidance on Good Corporate Governance to the Company's Board of Directors;
2. To oversee and supervise the Company's operations to ensure compliance with Good Corporate Governance principles, the Company's policies and related laws;
3. To define and review good working practice policies, regulations and guidelines on a regular basis;
4. To report to the Company's Board of Directors the result of Good Corporate Governance including comments, practice guidelines and suggestions for further improvement;

The term of a member of the Corporate Governance Committee is two years; however, the retiring members are eligible for re-election for another term by obtaining approval from the Company's Board of Directors.

Authority and Responsibility of the Chief Executive Officer (CEO)

To take actions on behalf of the Board of Directors in managing the business of the Company and ensure that such actions are taken under rules, regulations, policies and resolutions set by the Board and the shareholders meeting.

1. To take actions on behalf of the Board of Directors in managing the business of the Company and ensure that such actions are taken under rules, regulations, policies and resolutions set by the Board and the shareholders meeting.

2. To be responsible for operating the Company, managing the business in line with the objectives, business plan, policies, budget rules and regulations approved by the Board.

3. To manage and control the company's day to day routine business.

4. To set objectives, policies and strategies of the Company as well as direct and monitor overall operations for maximizing benefits of the Company and to report the company's performance to the Board of Directors.

5. To regularly follow up and evaluate performance of the Company in order to avoid any risk both internally and externally. To report and update the information on financial results, operational management to the management team, the audit committee and the Board.

6. To be responsible for the organizational changes of the Company under the supervision of the Board as well as to make decisions on the appointment, transfer and deposition of employees. To set the salary rate, remuneration, bonus and other fringe benefits for employees.

7. To authorize, instruct, announce, and record, as to ensure that the company can comply with the policies and internal discipline.

8. To approve all actions under the rules and resolutions from the Board of Directors Meeting.

9. To delegate authority to other persons to operate any specific functions on their behalf. This delegation has been made under the limitation stated in the Power of Attorney and/or to comply with the rules, regulations and instruction of the Board.

10. To perform any other actions as assigned by the Board occasionally.

CEO may not hold the Director position in more than five listed companies.

The CEO may not delegate his authority to another person that does not have a mandate or authority and that may cause a conflict of interest with the company or any subsidiary (defined in SET's and SEC's regulations), unless it is clearly approved under the normal company's business policy.

Authority and Responsibility of the Corporate Secretary

1. Preparation and proper stowage of the following documents
   - Directors' registration
   - Invitation Letter to the Meeting and Minutes of Directors' Meeting and the Company's Annual Report
   - Invitation Letter to shareholders and Minutes of the Shareholders Meeting
2. Maintaining the reports of the company's connected transactions disclosure, reported by Directors or management.
3. Perform other duties as assigned by the Board of Directors.
4. Organize the Shareholders Meetings and Board of Directors Meetings in accordance with the laws, Company's Articles of Association and other relevant requirements.
5. Draft management policies.
6. Record the Minutes of Shareholders Meeting and the Minutes of the Board of Directors Meeting and follow up on the compliance of the resolutions.

7. Ensure that disclosure of data and information is under the responsibility of the authorized parties in the Company under the regulations and requirements of such authorities.
8. Ensure the Company's and the Board of Directors' compliance with the laws and requirements of SEC/ SET.
9. Promote and standardize good corporate governance in the company.
10. Communicate with the shareholders to ensure that shareholders obtain their entitlements and the information of the Company.
11. Manage the activities of the Board of Directors.

The Selection of Directors and Executives

Independent Directors

Definition and Qualifications of Independent Directors

Definition of Independent Directors: An independent director means a person whose qualification and independence is in compliance with the requirements set forth by the Company's Board of Directors in the Company's Corporate Governance Policy and the regulations of the Capital Market Supervisory Board. To elaborate, an independent director shall not have any business or interest nor participate in any management related with the Company which may have an impact on his or her independent decision-making

The Company selects independent directors by taking into account the qualifications under the Public Limited Company Act B.E. 2535 (A.D. 1992), the law on securities and exchange, the Notifications of the Securities and Exchange Commission, the Notifications of the Capital Market Supervisory Board and other related regulations and/or rules. Each independent director may not hold the position in more than five listed companies.

The Company has determined the structure of the board of directors must be independent directors, at least one third of the total membership. But shall not be less than three independent directors who qualify under the rules of the Securities and Exchange Commission. An independent director shall meet the following criteria:

1. Hold shares not exceeding one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, affiliate 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 Company, its parent company, subsidiary company, affiliate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended more than two years prior to the filing of registration statement to the Office. 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 Company;
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child,

including spouse of other directors' child, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary company;

4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, in the manner which may interfere with his/her independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, unless the foregoing relationship has ended more than two years prior to the filing of registration statement to the Office;

   The term 'business relationship' under the above mentioned shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, affiliate 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 Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, unless the foregoing relationship has ended more than two years prior to the filing of registration statement to the Office;

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 Baht two million per year from the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended more than two years prior to the filing of registration statement to the Office;

7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder of the Company;

8. Not undertaking any business in the same nature and significantly in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business

in the same nature and significantly in competition to the business of the Company or its subsidiary company;

9. Not have any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

The independent director may be assigned by the Board of Directors to take part in the business decision of the Company, 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.

In the case where the person appointed as independent director has or used to have a business relationship or provide professional services exceeding the value specified under 4 or 6, the Company's Board of Directors may grant an exemption from such prohibition if it views that the appointment of such person does not affect performing of duty and expressing of independent opinions, and the Company discloses the following information in the notice calling the shareholders' meeting under the agenda for the appointment of independent directors:

- The business relationship or professional service which makes such person's qualifications not in compliance with the prescribed rules;
- The reason and necessity for maintaining or appointing such person as independent director;
- The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

According to Article 5 and 6 of the word "business relationship" means a person appointed by the audit firm. Or provide professional services. Or is a signatory on the audit report. Or report to a professional service provider.

Remark: SVI Company Limited has been recognized as meeting the qualifications and criteria of the Independent Director as required by the SEC and The Stock Exchange of Thailand.

Nomination of Directors and Executives

The Company has criteria for the selection and appointment of directors in accordance with the qualifications stipulated in the Company's Articles of Association, in which the Company's director, possesses no characteristics which are in conflict with any regulations of the Stock Exchange of Thailand. The persons to be appointed as directors of the Company should have knowledge and capability to manage/operate the business, accounting or law and shall be honest and prepared to perform their duties. Nomination of directors of the Company shall be considered based on their skills and shall be approved by the resolutions of the Board and shareholders' meetings.

Appointment of the Board of Directors

The Board of Directors shall consist of at least five persons and not less than one half of the total directors must reside in the Kingdom of Thailand. The Company's directors shall have full qualifications as required by the governing laws and each of them may hold a position in no more than five listed companies.

In accordance with the Company's Articles and Association, the directors shall be elected at the shareholders' meeting based on the following criteria and procedures:

1. Each shareholder shall have one vote per one share.
2. Each shareholder must exercise all of his or her votes under 1 to elect one person or multiple persons as director, but cannot allot theirs votes to any of these persons in any number.
3. Persons who receive the highest votes, arranged in order from highest to lowest in a number equal to that of directors to be required or to be elected in an election shall be elected as directors. In the event of a tie at a lower place, which would result in the number of directors to be greater than that to be required or to be elected in an election, then the Chairperson of the meeting shall cast the deciding vote.

At each annual general meeting, one-third (1/3) of the directors must retire from office. If their number is not a multiple of three, then the number nearest to one-third (1/3) must retire from office.

The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire. The retiring directors may be reappointed for any number of terms.

There was a director who was a major shareholder's representative, Mr. Pongsak Lothongkam who held 1,561,944,732shares or 68.907%of the total paid up capital as at December 31, 2019.

Nomination of the Audit Committee

The Company's Audit Committee consists of three members. All members are independent, and are not a member of the management team. They have knowledge, understanding and experience about the law, accounting and/or finance. At least one member of the Audit committee is required to possess financial capability.

The Audit Committee has a duty to assist the Board in fulfilling the Company's Good Corporate Governance, particularly in providing the vision of the business, commenting on financial reports and internal control systems, and monitoring the accuracy and sufficiency of the disclosure of financial reports in compliance with related standards and requirements. All these actions enhance the quality and reliability of the financial reports and add value to the organization. The Chairperson of the Audit Committee and its members shall remain in that position for a two-year term.

Nomination of the Nomination and Compensation Committee

The Company selects members of the Nomination and Compensation Committee from directors who are capable, knowledgeable, experienced, and have a good connection with many capable, knowledgeable and qualified candidates in various organizations.

Nomination of the Risk Management Committee

The Company selects members of the Risk Management Committee from the Company's executives who are capable and knowledgeable in this subject and proposes to the Company's Board of Directors for approval. The Company's director is an adviser of the Committee.

Nomination of the Corporate Governance Committee

The Company selects members of the Corporate Governance Committee from the Company's executives who are capable and knowledgeable in this subject and proposes to the Company's Board of Directors for approval. The Company's director is an adviser of the Committee.

Nomination of the Executives

As for the selection of the Company's executives, the Company's Board of Directors authorizes the Chief Executive Officer to select knowledgeable, capable, experienced and qualified persons to manage the Company's business.

Supervision of the Operation of Subsidiaries

The Company's Board of Directors has established a mechanism for the Company's supervision that enables it to oversee the management and take responsibility for the operation of its subsidiaries in order to maintain the Company's investment benefit. Such mechanism includes the followings:

1. The Company has appointed or nominated persons as directors or executives of its subsidiaries at least in proportion to its shareholding in each respective subsidiary. Those directors and executives nominated or appointed by the Company shall have discretion in casting their votes in the board of directors' meetings of the subsidiaries in relation to the general management and normal business operation of the subsidiaries as the directors and executives deem appropriate for the utmost benefit of the Company and its subsidiaries;

2. The Company's Board of Directors shall oversee and supervise the subsidiaries as if they were the Company's internal units in relation to their procurement and disbursement approval, by adhering to the same practices as are used by the Company in all respects;

3. The Company's Board of Directors shall closely follow-up the performance of the subsidiaries to ensure compliance with the work plans and budget and the disclosure of their transactions with connected persons and acquisition or disposition of assets to ensure compliance with related notifications, by adhering to the same practices as are used by the Company in all respects;

Policy on the use of Inside Information

The Company has a policy of prohibiting its directors and management team from disclosing information that has not been released to the general public, or using inside information of any securities for the purpose of trading such securities for personal or others' benefit, either directly or indirectly. The directors, executives and employees involved in accounting information and financial statements not yet disclosed to the public are prohibited from trading the Company's shares for the appropriated time before the release of the financial results to the public.

The Company has communicated to the directors and management in regard to the responsibility and penalty for reporting the buying and selling of the Company's stock in a standard form stated in SEC's act 59, B.E. 2535.

In case where they submit the report to the SET by themselves, they need to report that transaction to the Company one day after the transaction has been made as well. The Company will clarify the facts to shareholders and investors via the SET news system once there is any rumour or information leak to the public. This is to ensure fairness and equitable treatment of shareholders and investors.

Remuneration of Auditor

The Annual General Meeting of Shareholders No. 1/2019 approved the total Annual Remuneration of Audit Fee for the fiscal year 2019 at Baht 2,400,000 (Baht: Two million Four hundred thousand only) and the special audit fee for the privileges of corporate income tax exemption report was approved at Baht 250,000 (Baht: Two hundred and fifty thousand only), excluding the out-of-pocket expenses.

The audit fee for FY 2019 is not changed from fiscal year 2018.

The Company and its subsidiaries paid the audit fee in the fiscal year ended December 31, 2019 as follow:

Audit's fee for the Year 2019	SVI Public Co., Ltd.	SVI Public (HK) Limited (1)	SVI A/S (Denmark)	SVI (AEC) Company Limited	SVI Europe
Audit Fee	2,400,000	229,859	344,469	776,130	3,125,423
Audit Fee for BOI Promoted Project	250,000	None	None	None	None

Remark: (1) Changed name from "Shi Wei Electronics (Hong Kong)"

Compliance with Stock Exchange of Thailand's Code of Conduct for Listed Company's Directors.

The Board of Directors is responsible for establishing policies, vision, mission, goals, business strategy, business plan and budget of the company. The management and supervision administered according to the defined policy effectively and efficiently under the framework of laws, regulations, objectives of the company, and resolutions of the shareholders' meeting with responsibility and honesty. The director of a listed company has to comply with the

Stock Exchange of Thailand's code of conduct. Additionally there must be control and monitoring of the management to ensure transparency, maintain communication and disclose the company information as appropriate. The Board of Directors, under the leadership of Chairman of the Board of director has to control and manage the company's management to deliver the operating result effectively, adding high economic value to the business, and maximizing security for its shareholders.

The Chairman of the Board of Directors and Chief Executive officer are not the same person. The Chairman of the Board of Directors is independent of major shareholders and management. There is no benefit or interest, whether direct or indirect in the finance and administration of the Company. The Chairman of the Board of Directors is elected from Independent directors.

The Board adheres to the Securities and Exchange Act, and respective rules, regulations of The Securities and Exchange Commission, complies with the Stock Exchange of Thailand's code of conduct for the directors of listed companies, The Capital Market Supervisory Board and other relevant laws.

In 2019, the Board of Directors has reviewed and approved CG policy to comply with Asian CG Scorecard and the Securities and Exchange Act, and respective rules, regulations of The Securities and Exchange Commission, compliance with Stock Exchange of Thailand's code of conduct for the directors of listed companies, The Capital Market Supervisory Board and other relevant laws.

1. Reviewed and approved the policy to facilitate the shareholders to attend the meetings, exercise their rights and fully vote by providing transportation to support shareholders and institutional investors, provide adequate staff and technology and provide a duty stamp for shareholders.

    - Reviewed and approved the policy for sending notices of the shareholders meeting together with the agenda at least 21 days before the meeting date. SVI shall provide multiple communication channels via the SVI's website in advance.
    - Reviewed and approved the policy to post all information on the SVI's website (www.svi-hq.com) at least 30 days before the shareholders meeting.
    - Reviewed and approved the policy to establish clear compensation and employee benefits policy which is consistent with the company's performance and provides such benefits as provident fund, saving fund for staff and transportation etc. Emphasized on people development programs to develop the potential of all employees and disclose the average number of hours of training per year in the annual report.
    - Reviewed and approved the policy to arrange class training for employees as well as disclose an accident report and rates of illness from work in the annual report.
    - Reviewed and approved the established compliance unit to monitor and follow-up with the concerned party to ensure effective and efficient compliance with approved policies and in line with good corporate governance, The Compliance unit reports directly to the company's secretary.
    - Reviewed and approved for review key business matters of the Company, such as the vision and mission of the Company, strategy, financial targets, risks, work plans and budget (once a year).
    - Reviewed and approved the BOARD quorum that consists of not less than two-third (2/3) of the total number of members of the Board of Directors.

- Reviewed and approved added self-assessment evaluation covered for the 4 areas of Board of Directors, the Sub-Committee performance:
  1. Self-assessment evaluation covered for the Board of Directors as a whole
  2. Self- Assessment of the Sub-Committee as a whole
  3. Self- Assessment of the Board of Directors and of the Sub-Committee members on an individual basis
  4. Assessment of the Board of Directors and the Sub-Committees in an individual cross performance. To assess properly the duties of the Board of Directors and the Sub-Committee members individually.
- Reviewed and approved the new Scope of Powers and Duties of the Audit Committee to comply with the Asian CG Scorecard.
- Reviewed and approved the Nomination and Compensation Committee to conduct the meeting at least two times annually.
- Reviewed and approved the Board of Director manual.
- Reviewed and approved the Anti-Corruption Policy

2. Reviewed and approved the vision of the Company so that the executives and employee aim to the same direction and also established a guideline for participation. In 2019, the Company determined the business operation's goals for as follows.

   SVI continues to embark a long-term objective to build up a solid "Best in Class" Global company that has redundancy in operations and resources
   - To deliver and maintain in "superior Service and Highest Quality" driven by hardworking and dedicated teams.
   - Offer a business strategy to innovate and produce products in wide range of market segment to support fluctuation of demand.
   - To automate production line and upgrade IT system to meet global foot print requirement
   - To provide opportunities and career path to our dedicated and capable employees in term of financial rewards and challenging career growth.

3. Anti-Corruption updated

   The Company has announced its intention to join the private sector in anti-corruption (Collective Action Coalition or CAC). The Company has conducted the compliance with Anti-Corruption policy and also made a self-assessment (71 questions) which is related to the guidelines of CAC. At this time, the Company is in the process of being certified by CAC.

4. The company has started to prepare a report on social responsibility, details of the report has been disclosed on the Company's website. (www.svi-hq.com)

Supervision of the Use of Inside Information

The Company has a measure to supervise the use of inside information. If any director or executive has been aware of any significant inside information which may affect the change in securities price, such director or executive shall refrain from trading the Company's securities for an appropriate period of time before such inside information is disclosed to the public and shall not disclose such information to any other person.

The Company has informed directors and executives of their duty to report their securities holdings in the Company and the change in their securities holding in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) including penalty provisions under such Act.

The Company requires directors and executives to report their trading of the Company's securities to the Company in a standard form. Such report must be submitted to the Company on the business day following the day of trading. In the case where the directors or executives submit the report to the SET directly, the Company requires them to report that transaction to the Company as well. The Company will immediately clarify the facts to the shareholders and investors via the SET news system once there is any rumour or information leak to the public. This is to avoid causing any unfairness to the shareholders and general investors.

Prevention of Conflicts of Interest

In order to eliminate conflicts of interest, the Company has a policy to prevent Directors, Management or employees from using internal information for personal benefit. The Board is kept informed of transactions that may pose a conflict of interest and reviews the suitability of each instance with caution. The Company further complies with the guidelines of the SET and discloses the related transactions in the Company's Annual Report. The Board also oversees the use of internal information, by having Directors and Management report their shareholding information to the SEC, and is determined that business ethics protect the Directors and Management against the use of insider information for personal gain.

Remuneration of Directors and Executives

The Company has a policy to compensate Directors, the Chief Executive Officer and Management at appropriate levels when compared to other companies in the same business. This is to motivate and retain capable personnel. Remuneration is related to the Company's performance. The Nomination and Compensation Committee sets the remuneration policy and payment procedure and proposes the remuneration package to the Board of Directors for consideration which proposes to the shareholders meeting for approval.

The details of remuneration payments to Directors and executives are reported in Section 'the Organizational Management section'.

Professional Development for Directors and Management

The Board of Directors has supported and facilitated attendance on various training programs and seminars as necessary to ensure the continuing education of those associated with the Corporate Governance system, such as Directors, Audit Committee members, Executives and the Company Secretary. This enables the Directors to operate and govern the Company operations more effectively. In addition, in the case of a new Director, the Company organizes an orientation program and provides training, information and documents beneficial to performing the new duties. The program for a new Director includes sessions to introduce the nature of the business, the business structure, operating policy, the Company's rules and regulations, and Corporate Governance guidelines and practice, as well as a plant tour.

2019 Seminar record for directors are as follow:

1. Mr. Prasert Bunsumpan

   Attended Seminar in 2019:

   - Rule of Law for Democracy class 7 by The College of the Constitutional Court

2. Mr. Threekwan Bunnag

   Attended Seminar in 2019:

   - IOD National Director Conference 2019 – Board of the Future 24 July 2019
   - Board Governance Training – Anthony Millard Consulting 15 November 2019
   - Digital Innovation – EY Office Limited 25 November 2019

3. Mr. Chatchaval Jiaravanon

   Attended Seminar in 2019:

   - Advance Master of Management Program (AMM), class 2 (22 Aug 2018 – 23 Jan 2019)

4. Mr. Pongsak Lothongkam

   Attended Seminar in 2019:

   - - None -

5. Mr. Sopon Punyaratabandhu

   Attended Seminar in 2019:

   - Integrated Audit, Federal of Accounting Professions
   - Annual Report (56-2) and Integrated Reporting Concept, Federal of Accounting Professions

6. Mrs. Prathamaporn Svasti-xuto

   Attended Seminar in 2019:

   - - None -

7. Mr. Chatchwal Eimsiri

   Attended Seminar in 2019:

   - - None -

Management Succession Plan

The Company has developed a succession plan for key positions within each group, i.e. Chairperson of the Executive Committee, Executive Director and Director of each department to ensure that the Company has the Management that is knowledgeable in the business operations and capable to carry out the tasks smoothly and efficiently. Furthermore, the Company identifies high potential employee and sets training needs in order to develop them to become young talented executives and possess a foundation for business expansion in the future. This ensures that there will be no personnel shortage and maintains the confidence of the shareholders and stakeholders, including employees.

The Board of Directors has authorized the Nomination and Compensation Committee to consider and establish a succession plan for Chief Executive Officer and arranged the Company to review the succession plan for senior executives on an annual basis.

Shareholders, Analyst and Press Meetings

SVI has arranged Shareholders Meetings and treated all Shareholders equitably by sending invitation letters at a reasonable time as required by law. The letter informs Shareholders of the meeting schedule and location that is convenient for them to commute to the meeting. The Annual General Shareholders Meeting is normally held in April each year. The Company also invites both analysts from inside and outside Thailand, Financial Journalists, media and press to discuss and interview SVI top management regarding the company's strategy and business plan as appropriate.

2019 Annual report and Annual Registration Statement (Form 56-1)

The investors can access information of 2019 Annual report, Annual Registration Statement (Form 56-1) and Financial Statement in both Thai and English at http://investorrelations.svi.co.th.

Investor relations

SVI's Investor Relations is responsible for communication of any significant qualitative and quantitative information for investors, such as general information, financial information related to the characteristic of business, operating performance (already published), management discussions and other crucial information. SVI has an objective to transparently reflect the company's value to the capital market which will be beneficial to its shareholders, investment institutions, analysts, related public parties, media and others. SVI recognizes this activity as an important tool to reinforce good corporate governance of the company.

SVI Investor Relations Contact

Miss. Angkana Sornsakarin

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IR Website:	http://investorrelations.svi.co.th

Corporate Social Responsibilities

Overview

The Company believes that the stable and sustainable success of our business depends upon the overall organization management capability. We also respect that ethical business practice, a part of good corporate governance is important in doing business. Social responsibility is the other area that we focus on and value when working with stakeholders such as shareholders, employees, customers, vendors, society, government agencies in order to protect the rights of all parties. Additionally, we encourage our people to participate or get involved in social responsibility activities including environmental protection. We apply all of the 8 CRS principles of the Stock Exchange of Thailand in our practices as follows:

1. Fair business operations
2. Anti-Corruption
3. Respect for human rights
4. Employee fair treatment
5. Responsibility to consumers
6. Environmental care
7. Development of community and society
8. Innovation and its sharing of society, environmental and stakeholder responsibility

Compliance with the Corporate Social Responsible Principles

In 2019, The Board of Directors fully applied the 8 principles as the Company's direction for our business operations. This contributes to creating trust and accountability for maintaining the rights and protect the interests of stakeholders and society. Giving all stakeholders a chance to participate in business operations is considered a part of corporate governance practices.

1. Fair business operations

Operation with fairness means any business transaction will be made clearly and transparently. Contractors are allowed to get information before doing business as specified in our good corporate governance and ethical standard handbook. There are 4 main points to be considered:

1.1 Fair competition

The Company has set the following guidelines for all employees.

- Any employee will not be allowed to take advantage of or treat other parties unfairly by any means such as persuasion, hiding information and using confidential information in a wrong way, showing wrong/incorrect facts, or use unfair trade practices, etc. The Company Code of Conduct sets the standards of conduct and business ethics, including the contract with different partners in accordance with the principle of Thai and international law.
- The company does not allow the employee to disclose the confidential information of the customer or act dishonesty or illegally.
- The company does not allow the employee to destroy the reputation of the customers by demeaning them or vilifying them without a factual basis.

1.2 Responsibility for the partner and creditor: the company does not allow the employee to take advantage of the partners and creditor or violate the law and relevant regulations. The company is to operate in a manner that is consistent with the law and ethical principles as follows:

- Equal treatment of terms and conditions provided to customers
- Deliver products with quality standards according to the agreement at fair prices
- Care of the customer's interest in the same way as the company's interest.
- Listen to comments or complaints about products and services, the latter to be addressed swiftly
- Confidential treatment of customer trade data. Cannot be published or used for illegal purposes
- Committed to developing products and services, as well as innovative thinking adding value to the product and providing continuous service.

1.3 Respect for property rights.

The company has set standards for the business code of conduct and ethics. The guidelines for management and employees refers to intellectual property violations by prohibiting the copying, distribution or release of any software of the company or any third party without permission.

1.4 Involving political responsibility

The company has a policy to give money or take any action to support the political parties, the staff of the political parties or the candidate at all levels, both directly and indirectly. As defined in the ethics guide staff. The employees have the independent right to make political decisions.

The Customer's Satisfaction Survey 2019

The Company will conduct a customer satisfaction survey annually to evaluate the performance of the company in 6 main topics including quality, delivery, management, innovation, and price. The survey results will be used to improve various processes to meet the needs of customers.

Customer Satisfaction	2017	2018	2019
Product Quality	74%	70%	81%
On time delivery and Quantity	71%	57%	74%
Problem Solving	75%	74%	86%
Responsiveness	78%	76%	92%
Communication	81%	75%	89%
General; price, technology, manufacturing capacity etc.	80%	75%	90%
Total Customer Satisfaction (%)	76%	71%	85%

The overall survey of customer satisfaction for the year 2019 showed that the customer satisfaction increased from the year 2018 in all area. The highest satisfaction level is Responsiveness at 92% from 76% in year 2018 as consequence from Customer Focus Team setup. This gave a same goal and drive to success by team. The On time delivery and Quantity level is increase compare to the year 2018 due to improve of raw materials shortage. Moreover, the Company commits to develop and enhance responsiveness to the customers to satisfy our customers.

The Company provides a channel for customer feedback or complaints on the issue of confidentiality of customer information via the website, email or survey. In 2019, there is no case of complaints on the issue of confidentiality of customer information.

The efforts of service to efficiently meet their customers' needs has a significant positive effect on customer satisfaction, the company has the meeting with the customers to build business relationships and achieve high levels of satisfaction.

2. Anti-Corruption Policy

The Company regards corruption as an illegal conduct that damages the Company's credibility in operating the business, which is why policies against all types of corruption, either directly or indirectly are deemed as significant. The scope of the policies covers all areas of the business and relevant transactions in order to avoid any possible damages to the Company and society. An emphasis has been placed on corporate governance under the concepts of moral and ethical principles, transparency, especially processes that are directly involved with or at risk of internal dishonesty, including all types of corruption. Therefore, the Company has created the following anti-corruption practices and policies:

1. The Company's directors, executives and employees are prohibited from making requests for or receiving benefits or properties, leading to certain inappropriate acts or ignorance of one's own duties, possibly causing the Company damage to its interests.
2. The Company's directors, executives and employees are prohibited from making an offer of any benefits or properties to outsiders with the aim of persuading them to carry out any acts deemed illegal or inappropriate.

3. In case of any dishonest acts, the Company regards them as severe misconducts and the person(s) involved will be subject to disciplinary punishment according to the Company's regulations and the rules of law.

Duties and Responsibilities

1. The Board of Directors are responsible for identifying anti-corruption policies and effectively monitoring the systems and processes in support of such policies, ensuring that the Management is fully aware of the significance of anti-corruption initiatives and that they are embedded as the Company's culture.
2. The Audit Committee is responsible for performing an investigation of financial and accounting reports, internal control and audit systems, as well as risk management systems, to ensure that they comply with the latest local and international standards.
3. The Chief Executive Officer is responsible for identifying the systems and providing support to any activities in the anti-corruption policies, ensuring that messages have been thoroughly communicated to all relevant staff members and departments. The CEO is also responsible for reviewing the appropriateness of different systems and practices to make sure they facilitate business changes, rules and legal regulations.
4. The Audit Manager is responsible for verifying and investigating operating practices to ensure they are ethically on track, and in accordance with the policies, practices, authority, rules of law and the department's regimen, to ensure that proper control systems are in place and adequate to cope with potential corruption risks and subsequently report to the audit committee.
5. Directors, Executives and all levels of employees are responsible for strictly abiding by the anti-corruption policies. Should one fail to comply, one would be subjected to disciplinary actions.

Anti-Corruption: Practices

1. Directors, executives and all levels of employees are requested to strictly adhere to anti-corruption policies and the Company's code of conduct, without getting involved in any sort of corruption, either directly or indirectly.
2. Directors, executives, and all levels of employees should not be negligent when witnessing any acts deemed potential for corruption, and must immediately report to their supervisors or any responsible individuals. He or she must give full cooperation in the investigation process and should there be any doubts or queries, one is advised to consult with their supervisor or responsible persons, through available channels.
3. The Company guarantees justice and protection for employees who report any corrupt acts related to the Company, whereby petitioner protection practices will be reinforced to safeguard those who give cooperation in reporting corruptions as specified in the operating manual.
4. Directors, executives, and employees involved in corruptions are considered guilty of violating the Company's code of conduct, which will result in them being subject to the Company's stated disciplinary actions.

5. The Company is aware of the importance of disseminating anti-corruption knowledge and ensuring an understanding with supplier and other stakeholders whose roles or responsibilities are involved with the Company's business and might possibly cause adverse effects upon the Company, with regards to ways of practicing the anti-corruption policies.

6. Directors, executives, and employees must not make any requests, or accept any sort of corruption for one's own benefits, and those of the families, friends and acquaintances.

3. Respect for human rights

The company realizes that human rights and fundamental freedoms are universal, indivisible, and should be promoted practical with justice and fair without prejudice. It has a policy to run a business with respect to the international human rights law and based on the principle of strictly and does not support activities with the violation of human rights. The company has set the practices associated with the respect for human rights, in the regulation of the company increasing as follows.

1. The company respect for the worker rights as defined in the general law or the constitution, as well as to not take any actions to hinder the use of such rights of employees.
2. The company will not support and encourage the employees to take any actions as a violation of human rights or the rights of others.
3. The company preserves the personal data of employees a secret and will not be published to outsiders, in any way, unless authorized by the employee.
4. Employees will treat others with equality and not take any action to offend or threaten the rights of other people.

4. Employee fair treatment

The company has set guidelines for employee fairness and equality. The company treats all employees equally and fairly based on respect for the rights of employees under the relevant laws and regulations. The company has two-way communication between employees and itself as well as clear regulations on the administration of wages and benefits. There is a focus on personnel development and we provide recreational activities for employees to have a chance to relax at work. It also strengthens good relationship between employees and the company.

The company is committed to the labor protection laws. This can be assured by the specific policy and various practices in particular:

1. Respect for the rights of workers according to the principles of human rights
   - Without discrimination or determined by gender, race, sex, color, religion, age, marital status personal or political opinions.
   - Not using forced labour or child labour: The Company does not use trafficked, forced labour or child labour. The Company shall comply with applicable laws whether laws prohibiting complaints to support slavery or trafficking, and shall not use or enter into the agreement for forced labour including slavery such as assign employees to certain types of work which they either do not willing to do or as punishment.

- Respect for the rights and freedoms of employees to negotiate.
- Give the employees a chance to show their ability and talent by determining reasonable benefits and rewards according to the regulations of the company.

2. Give protection and social compensation.

The company cares about its employees, believes in equality and dignity as a part of the company's requirements. Our compensation policy is fair and reasonable according to employees' capability by considering the packages with the same industry and in accordance with their position, experience and their performance in the Company as well as the economic and social situation. To comply with the Labor Protection Law and Labor Standard Regulations and other related provisions as follows.

- Process of hiring, transfer and compensation is done on the basis of fairness and equality
- Disciplinary action: this is administered according to the regulations and rules of the company and in accordance with the relevant laws.
- The company ensures the protection of pregnant women in accordance with the Labor Law and other regulations. It also has to provide training and knowledge about the pregnancy period and related benefits and conditions.
- The company provides welfare services to support employees such as arranging a shuttle bus, shops, a space for leisure activities. The company also has a welfare program such as cash grants for employees: for wedding gifts, grants allowance for new born children, death benefit and provident fund and a saving fund for the employees. This is to encourage and help them to save for retirement.
- Health welfare: the company provides annual physical check-ups every year. There are nurse's services 24 hours, outpatient clinic, medical welfare, health insurance, accident insurance, patient Life insurance, credit in case of emergency hospitalization. The company will process an advance payment directly to hospital.
- Communication between employees and company. The company provides a channel of communication with employees in the case of employees that do not receive fair treatment or in the event of illegal practices or omission or where actions do not comply with the regulations or the contract or agreement.
- Employee development: the company has a policy for developing the capabilities of personnel to enhance the competitiveness and supports training and seminars related to work in each unit, which is considered an important part in the development of the staff quality and career development.

5. Responsibility to Consumers

The company realizes that its products, service, quality standards, consumer safety, reasonable price, compliance to the regulations of law, will affect the company competitiveness in doing business, in a free trade environment on the world stage and ensure its sustainability.

To ensure that our products will perform according to products' specifications, the Company is highly determined to abide by the international quality standards as per below:

1. Quality standards and patents for quality management
   - ISO 9001 standard quality for management system
   - ISO / TS16949 quality management system for Automotive
   - ISO13485 quality management system for medicine
   - ISO 14001 Version 2015 Environmental Management System
   - OHSAS18001 occupational health and safety management system
2. Quality standards and patents for quality management for certified products
   - Canadian Standards Association - (CSA)
   - Underwriters Laboratories Inc. (UL)
   - List ETL ETL KTL (,).
   - ATEX Directive 94 / 9 / EC.

In addition, the company has arranged "Quarterly Management Review" on quarterly basis. With the aim to be report the management and staff of the company's business plan and the quality objectives, and review for operating plan of each quarter.

6. Occupational/Health and Environmental Management

The Company concentrates in complying with Occupational Health & Safety and Environmental Policy. The Company has been continuously certified TIS/OHSAS 18001 from 2011 to 2018. The Company has also been certified ISO 45001 in 2019 which is standard in environment management and business development. This standard is focused on the protection of accident as essential in order to reduce impact to employee, counterparty, contractor, society and public area as well as to reduce production cost. The Company has also comply with the above security management standard and regulation by having continue control and develop.

The Company realizes how to provide good security and occupational management for the employee. To do this, the Company encourages staff's participation and builds sense of ownership to the employee in order to reduce working waste of time, use of resources and also reduce sickness and injury of the employee.

The Company sets guideline to support the security of the employee and contractor performance as follows:

- Set up Occupational Health & Safety and Environmental Policy
- Set up Occupational Health & Safety and Environmental committee
- Contractor Safety Management
- Health Risk Assessment
- Industrial Hygiene management
- Set up short and long term strategy target in Occupational Health & Safety and Environmental management
- Provide Near miss Report Program

Operational Result : The Company has successfully achieved to be continously Non- Accident and Injury from working. Total Recordable Injury Rate :TRIR is zero in 2019. The Company is still strong continually in determination guideline to protect and to build up security culture in the organization. The following are the results of security program and near miss report

Result

Key Performance Indicator	2019 Target	2019 result	2020 target
Sick from working	0	0	0
Accident from working of employee and contractor	0	0	0

The Company concerns to the health of the employee, therefore, the Company have set the following activities:-

- Set up Health Care or Fitness Center. The Company has provided exercising space within the area of the Company.
- Annual physical Check-Up: In 2019, the Company arranged annual physical check up in order to protect any disease may affect to the employee whether such disease caused from working or personnel

- Milk project : The Company has provided milk, free of charge, on the monthly basis to employee who involve with ……in order to support the employee to have good and strong health

- Clean Food Good Taste Project : the Company has been checking food hygiene which has been sold within the Company. With this regards, the Company received the certificate issued by the Office of the Public Health, Pathumthani Province at the rating " Very Good" of Department of Health. In addition, the Company has also random checked bacteria in food sell in the Company to ensure that the processes of food preparation

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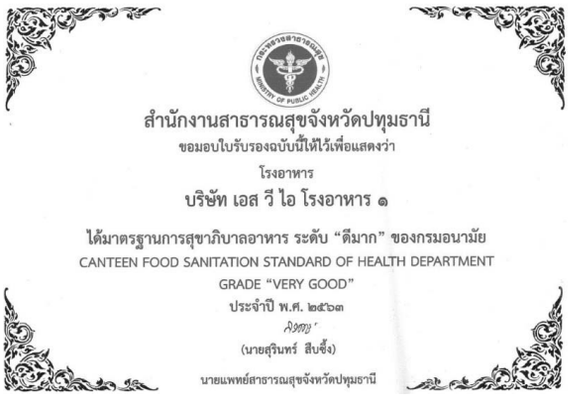

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Recreational activities for employees:

The Company realizes the importance of employees by arranging various recreational activities as part of the Company's strategy to develop and build relationships between management and employees, as well as creating a "family" culture within the organization which allows employees to enjoy their work. In 2019, the Company and its subsidiaries provided a variety of recreational activities for employees such as sport day, New Year Party, Songkran party, etc.

The main content of this policy has been communicated to employees at all levels through the Company's noticeboard and the intranet website as the guidelines for employees to perform their work with the same objectives.

The Company also creates greater awareness for all employees on Occupational Health & Safety and Environmental responsibility and the protection of our current and future environment. The details of occupational health, safety and the environmental of 2019 are as follows:

1. To provide training and educating employees about safety since the review of the awareness of safety management for supervisors and Safety Committees as well as to educate employees at all levels and contractors. Moreover, the Company provides training about the role participating in safety such as Safety Course for driving forklift, safety in the workplace relating to chemical and electric, and First Aid Training, etc. Details of training courses on Occupational Health & Safety and Environmental are as follow:

   - Safety training: 1 times / week for Safety training for employees at all levels for 1,228 employees, and the number of hours of training is 6 hours / person (legally). The total amount hours of training would be 7,368 hours.

   - Safety Course for driving forklift: 1 times for Safety Course for driving forklift for 28 people, and the number of hours of training is 6 hours / person (legally). The total amount hours of training would be 168 hours.

   - Safety in the workplace relating to electricity: 1 time for Safety in the workplace relating to electricity for 37 people, and the number of hours of training is 6 hours / person (legally). The total amount hours of training would be 222 hours.

   - First Aid training: 1 time for First Aid training for 21 people, and the number of hours of training is 6 hours / person (legally). The total amount hours of training would be 126 hours.

2. Firefighting and fire evacuation training: the Company provided 2 times for firefighting and fire evacuation training and there are 1,423 employees (100%) participating in this training

3. Annual Physical check-up: there are 2,749 employees participated in the annual health check of employees out of 3,307 employees representing 83 percent of all employees.

4. Promote greater awareness on Occupational Health & Safety and Environmental responsibility: The Company supports and encourages all employees to have greater awareness on Occupational Health & Safety and Environmental responsibility, and the protection of our current and future environment by training to educate employees. Moreover, the Company reveals the rate of accident or leave or illness from work in its annual report for the year 2019.

- 1 accident for 1 days-off on September 15th, 2019 (Irritating liquid splashes into the right eye)
- 22 None-Serious Accidents as follow ;
  - 25,28,31 January ,2019 (no day-off)
  - 4 February ,2019 (2 cases no day-off)
  - 8,18,26 February,2019 (no day-off)
  - 1,14 March,2019 (no day-off)
  - 22 April,2019 (no day-off)
  - 9,15,18,28 May,2019 (no day-off)
  - 12,19,25 September, 2019 (no day-off)
  - 4 October, 2019 (no day-off)
  - 13,18,21 November, 2019 (no day-off)

7. Development of Communities and Societies

With the intention to contribute to a sustainable Thai society and to strengthen our relationship with our community, the company has on-going social activities, such as the “Prescription Eyeglasses Project”, “blood donation” activities and a student education support project. (supporting high school vocational students). An internship is

offered by the company for 1 semester to support students to learn about working processes in order to enable them to work after graduation. “Bilateral projects” are a joint project between the company and technical colleges, where the students will carry out on the job training in the company to gain more knowledge and experience for 1 year. Later the students will be able to solve many problems which may arise in their job process.

Knowledge sharing

SVI Public Company Limited joined the project, “Factory Tour” as of Year 2019 with Bangkadi Industrial park. To convey the knowledge and experience to primary school in the area of Pathum Thani on the topic “Environment conscious And Safety” so that the students are conscious of the environment, to prevent and reduce the risk of everyday accidents. The event was held 5 times in 5 schools.

The operation which impact to CSR

-None-

CSR after process

“Activity of blood donation”

The company has co-operated with the Thai Red Cross organizing blood donations. This is to provide an opportunity for employees to participate in supporting our society continuously. In 2019, the Company organized blood donations 4 times. There were 95 donors with 38,000 ml blood donated in January, 62 donors with 24,800 ml blood donated in April, 65 donors and 93 donors in July and October. In 2019, totally 315 donors with 126,000 ml blood donated.

The policy to protect against involvement in corruption

The Company realizes the importance of the fight against corruption. The written anti-corruption and related policies have been established with the monitoring process to ensure that employees and concerned parties comply with the policies and anti-corruption programs. The Company also provides whistleblowing channels, set up an anti-corruption committee with the senior management as a chairman, does corruption risk assessment, employees' training as well as participating with partners to fight against corruption. Hana has been a signatory company of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since 2014, with the objective to support the Coalition against Corruption aiming to counter corruption in any forms. The Company has lately been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption since January 2016 which affirms that the Company has supported the fighting corruption through the implementation of policies and effective mechanisms to prevent corruption at company and industry levels.

Anti-Corruption Policy

The Company realizes that corruption is illegal and also destroys trust from outside parties. Therefore, the Board of Directors has approved a policy to combat corruption in all its forms and against all kinds of corruption and, as a result, avoid the negative reputation that accompanies it. SVI's has a policy that our management and employees have to comply with:

- Management and Employees must not request or accept bribes that may mislead or avoid doing something that may result in negative consequences for the Company.
- SVI's Management and Employees must not offer or give any benefits to external parties in order to motivate those people to perform or avoid performing certain actions as it could create negative results to the Company.
- If there is any corruption discovered within the Company, SVI will respond immediately with serious disciplinary action and take legal action promptly.

Compliance with Anti-Corruption policy

The company and its subsidiaries have operated in compliance with the anti-corruption policy as follows:

1. Audit and evaluate the business risk. To identify the operations of the company or subsidiary risk that may have been involved in corruption.

   The company has a low risk to be impacted by corruption. The risk of corruption and supervision systems of corruption are defined to Executives and employees so that they must follow the moral and ethics guidelines strictly. The company and its subsidiaries provide the proper risk management system as to prevent fraud and corruption within the company. There are measures against fraud and corruption with proper risk assessment, as well as the monitoring and evaluation based on the risk management plan. The company and its subsidiaries have been supervised, controlled and monitored in order to prevent exposure to fraud and corruption as follows:

   - The company has an audit process to evaluate internal control system, comprehensive risk management system and important works, such as the procurement contract system arrangement, system setting and control of the budget. The approval system of payment and recording are clarified clearly.

- Have best practice and ethics guideline for directors, executives and employees engaged in anti-corruption practices, in order to prevent the risk of fraud and corruption including the suggestions of how to improve it.
- Have more channels to receive information tip offs or complaints about violation in relation to illegal or ethical business of the company. The company establishes the guideline for the protection or involvement in leaking of financial report or internal control system including the policy to protect a person who reports the case of fraud to the company. The company has a system to inspect and punish anyone engaging in corruption. The head of each department is responsible for tracking performance, taking action and informing the authority for acknowledgement.

2. Communication and training to the staff as to provide knowledge about the policies and practices of anti- corruption policy and practice.

   The company provides communication for the basic practice on how to prevent involvement with corruption. The ethics of operating the business for management and employees are defined and employees have to know and participate in related anti-corruption measures, already posted on the Company's website.

3. Guidelines for follow-up and evaluation of the anti-corruption policy.

   The company defines a concept and practice including the follow-up and evaluation of anti-corruption policy and practice as follows:

   - The Company has presented the anti-corruption policy, responsibility and practice to new employees on the orientation day, in which, new employees have to sign for acknowledgement of this policy, where by the communication made to the existing employees of this policy twice a year through Smart Meeting which is conducted on weekly basis, publishing in SVI Newsletter, and posting it on the company's bulletin board.
   - A letter of Anti-Corruption policy, concept and practice were sent to all suppliers, contractors and all Financial Institutions.
   - The executives and employees must do self-evaluation assessment for Best Practice, good corporate governance and business ethics. All management and employees have to participate in the protection against corruption and not acting in conflict of the company's code of ethics.
   - To provide internal audit system for auditing internal control systems, risk management, and good corporate governance. The report for improvement has to be ongoing. The annual audit plan has to be approved by the Audit Committee. Any materialized information has to be reported to the Audit Committee.
   - To identify Risk Management Committee's and Internal Audit's responsibility in evaluation of the risk of fraud and corruption constantly. In order to take action against fraud and corruption effectively, as well as to follow up and review for improvement, the report of evaluation has to be submitted to the Risk Management Committee and the Board of Directors regularly on a timely basis.

Internal Controls, Risk Management and Internal Audit

Internal Controls and Risk Management

Board of Directors' Evaluation on SVI's Internal Controls

SVI has operation in several countries so that SVI must have efficient and effective corporate governance, risk management and internal control systems in order to support changing from various incoming trend. In 2019, SVI adhered to the international standards by ensuring corporate governance is consistent with the corporate governance principles of Organization for Economic Co-operation and Development (OECD), the requirements of the Stock Exchange of Thailand (SET) and also the Institute of Directors Association of Thailand (IOD). In addition, SVI also worked towards ensuring that Internal Controls are consistent with the guidelines of COSO Internal Control Framework and risk management is consistent with the framework of COSO Enterprise Risk Management (COSO-ERM). This is to achieve key strategic and optimization of goals effectively and efficiently.

The internal control system can be summarized by into the following key components and they are as follows:

1. Control Environment

SVI has good efficiency and effectiveness in internal control environment, integrity and ethics in business. The Board of Directors are independent from the management. SVI has formulated an Anti-Corruption Policy and declared of intention to CAC (the Private Sector Collective Action Coalition against Corruption) this year. SVI has Anti-Corruption policy which has worked together with customers, suppliers, partners and related parties. Moreover SVI concurrently, defined its Code of Conduct, which has applied with directors, management teams and employees. SVI has implemented a Whistleblower Policy in order to gather and address complaints and notifications that may indicate potential fraud or corruption to ensure that management and staff perform their functions with transparency, integrity, and ethics.

2. Risk Assessment

SVI has the guidelines of the COSO Enterprise Risk Management (COSO-ERM). The Board of Directors has assigned the Risk Management Committee to be responsible for determining risk management policy and framework of the Company. This includes governing and supervising risk management to ensure successful achievement of activities both at the entity, business unit, department level and all related processes. SVI assesses the risk from both external and internal factors as well as evaluates the impact and likelihood of risk identifications, this includes nature disaster risk, political risk, operation risk, foreign currency risk, monopoly customers and monopoly suppliers risk, country risk together with law and regulation risk.SVI identifies risk factors that may affect company performance every year and determines the risk responses by considering high and highest risk in order to avoid, reduce, share or accept the risk as appropriate to the Company. The Risk Management Committee provides updates of the significant changes and effects on the company from its meetings to the Board of Directors regularly.

SVI insists and focuses on the measurements for preventing risk from floods. The Bangkadee Industrial Park has constructed a concrete line above five meters surrounding the Industrial Park. SVI has renovated the production area to the second floor. If there are floods, the Company will be able to move machines, equipment and tools in a timely manner.

SVI has taken precautions to prevent damage from fire by providing and improving the fire protection systems for all industrial factories. SVI has sprinkler system in every area, Smoke detectors, Heat detectors and Beam detectors above ceiling to be consistent with fire safety standards of the National Fire Protection Association (NFPA) Insurance company standard and the Factory Mutual Global Standard.

3. Control Activities

SVI consistently recognizes the importance of control activities by establishing a control mechanism to prevent and reduce operational errors such as designating the authority for approval and the approval limit for each management level, which was approved by the Board of Directors. Establishing the systems of checks and balances through segregation of duties in all operations processes is already deployed; for example segregation of duties between the approval, accounting records, payment and stewardship of properties. SVI has operational procedures, manuals, and instructions, which are reviewed and updated on a regular basis. This includes implementing general control activities for information technology systems, maintenance and security management to ensure that the operational processes are adequate and appropriate internal control activities for its business functions in all areas.

SVI appointed Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. as an outsourced internal auditor to conduct internal audit to ensure the sufficiency and effectiveness of internal controls and follow up on internal audit findings. The objectives of internal audit project are;

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets
- Compliance with laws, regulations and contracts

In addition, the Audit Committee has reviewed and approved the internal audit plan to cover all operational processes and sort the high risk process to ensure that operational processes are adequate and appropriate internal control systems are in place. In 2019, the following processes were audited and they are as follows;

- Maintenance Process
- Financial Close Reporting Process
- IT General Controls
- Order to Cash Process

The Audit Committee considers material deficiencies from the audit performed, provides recommendations to the management and assigns the outsourced internal auditor to follow up on the audit findings with the management to report corrective actions and the measures to prevent repeated deficiencies.

In case SVI has transactions with major shareholders, directors, management or related persons, SVI has adequate measurement to monitor their transactions and every transaction has to be verified by the authorized person based on the written authorization process. SVI does not allow stakeholders who have transactions with SVI to approve their transactions and closely monitor the results.

4. Information & Communication

SVI has implemented effective and efficient information systems as well as internal and external communication channels. As part of internal communication, SVI utilizes the intranet to disseminate policies, regulations, procedures, manuals and other essential information to management and staff in order to practice the policies in a proper and timely manner.

SVI provides investor relations communication channels through the website http://investorrelations.svi.co.th and e-mail ir@svi.co.th as a communication channel and for clarifying information to investors. In addition, SVI has a whistle-blower's communication channel through email audit.svi@svi.co.th that serves as a safe mechanism .

SVI consistently emphasizes the security of information technology such as changing Firewall system with higher standard which has related with technology regulation. SVI has system to monitor user to change password which has expired before entering to the system. SVI has disaster recovery site (DR Site)to back up data and computer systems, annual recovery backup test for accuracy and completeness of a backup system. In case of an emergency, annual review of the adequacy of information technology general controls is performed by the external auditor.SVI has improved the modern Fire alarm and Fire extinguisher system at Data center.

5. Monitoring & Evaluation

The Board of Directors continuously monitors and evaluates the performance of management by hierarchy, Board of Directors, Executive Directors and management. SVI has performance evaluation of new staff and yearly evaluation for all staffs to adjust salary, bonus and position.

Internal Audit

The outsourced internal auditors performs its duties independently and reports functionally and directly to the Audit Committee. They evaluate the efficiency and the effectiveness of the internal control, risk management, corporate governance, and also a consulting role to support the Company's business direction and goals, with regard to good corporate governance, risk management and the internal control.

The Audit Committee approved 3 years internal audit plan which was proposed by internal auditor to examine all of process by quarterly. The Committee reviewed audit performance, internal audit report, considered major audit issues, and monitored corrective actions for significant aspects for good governance and adequate internal control.The Committee also consider to appoint Internal Auditor. .

Internal audit performed is consistent with the International Professional Practices Framework and the Internal Audit Charter. SVI appointed Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. As an outsourced internal auditor to conduct quarterly internal audits to ensure the sufficiency and effectiveness of internal controls and follow up internal audit findings. The objectives of internal audit projects are;

- Effectiveness and efficiency of operations
- Safeguarding of assets
- Compliance with laws, regulations and contracts

Miss Laksanee Yensuang acts as the secretary to the Audit Committee to support the effective achievement of its responsibilities and ensure accountability assigned by the Board of Directors to the Audit Committee.

Details of Outsourced Internal Auditor

SVI appointed Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. As an outsourced internal auditor to conduct quarterly internal audits. The qualification and experience of working team are as follows:

Kaysarin Angkanurakbun

Position Director of Risk Advisory, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.

Education

- Certified Public Accountant (CPA)
- Certified Internal Auditor (CIA)
- M.Sc. in Accountancy, University of Illinois at Urbana-Champaign, USA
- B.Sc. in Accounting, Thammasat University, Thailand

Working experience in the past 5 years

2019 – Present	Director of Risk Advisory, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
2018 – 2019	Group Compliance Manager, APAC Microsoft (Thailand) Limited
2013 – 2018	Manager, Internal Controls and Compliance Philip Morris (Thailand) Limited

Kaysarin is a Director of Risk Advisory in Thailand. She is an experienced risk management professional from various industries, including technology, fast moving consumer goods, retails and services industries. She also has over 16 years of in-depth experiences with multinational corporations in Thailand, Southeast Asia, Middle East and United States.

Kaysarin has been engaged in internal auditing and performing reviews of corporate governance, risk management, internal controls and compliance. She has been involved in reviews of anti-corruption and privacy controls, as well as business continuity planning of business processes.

Other Position in SVI

None

Family relationship among Director and Executive

None

Poorvi Doshi

Age 37

Position Manager, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.

Education

- Bachelors in Accounting, University of Wales, Cardiff
- Association of Chartered Certified Accountants (ACCA), United Kingdom

Working experience in the past 5 years

2013 – Present Manager
Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.

Poorvi is a Manager in the Internal Audit Practice of Risk Advisory department, Deloitte at Bangkok office.

Prior to joining Deloitte Thailand, Poorvi started work with KPMG in Singapore with Assurance Services for 4 years, before joining a multi-national company, Singapore Telecommunication in the Internal Audit Department. Thereafter, she joined BDO Chartered Accountants & Advisors in Dubai, United Arab Emirates in Risk Consulting and finally BDO Limited (Thailand) in the Internal Audit Department. For the past 10 years, Poorvi has spent much of her time around gaining skills in financial and operational audit and compliance reviews.

Poorvi has focused in providing value-added internal audit services by assessing and reviewing the adequacy and effectiveness of internal controls and making necessary recommendations for improvement opportunities which could enhance efficiency and effectiveness. In addition, evaluating the design and operating effectiveness of their internal controls.

Other Position in SVI

None

Family relationship among Director and Executive

None

Related Party Transactions

The Company had related transactions with subsidiaries in which the Company was holding 100% of the shares each. Those transactions were conducted under normal business. The company has disclosed all related transactions as of year ended 31 December 2019 in Note 6 of the Financial Statements. The Board of Directors and the Audit Committee had reviewed such related transactions and found that they were reasonable and justified.

Policy or Procedures for the Approval of Inter-Company Transactions

In case the company has any related transactions with any person who has a conflict of interest with the Company, that transaction has to be approved by the Board of Directors and consented by the Audit Committee. These transactions must comply with the Stock Exchange of Thailand's rule and regulations related to connected transactions and the acquisition or disposal of assets. Any member of the Board of Directors who has an interest in any related transaction shall declare to the Audit Committee and the Board, and refrain from rendering any opinion or vote. In this regard, to approve the connected transactions, the Company must comply with the procedure and process, considering the Company's optimal benefits, and treat that connected transactions on the same basis as an outsider's transaction.

Policies or Directions for Future Connected Transactions

In case, if the company has to perform any related or connected transactions, the company must strictly comply with the approval process as mentioned above. If there are any connected transactions that need to be considered and approved by the Audit Committee, as required by Stock Exchange of Thailand's regulations, the Company will propose it to the Audit Committee to independently examine and consider if it is needed and appropriate. Where the Audit Committee has no expertise in the mentioned connected transactions, the Company will appoint an independent expert or its external auditor to assist the Audit Committee in that process to obtain the most effective comments or information so that the Board of Directors, the Audit Committee, or the Shareholders can use it to support their decisions in each case. In addition, the Company will disclose of the transaction as a note in the Company's financial statements.

Financial and Operating Results

Operating Result, Financial Analyst and Financial Status

Operating Result and Financial Analyst

SVI had a very challenging year in 2019 with the global economic slowdown and the appreciation of the Thai Baht. Nonetheless, revenues remained flat as a result of the continued commitment from our customers. However, our margins were negatively impacted by the appreciate of the Thai Baht throughout 2019. In 2020, we look forward with optimism but are aware of the external factors that could affect our operations as we aim to grow with our customers as well as to attract new ones in new markets. In terms of our expansion efforts, we plan to expand our European and Cambodia operations so that capacity is immediately accessible for existing and new customers. In terms of our expansion efforts, we are constantly evaluating expansion opportunities globally to make SVI a truly global EMS player.

Our Consolidated Revenue for the full year 2019 was reported at USD 484 million (THB 14,962 million) a decrease of 0.2% over USD 485 million (THB 15,610 million) compared to 2018. Revenue contributed by subsidiaries in Europe was USD 113 million (THB 3,820 million) and from Cambodia was USD 10 million (THB 308 million). The segments that contributed the most to our revenue were Communication & Networking, Industrial & Power Electronics, Automotive & Public Transportation, and Medical Devices & Equipment.

Compared to 2017 Consolidated Revenues of USD 369 million (THB 12,426 million), an increase of USD 114 million or 30.8%. Growth continues to be driven by the successful integration of our European operations acquired in 2016 as well as from existing customers. Segments that were key to our growth were Communication & Networking, Industrial Control & Power Electronics and Medical.

The Company's revenues for the year 2019 was THB 11,511 million, a decrease from 2018 of THB 400 million or 3.4% and an increase from 2017 of THB 1,981 million or 20.8% respectively.

Total Annual Consolidated Gross Profit for the year 2019 was THB 948 million or 6.3% of revenue. Consolidated Gross Profit reported in the year 2018 and 2017 were THB 1,376 million and THB 999 million representing Gross Profit margins of 8.8% and 8.0% respectively. Consolidated Gross Profit for 2019 saw a decrease of THB 428 million or 31.1% from 2018 and of THB 51 million or 5.1% from 2017. Gross Profit margins decreased by 2.5% compared to 2018 and 1.7% compared to 2017. Gross Profit margins were negatively affected by the high level of inventory earlier in 2019 and the continued strong appreciation of the Thai Baht throughout the year.

The Company's Gross Profit in 2019 was THB 494 million or 4.3% of revenue. In 2018 and 2017, the Company's Gross Profit was THB 862 million with margins of 7.2% and THB 676 million with margins of 7.1% respectively. 2019 represented a decrease in Gross Profit Margins of 2.9% from 2018 and a decrease of 2.8% from 2017. Gross Profit margins continue to be hindered by the strong Thai Baht throughout 2019.

Consolidated Selling and Administrative expenses (SG&A) in 2019 was THB 706 million or 4.7% of revenue. Compared to 2018 and 2017, Consolidated SG&A amounts to THB 681 million or 4.4% of revenue and THB 670 million or 5.4% of revenue respectively. As % of revenue, SG&A represents an increase THB 25 million from 2018 and THB

37 million from 2017.

The Company's SG&A for 2019 was THB 361 million, or 3.1% of revenue. In 2018 and 2017, the Company's SG&A was THB 309 million or 2.6% of sales and THB 289 or 3.0% of sales respectively. As % of sales, 2019 represents an increase of 0.5% from 2018 and 0.1% from 2017. The increase was relating to the abovementioned reasons.

The Consolidated Net Profit for 2019 was THB 372 million versus THB 803 million last year, a decrease of THB 403 million from the previous year, mainly caused by the strong appreciate of Thai Baht which have effected the Company's margins throughout the year. Compared to the Consolidated 2017 Net Profit of THB 491 million, the Company saw a decrease of THB 120 million.

The Company's Net Income in 2019 was THB 322 million, a decrease of THB 421 million from 2018 Net Income of THB 743 million and a decrease of THB 190 million from 2017 Net Income of THB 512 million.

Financial Status

Assets

SVI 2019 Consolidated Assets was THB 11,333 million, a decrease of THB 1,572 million or 12.2% from previous year, mainly driven by reduction in Trade Receivables of THB 812 million and Inventory of THB 1,223 million. Compared to the 2017 Consolidated Assets of THB 11,313 million, 2019 saw a minor increase of THB 20 million or 0.2%. The increase was mainly driven by the increased Trade Receivables of THB 296 million and Inventory of THB 366 million but is offset by the reduction of Current Investment of THB 721 million. The decrease in Consolidated Assets from 2018 to 2019 was mainly due to shorter inventory cycle while Trade Receivables also decreased due to slower demand from customers in 3rd and 4th quarters of 2019.

At the Company level, 2019 Total Assets was THB 10,043 million versus THB 11,435 million in 2018, a decrease of THB 1,392 million or 12.2%. The decrease was also driven by the reduction in Trade Receivables of THB 739 million and Inventory of THB 1,294 million. These reductions were partially offset by the increase in Cash of THB 481 million. Compared to the Company 2016 Total Assets of THB 9,770 million, 2019 saw an increase of THB 273 million or 2.8%, mainly driven by the increased in Trade Receivables of THB 468 million and Loan to Subsidiary of THB 369 million. These increases were partially offset by the reduction of Property Plant and Equipment of THB 404 million.

Financial Liquidity

2019 Consolidated Financial Statement had reported the net cash generated from operation of THB 1,688 million, an increase from 2018 of THB 2,026 million, mainly resulting from the decreased in working capital requirement for Trade and Other Receivables and Inventories, which decreased by THB 837 million and THB 1,160 million respectively. Compared to the cash generated from operation in 2017 in the amount of THB -192 million, an increase of THB 1,880 million was mainly related to the reduction in working capital.

2019 Company's Financial Statement had reported the net cash generated from operation of THB 1,636 million, an increase from 2018 of THB 2,098 million, mainly resulting from the decreased in working capital requirement for Trade and Other Receivables and Inventories, which decreased by THB 768 million and THB 1,246 million respectively. Compared to the cash generated from operation in 2017 in the amount of THB -131 million, an increase of THB 1,766 million was mainly related to the reduction in working capital.

Liability

The Company's 2019 Consolidated Liabilities was THB 7,866 million, an increase of THB 2,602 million or 49.4% from 2018. This was mainly related to an increase in Short-Term loans from Banks of THB 975 million and Long-Term loan of THB 2,581 million to help fund capital needs for the Company. Compared to 2017 Total Consolidated Liabilities of THB 4,068 million, 2019 represents an increase of THB 3,799 million, which was mainly related to the increase in Short-Term and Long-Term loans.

At the Company Level, 2019 Total Liabilities was higher than 2018 by THB 2,810 million or 73.7%, mainly relating to the increase in Short-Term and Long-Term loans. Compared to the Company 2017 Total Liabilities of THB 2,487 million, 2019 represents an increase of THB 4,138 million.

Shareholders' Equity

The 2019 Consolidated and the Company Shareholders' Equity were THB 3,467 million and THB 3,418 million respectively. This represents a decrease of THB 4,174 million for Consolidated Shareholders' Equity and THB 4,201 million for Company's Shareholders' Equity from 2018. The decrease was mainly due the dividend payment of THB 1.9282 per share with the total amount of THB 4,152 million, the purchase of the Company's shares of THB 75 million, and loss on translation of subsidiaries balance sheet and the valuation of mark-to-market of investment fund of THB 11 million. The Company also increase the reserve for issuing and allocation of ESOP warrants (SVI-W3) accounted to THB 1 million

The 2018 Consolidated and the Company Shareholders' Equity were THB 7,640 million and THB 7,619 million respectively. This represents an increase of THB 395 million for Consolidated Shareholders' Equity and THB 340 million for Company's Shareholders' Equity from 2017. The increase was mainly generated by 2018 Consolidated Net Income of THB 803 million, reduced by the payment of dividend of THB 0.08/share, in the amount of THB 180 million and the purchase of the company's shares of THB 199 million, partially offset with the increase of the reserve for issuing and allocation of ESOP warrants (SVI-W3) accounted to THB 3 million and gain on translation of subsidiaries balance sheet and the valuation of mark-to-market of investment fund of THB 5 million.

The Audit Committee Report

Dear Shareholders

The Audit Committee of SVI Public Company Limited consists of three independent directors : Mr. Threekwan Bunnag as the chairman, Mr. Sopon Punyaratabandhu to be an Audit Committee's member replace Mr. Chatchaval Jiaravanon, effective on July 1, 2019 onwards and Mrs. Pratamaporn Svasti-Xuto to be an Audit Committee's member replace Mr. Weerayuth Sajjaphanroj, effective on November 8, 2019 onwards. All of Audit Committee have qualified in accordance with the Stock Exchange of Thailand. Mr.Threekwan Bunnag as the audit committee who has knowledge and experience in Accounting and Finance. The Committee independently performed its duties, as assigned by the Board of Directors in scope of works and responsibilities, in accordance with the SVI's Audit Committee Charter. Its policies focus on compliance with the principles of corporate good governance and the regulations and good practice guidelines from the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the international standards. The Committee reports the Minutes of Meetings as required agendas to the Board of Directors on a regular basis.

In 2019, the Committee conducted 4 meetings with 100% attendance by the members except Mr. Weerayuth Sajjaphanroj was absence 1 time. The Committee meeting upon consultations with the management, the Internal Auditor, and the external auditors in related agenda. Moreover, the Committee has consulted with external auditor excluding management in the topic of cooperation with management and employees together with other agendas. Including providing independent suggestions. The audit committee reported the results to the board of directors' meeting by a quarterly basis. Ms. Laksanee Yensuang serves as secretary to the Committee. The Committee's main activities in 2019 as summarized below:

Reviewing of Financial Reports

The Audit Committee reviewed quarterly and annual financial statement of the Company for the year 2019, as well as consolidated financial statement of SVI Public Company Limited and its subsidiaries, which were prepared as per Thai Financial Reporting Standards (TFRS) in conformance with the International Financial Reporting Standards (IFRS) which were review by the management, the internal auditor and the external auditors. The Committee discussed with the external auditors about the accuracy, completeness and the reliability of the financial statements, significant accounting policies, material issues and special items, adjustment entries materially affecting the statement, adequacy and suitability of account recording methods, as well as the external auditor's independence. The external auditors have opinions about accuracy, completeness and reliable the financial statement and the consolidated financial statement of the Company. Moreover, the Committee had meetings with the external auditors excluding the management in order to consult with the private topics in accordance with problems or obstruction of external auditors.

Reviewing the Sufficiency of the Internal Control Systems

The Audit Committee reviewed the internal control systems together with the management and the Internal Auditor every quarter. In the past year, the Audit committee had focused on purchasing process to payment process,

human resource management, raw material and inventory management, fixed asset management, etc. In accordance with the concept of Risk Based Audit Approach. The audit committee provided recommendations for the development. Follow up on the improvement of the management performance as suggestion in the relevant audit reports. The Audit committee had the opinion that the internal audit was independent and appropriate.

Conducting Oversight of Internal Auditing

The Audit Committee approved the annual and medium-term internal audit plans as well as which aligns with the key risks and direction of the Company. The Committee reviewed audit performance, internal audit report, considered major audit issues, and monitored corrective actions for significant aspects for good governance and adequate internal controls. Moreover, the Committee also propose the company to hire internal auditor consultant for more efficiency in internal control.

Reviewing of Corporate Good Governance

The Audit Committee reviewed SVI's performance against the SVI's Corporate Good Governance Manual, the focus on operating with integrity, morality, ethics, compliance with transparency, responsibility and accountability to ensure regular and sensible business conduct. It also pushed for an Anti-Corruption Policy in writing for management and staff to acknowledge and observe in their work, and was publicized for all stakeholders to acknowledge and observe. In addition, as SVI applied for Anti-Corruption Program with the Private Sector Collective Action Coalition against Corruption (CAC), SVI had its self-evaluation on Anti-Corruption verified by the Committee, including, operational risk assessment of the implementation of the Anti-Corruption Policy. Moreover, SVI became a certified company by CAC on January 22, 2016.

Examining Compliance of Laws and Related Regulations

The Audit Committee reviewed the performance of SVI regarding the compliance with the Securities and Exchange Commission laws, the Stock Exchange of Thailand regulations, and other laws related to the business. The Committee acknowledged related compliance which have changed as reported by the Internal Audit Office. The Committee also provided recommendations in an effort to increase the effectiveness of compliance process and required by law to ensure that the company can follow to related law and compliance.

Reviewing of Connected Transactions or Transactions with Potential Conflicts of Interest

The Audit Committee reviewed connected transactions, or transactions that may lead to conflicts of interest with the wholly including information disclose of such transactions to comply with regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The external auditors had the opinion that significant transactions with connected persons were disclosed and shown in the financial statements and notes to financial statements. The Committee had the same opinion as that of the external auditors and approved that such transactions were reasonable and highest benefit to the business of the Company.

Appointment of the External Auditor and Review of the Audit fee for 2020

The Committee proposed the Board of Director to consider and approve in the Shareholders' meeting in order to appoint EY Office Limited, as the external auditor of SVI for the year ending 2020 based on their qualification as independent auditors, the external auditors possess operation standard, professional expertise, and reasonable price, therefore the Audit Committee proposed to appoint Mr. Sophon Permsirivallop C.P.A. Registration No. 3182, and/or Miss Orawan Techawatanasirikul, C.P.A. Registration No. 4807, and/or Mrs. Gingkarn Atsawarangsalit, C.P.A. Registration No.4496, and/or Miss Rungnapa Lertsuwankul, C.P.A. Registration No. 3516, and/or Mr. Chayapol Suppasedtanon, C.P.A. Registration No. 3972, and/or Miss. Pimjai Manitkajohnkit, C.P.A. Registration No. 4521, and/or Miss Sumana Punpongsanon C.P.A. Registration No. 5872, and/or Miss Rosaporn Decharkom C.P.A. Registration No. 5659; as the Company's auditors for the year 2019. Anyone of the abovementioned auditors could audit the financial statements of the Company and render opinion thereon. In addition, the total Annual Remuneration Fee for year 2020 is proposed at THB 2.40 Million. The special audit fee for BOI' s privileges of corporate income tax exemption report is proposed at THB 0.25 Million.

In summary, the Audit Committee performed its duties and responsibilities stated in its Board-approved Charter with competence, care, prudence, adequate independence, transparency and has been forthcoming in expressing its opinions for the benefit of the Company, shareholders and stakeholders. It has not encountered any difficulty in obtaining information, resource or cooperation from the Company. The Audit Committee has assessed its performance in 2019 in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors.

On behalf of the Audit Committee

Mr. Threekwan Bunnag
Chairman of the Audit Committee
SVI Public Company Limited

The Board of Directors' Responsibility Report to Financial Statements

The Board of Directors takes accountability for the disclosure of consolidated financial statements of SVI Public Company Limited, and its subsidiaries, including all financial information disclosed in this annual report. The aforementioned financial statements have been prepared in accordance with generally accepted accounting standards, appropriate accounting policies and is consistently practiced. All materialized information has been sufficiently disclosed in the notes of financial statements as well as unconditionally audited by independent auditors. Thus, the information accurately reflects the actual financial performance of the Company as well as being transparent, reasonable and useful for shareholders and investors.

The Board of Directors reinforces the practice of good corporate governance of the Company having efficient management and appropriate internal control systems, including the confidence that accurate and adequate accounting data is being correctly recorded to secure the company's assets and prevent any fraud or material irregularity.

In this regard, the Board of Directors appointed an Audit Committee to be responsible for the validity and reliability of financial reports and internal control systems, in which within this report, the opinion of the Audit Committee is represented in the report of the Audit Committee.

In the view of The Board of Directors, the 2019 consolidated financial statements of SVI and its subsidiaries as reviewed by the Audit Committee, in collaboration with the Management and external auditor are presented in a complete, accurate and fair manner. Since the Company's overall internal control system has been found to be satisfactory, thus the Board of Directors feel confident that the Company and its subsidiaries' financial systems are well managed and controlled.

The Board of Directors

Independent Auditor's Report

To the Shareholders of SVI Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of SVI Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of SVI 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 SVI Public Company Limited and its subsidiaries and of SVI Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Since the Group sells their goods to customers under a variety of commercial terms. In addition, the economic slowdown has directly resulted in more intense competition in the electronics manufacturing services industry. Revenues are the key performance indicator to which users of financial statements focus. I therefore determined as a key audit matter by focusing on the occurrence and timing of revenue recognition.

I examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes issued after the period-end.
- Performing analytical procedures on disaggregated data of sales transactions throughout the period.

Allowance for diminution in value of inventories

Estimating the net realisable value of inventory, as disclosed in Note 5 and Note 10 to the consolidated financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle. Therefore, there is a risk that the amount of provision set aside for diminution in the value of inventory will be inadequate, causing the overstatement of the value of inventories of the Group.

I assessed the determination of the allowance for diminution in the value of inventories. The procedures that I performed are as follows:

- Gaining an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories, and reviewing the consistency of the application of that basis.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

Goodwill

As discussed in Note 4.10 and Note 16 to the consolidated financial statements, goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. I have focused my audit on the consideration of impairment of goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in using the financial model to calculate the realisable values and in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

I assessed the identified cash generating units and financial model and gained an understanding of and tested the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets and the discount rate applied by making enquiry of responsible executives and comparing details with sources of information about the Group and a whole sector.

Other Information

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

I am responsible for the audit resulting in this independent auditor's report.

Orawan T.

Orawan Techawatanasirikul
Certified Public Accountant (Thailand) No. 4807
EY Office Limited
Bangkok: 13 February 2020

SVI Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	865,671,112	344,065,512	735,690,649	255,129,011
Current investments	8	1,763,860,620	1,706,948,667	1,763,860,620	1,706,948,667
Trade and other receivables	6, 9	3,097,168,143	3,909,002,333	2,588,853,783	3,328,330,053
Inventories	10	3,158,776,097	4,381,887,327	2,338,199,788	3,632,197,554
Advance payment for purchasing of materials and equipment		1,862,959	15,900,430	523,852	15,685,763
Other current assets		67,528,271	65,065,635	34,232,217	11,675,560
Total current assets		**8,954,867,202**	**10,422,869,904**	**7,461,360,909**	**8,949,966,608**
Non-current assets					
Investments in associates	11	-	-	-	-
Investments in subsidiaries	12	-	-	212,133,955	212,093,473
Long-term loans and interest receivables to subsidiary	6	-	-	629,510,700	369,276,904
Other long-term receivable	6	-	-	29,455,404	125,858,951
Investment properties	13	189,545,936	193,541,901	189,545,936	193,541,901
Property, plant and equipment	14	1,911,975,721	1,994,336,022	1,483,211,146	1,564,063,705
Leasehold right to land	15	92,009,180	101,191,359	-	-
Goodwill	16	68,774,387	75,694,622	-	-
Intangible assets	17	75,227,904	78,411,990	36,813,302	18,310,019
Deferred tax assets	29	36,171,498	32,172,358	-	-
Other non-current assets		4,811,480	6,670,249	780,612	1,936,785
Total non-current assets		**2,378,516,106**	**2,482,018,501**	**2,581,451,055**	**2,485,081,738**
Total assets		**11,333,383,308**	**12,904,888,405**	**10,042,811,964**	**11,435,048,346**

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	18	1,220,470,075	244,978,558	947,000,000	-
Trade and other payables	6, 19	2,953,692,585	4,126,191,903	2,523,417,140	3,653,898,810
Current portion of liabilities under financial lease/hire purchase agreements	21	15,095,175	19,537,648	5,888,671	3,349,085
Current portion of long-term loans from banks	22	571,936,874	-	571,936,874	-
Income tax payable		18,653,034	38,418,300	621,231	916,799
Advance receipt for purchasing materials and equipment for production		27,694,886	63,762,852	18,573,527	46,473,055
Other current liabilities	20	253,508,388	54,249,847	239,700,816	17,931,748
Total current liabilities		5,061,051,017	4,547,139,108	4,307,138,259	3,722,569,497
Non-current liabilities					
Liabilities under financial lease/hire purchase agreements - net of current portion	21	37,142,194	15,312,786	21,090,850	3,142,584
Long-term loans from banks	22	2,529,108,071	519,752,800	2,158,065,971	-
Provision for long-term employee benefits	23	238,662,808	176,065,576	138,593,363	84,397,449
Deferred tax liabilities	29	528,758	6,116,942	124,459	5,496,603
Total non-current liabilities		2,805,441,831	717,248,104	2,317,874,643	93,036,636
Total liabilities		7,866,492,848	5,264,387,212	6,625,012,902	3,815,606,133

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital	24				
Registered					
2,296,749,381 ordinary shares of Baht 1 each		2,296,749,381	2,296,749,381	2,296,749,381	2,296,749,381
Issued and paid up					
2,266,749,381 ordinary shares of Baht 1 each (2018: 2,265,749,381 ordinary shares of Baht 1 each)		2,266,749,381	2,265,749,381	2,266,749,381	2,265,749,381
Premium on ordinary shares		90,203,859	86,763,859	90,203,859	86,763,859
Capital reserve for share-based payment transactions	25	29,802,760	28,610,650	29,802,760	28,610,650
Treasury stocks	26	(499,448,896)	(424,383,644)	(499,448,896)	(424,383,644)
Retained earnings					
Appropriated					
Statutory reserve	27	229,674,938	229,674,938	229,674,938	229,674,938
Reserve for treasury stocks	26	499,448,896	424,383,644	499,448,896	424,383,644
Unappropriated		888,996,603	5,025,200,989	805,065,807	4,984,381,465
Other components of shareholders' equity		(38,537,081)	4,501,376	(3,697,683)	24,261,920
Total shareholders' equity		3,466,890,460	7,640,501,193	3,417,799,062	7,619,442,213
Total liabilities and shareholders' equity		11,333,383,308	12,904,888,405	10,042,811,964	11,435,048,346

The accompanying notes are an integral part of the financial statements.

Directors

SVI Public Company Limited and its subsidiaries
Income statement
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales	6, 32	14,961,544,042	15,609,547,439	11,511,264,644	11,911,690,286
Gain on exchange		-	63,248,310	-	89,780,887
Other income					
Reversal of consigned stock and equipment for production payable	19	63,537,862	-	63,537,862	-
Gain on sales of current investments	8	74,995,216	12,876,728	74,995,216	12,876,728
Others	6, 32	142,089,035	106,252,523	122,847,299	104,856,285
Total revenues		15,242,166,155	15,791,925,000	11,772,645,021	12,119,204,186
Expenses					
Cost of sales	6	14,013,146,615	14,233,350,656	11,016,893,300	11,049,845,011
Selling and distribution expenses		200,782,381	204,828,042	134,050,441	120,058,711
Administrative expenses		505,362,004	475,936,544	220,040,261	189,339,107
Loss on exchange		45,408,409	-	28,477,088	-
Total expenses		14,764,699,409	14,914,115,242	11,399,461,090	11,359,242,829
Profit before finance cost and income tax expenses		477,466,746	877,809,758	373,183,931	759,961,357
Finance cost		(31,861,551)	(21,600,076)	(11,482,377)	(4,617,024)
Profit before income tax expense		445,605,195	856,209,682	361,701,554	755,344,333
Income tax expense	29	(73,914,844)	(53,353,254)	(39,502,990)	(12,585,932)
Profit for the year		371,690,351	802,856,428	322,198,564	742,758,401
Earnings per share	31				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.17	0.37	0.15	0.34
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.17	0.37	0.15	0.34

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit for the year		371,690,351	802,856,428	322,198,564	742,758,401
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currencies		(15,078,854)	(4,460,027)	-	-
Loss on change in value of available-for-sale investments		(34,949,503)	(32,709,683)	(34,949,503)	(32,709,683)
Less: Income tax effect	29	6,989,900	6,541,937	6,989,900	6,541,937
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
- net of income tax		(43,038,457)	(30,627,773)	(27,959,603)	(26,167,746)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial losses		(44,490,572)	(481,960)	(35,983,210)	-
Less: Income tax effect	29	2,138,362	120,490	11,515	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
- net of income tax		(42,352,210)	(361,470)	(35,971,695)	-
Other comprehensive income for the year		(85,390,667)	(30,989,243)	(63,931,298)	(26,167,746)
Total comprehensive income for the year		286,299,684	771,867,185	258,267,266	716,590,655

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements										
					Retained earnings			Other components of equity			
								Other comprehensive income			
					Appropriated						
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Treasury stocks	Statutory reserve	Reserve for treasury stocks	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2018	**2,265,749,381**	**86,763,859**	**25,928,401**	**(225,244,478)**	**229,674,938**	**225,244,478**	**4,601,923,347**	**(15,300,517)**	**50,429,666**	**35,129,149**	**7,245,169,075**
Profit for the year	-	-	-	-	-	-	802,856,428	-	-	-	802,856,428
Other comprehensive income for the year	-	-	-	-	-	-	(361,470)	(4,460,027)	(26,167,746)	(30,627,773)	(30,989,243)
Total comprehensive income for the year	-	-	-	-	-	-	802,494,958	(4,460,027)	(26,167,746)	(30,627,773)	771,867,185
Treasury stocks during the year (Note 26)	-	-	-	(199,139,166)	-	-	-	-	-	-	(199,139,166)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	199,139,166	(199,139,166)	-	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(180,078,150)	-	-	-	(180,078,150)
Capital reserve for share-based payment transactions (Note 25)	-	-	2,682,249	-	-	-	-	-	-	-	2,682,249
Balance as at 31 December 2018	**2,265,749,381**	**86,763,859**	**28,610,650**	**(424,383,644)**	**229,674,938**	**424,383,644**	**5,025,200,989**	**(19,760,544)**	**24,261,920**	**4,501,376**	**7,640,501,193**

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements										
					Retained earnings			Other components of equity			
								Other comprehensive income			
					Appropriated						
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Treasury stocks	Statutory reserve	Reserve for treasury stocks	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	**2,265,749,381**	**86,763,859**	**28,610,650**	**(424,383,644)**	**229,674,938**	**424,383,644**	**5,025,200,989**	**(19,760,544)**	**24,261,920**	**4,501,376**	**7,640,501,193**
Profit for the year	-	-	-	-	-	-	371,690,351	-	-	-	371,690,351
Other comprehensive income for the year	-	-	-	-	-	-	(42,352,210)	(15,078,854)	(27,959,603)	(43,038,457)	(85,390,667)
Total comprehensive income for the year	-	-	-	-	-	-	329,338,141	(15,078,854)	(27,959,603)	(43,038,457)	286,299,684
Increase in capital from exercise of warrants (Note 24)	1,000,000	3,440,000	-	-	-	-	-	-	-	-	4,440,000
Treasury stocks during the year (Note 26)	-	-	-	(75,065,252)	-	-	-	-	-	-	(75,065,252)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	75,065,252	(75,065,252)	-	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(4,390,477,275)	-	-	-	(4,390,477,275)
Capital reserve for share-based payment transactions (Note 25)	-	-	1,192,110	-	-	-	-	-	-	-	1,192,110
Balance as at 31 December 2019	**2,266,749,381**	**90,203,859**	**29,802,760**	**(499,448,896)**	**229,674,938**	**499,448,896**	**888,996,603**	**(34,839,398)**	**(3,697,683)**	**(38,537,081)**	**3,466,890,460**

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements									
					Retained earnings			Other components of equity		
					Appropriated			Other comprehensive income		
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Treasury stocks	Statutory reserve	Reserve for treasury stocks	Unappropriated	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2018	**2,265,749,381**	**86,763,859**	**25,928,401**	**(225,244,478)**	**229,674,938**	**225,244,478**	**4,620,840,380**	**50,429,666**	**50,429,666**	**7,279,386,625**
Profit for the year	-	-	-	-	-	-	742,758,401	-	-	742,758,401
Other comprehensive income for the year	-	-	-	-	-	-	-	(26,167,746)	(26,167,746)	(26,167,746)
Total comprehensive income for the year	-	-	-	-	-	-	742,758,401	(26,167,746)	(26,167,746)	716,590,655
Treasury stocks during the year (Note 26)	-	-	-	(199,139,166)	-	-	-	-	-	(199,139,166)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	199,139,166	(199,139,166)	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(180,078,150)	-	-	(180,078,150)
Capital reserve for share-based payment transactions (Note 25)	-	-	2,682,249	-	-	-	-	-	-	2,682,249
Balance as at 31 December 2018	**2,265,749,381**	**86,763,859**	**28,610,650**	**(424,383,644)**	**229,674,938**	**424,383,644**	**4,984,381,465**	**24,261,920**	**24,261,920**	**7,619,442,213**

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements									
					Retained earnings			Other components of equity		
					Appropriated			Other comprehensive income		
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Treasury stocks	Statutory reserve	Reserve for treasury stocks	Unappropriated	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	2,265,749,381	86,763,859	28,610,650	(424,383,644)	229,674,938	424,383,644	4,984,381,465	24,261,920	24,261,920	7,619,442,213
Profit for the year	-	-	-	-	-	-	322,198,564	-	-	322,198,564
Other comprehensive income for the year	-	-	-	-	-	-	(35,971,695)	(27,959,603)	(27,959,603)	(63,931,298)
Total comprehensive income for the year	-	-	-	-	-	-	286,226,869	(27,959,603)	(27,959,603)	258,267,266
Increase in capital from exercise of warrants (Note 24)	1,000,000	3,440,000	-	-	-	-	-	-	-	4,440,000
Treasury stocks during the year (Note 26)	-	-	-	(75,065,252)	-	-	-	-	-	(75,065,252)
Reserve for treasury stocks (Note 26)	-	-	-	-	-	75,065,252	(75,065,252)	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	-	(4,390,477,275)	-	-	(4,390,477,275)
Capital reserve for share-based payment transactions (Note 25)	-	-	1,192,110	-	-	-	-	-	-	1,192,110
Balance as at 31 December 2019	2,266,749,381	90,203,859	29,802,760	(499,448,896)	229,674,938	499,448,896	805,065,807	(3,697,683)	(3,697,683)	3,417,799,062

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	445,605,195	856,209,682	361,701,554	755,344,333
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	355,960,392	328,922,581	273,084,085	252,278,201
Allowance for doubtful accounts (reversal)	(8,127,282)	10,481,561	(6,753,316)	8,563,421
Reduction of inventory to net realisable value	25,966,962	27,740,966	18,897,953	29,437,588
Amortisation for financial fees	2,845	-	2,845	-
Reserve for warranty	4,902,820	2,385,987	4,725,057	2,385,987
Provision for long-term employee benefits	42,243,559	15,839,056	30,581,307	9,288,517
Reversal for consigned stock and equipment for production payable	(63,537,862)	-	(63,537,862)	-
Gain on sales of equipment	(365,017)	(420,229)	(507,758)	(16,135,423)
Loss on write-off of fixed assets	566,538	408,106	34,216	408,106
Unrealised (gain) loss on exchange	(5,366,304)	5,872,724	14,932,895	11,881,232
Gain on sale of current investments	(74,995,216)	(12,876,728)	(74,995,216)	(12,876,728)
Share-based payment transactions	1,192,110	2,682,249	1,192,110	2,682,249
Interest income	(27,842,604)	(29,079,151)	(38,201,384)	(34,427,954)
Dividend income from current investments	(32,915,560)	(41,985,091)	(32,915,560)	(41,985,091)
Interest expense	17,817,766	15,409,474	6,559,857	413,089
Profit from operating activities before change in operating assets and liabilities	681,108,342	1,181,591,187	494,800,783	967,257,527
Operating assets (increase) decrease				
Trade and other receivables	836,934,003	(1,141,904,063)	768,182,823	(1,238,831,540)
Inventories	1,159,882,214	(1,659,259,527)	1,246,006,198	(1,547,798,888)
Other current assets	15,730,848	(16,566,958)	(3,238,734)	(10,141,070)
Other non-current assets	1,858,769	4,705,369	1,156,173	794,286
Operating liabilities increase (decrease)				
Trade and other payables	(1,057,455,640)	1,355,896,680	(1,020,820,569)	1,387,339,339
Cash paid for consigned stock and equipment for production payable	(15,868,710)	-	(15,868,710)	-
Other current liabilities	196,332,865	(7,171,279)	222,197,493	(637,779)
Cash paid for employee benefits	(15,414,924)	(11,192,597)	(12,368,601)	(6,430,733)
Cash flows from (used in) operating activities	1,803,107,767	(293,901,188)	1,680,046,856	(448,448,858)
Cash paid for interest expense	(20,662,883)	(15,849,001)	(6,328,111)	(413,089)
Cash paid for corporate income tax	(93,997,952)	(27,972,432)	(38,169,287)	(13,509,229)
Net cash flows from (used in) operating activities	**1,688,446,932**	**(337,722,621)**	**1,635,549,458**	**(462,371,176)**

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash paid for purchasing current investments	(2,365,889,389)	(1,890,739,530)	(2,365,889,389)	(1,890,739,530)
Increase in investments in subsidiaries	-	-	(40,482)	(227,744)
Increase in long-term loans to subsidiaries	-	-	(196,358,003)	(112,226,260)
Cash received from dividends of current investments	32,915,560	41,985,091	32,915,560	41,985,091
Interest income	27,834,164	29,086,659	39,423,128	33,617,600
Cash paid for purchasing plant and equipment	(328,697,841)	(394,460,931)	(270,899,918)	(264,322,373)
Cash paid for purchasing of computer software	(12,669,088)	(6,214,839)	(10,409,455)	(5,976,309)
Proceeds from sales of equipment	365,017	820,000	21,467,899	16,223,024
Proceeds from sales of current investments	2,349,481,668	2,648,488,814	2,349,481,668	2,648,488,814
Net cash flows from (used in) investing activities	**(296,659,909)**	**428,965,264**	**(400,308,992)**	**466,822,313**
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from banks	997,888,210	117,882,595	947,000,000	-
Cash paid for liabilities under financial lease/hire purchase agreements	(19,457,335)	(26,492,134)	(6,131,248)	(6,845,025)
Cash paid for treasury stocks	(75,065,252)	(199,139,166)	(75,065,252)	(199,139,166)
Dividend paid	(4,390,477,275)	(180,078,150)	(4,390,477,275)	(180,078,150)
Cash received from exercise of warrants	4,440,000	-	4,440,000	-
Increase in long-term loans from banks	2,800,000,000	-	2,800,000,000	-
Repayment of long-term loans from banks	(101,193,300)	(148,500,800)	-	-
Cash paid for financial fees	(28,000,000)	-	(28,000,000)	-
Net cash flows used in financing activities	**(811,864,952)**	**(436,327,655)**	**(748,233,775)**	**(386,062,341)**
Decrease in translation adjustment	(51,871,418)	(30,623,860)	-	-
Effects of changes in exchange rate on cash and cash equivalents	(6,445,053)	9,951,047	(6,445,053)	9,951,047
Net increase (decrease) in cash and cash equivalents	521,605,600	(365,757,825)	480,561,638	(371,660,157)
Cash and cash equivalents at beginning of year	344,065,512	709,823,337	255,129,011	626,789,168
Cash and cash equivalents at end of year (Note 7)	**865,671,112**	**344,065,512**	**735,690,649**	**255,129,011**
Supplemental cash flows information:				
Non-cash items consist of :				
Unrealised loss on the change in value of investments - net of income tax	27,959,603	26,167,746	27,959,603	26,167,746
Increase in other receivable from selling of machinery	-	-	(87,964,419)	(103,968,530)
Increase in liabilities under financial lease/ hire purchase agreements from acquisition of vehicles and equipment	34,436,917	12,931,585	26,619,099	1,050,579
Increase in accrued financial fees	(42,000,000)	-	(42,000,000)	-
Actuarial loss - net of income tax	42,352,210	361,470	35,971,695	-
Transfer other long-term receivable to long-term loan to subsidiary	-	-	(79,641,037)	-
Transfer provision for warranty to decrease trade accounts receivable	(3,603,868)	-	(3,603,868)	-

The accompanying notes are an integral part of the financial statements.

SVI Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

1. Corporate information

SVI Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company's major shareholder is Khun Pongsak Lothongkam which total shareholding is 72.54 percent (2018: 45.32 percent). The Company is principally engaged in the manufacture and distribution of electronic manufacturing services (EMS). The registered office of the Company is at 141-142 Moo 5, Bangkadi Industrial Park, Tiwanon Road, Bangkadi, Muang, Pathumthani. The Company's factory is located at 33/10 Moo 4, Chaeng Wattana Road, Bangtalad, Pakkred, Nontaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

l The consolidated financial statements include the financial statements of SVI Public Company Limited and the following subsidiaries ("the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 Percent	2018 Percent
Subsidiaries held by the Company				
SVI A/S	Raw material sourcing service	Denmark	100	100
SVI Public (HK) Limited	Raw material sourcing service	Hong Kong	100	100
SVI (AEC) Company Limited	Manufacturing electronic equipment	Cambodia	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 Percent	2018 Percent
SVI Japan Company Limited	Raw material sourcing service	Japan	100	100
SVI (HKG) Limited	Raw material sourcing service	Hong Kong	100	-
Subsidiaries held by SVI Public (HK) Limited				
SVI (Austria) GmbH	Manufacturing electronic equipment	Austria	100	100
Subsidiaries held by SVI (Austria) GmbH				
SVI Hungary Limited Liability Company	Manufacturing electronic equipment	Hungary	100	100
SVI Slovakia s.r.o.	Manufacturing electronic equipment	Slovak	100	100
Subsidiaries held by SVI (HKG) Limited				
SVI-GDL, S.A.P.I. DE C.V.	Manufacturing electronic equipment	Mexico	100	-
Associates held by SVI (Austria) GmbH				
Emsiso d.o.o.	Design and development of products	Slovenia	23	23
Sementis Engineering GmbH	Design and development of products	Austria	20	20

In 2018, the Company acquired the investment in SVI Japan Company Limited, a company newly established in Japan. The Company invested in 100 percent of the share capital of such company and paid-up share capital amounted to JPY 0.75 million or approximately Baht 0.2 million.

The consolidated financial statements for the year ended 31 December 2018 included the statement of financial position of such company as at 31 December 2018 and the statement of comprehensive income for the period as from the date of incorporation to 31 December 2018 which the financial statements were prepared by the management and had not been audited by its auditor since such company had just operated and had income and expenses approximately amounted to Baht 1.8 million and Baht 1.8 million, respectively.

In 2019, the Company established new subsidiaries as follows.

- In May 2019, the Company established "SVI (HKG) Limited" in Hong Kong Special Administrative Region of the People's Republic of China, which the Company has shareholding at 100 percent of HKD 10,000 registered share capital. Such company was completed for incorporation on 7 May 2019 and became the Company's subsidiary since thereon as stipulated in Note 12 to financial statements. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

- In August 2019, the Company established "SVI-GDL, S.A.P.I. DE C.V." in Mexico with the registered share capital of MXN 10,000. SVI (HKG) Limited has 99.99 percent of shareholding and the Company has 0.01 percent of shareholding. Such company was completed for incorporation on 8 August 2019 and became the Company's subsidiary since thereon as stipulated in Note 12 to financial statements. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

- These consolidated financial statements include the statement of financial position of such both subsidiaries as at 31 December 2019 and the statement of comprehensive income for the period as from the date of incorporation to 31 December 2019 which the financial statements were prepared by the management and have not been audited by its auditor since such companies have yet operated.

II The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

III Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

IV The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

V The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statement of changes in shareholders' equity.

VI Material balances and transactions between the Group, have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. 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. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
Accounting standard:	
TAS 32	Financial Instruments: Presentation
Financial Reporting Standard Interpretations:	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue Recognition

Sales of goods

- Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Service income

- Service revenue is recognised at a point in time upon completion of the service.

Interest income

- Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

- Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the first-in, first-out method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, supplies and spare parts are valued at the lower of weighted average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

I Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

II Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

III Investments in associates are accounted for in the consolidated financial statements using the equity method.

IV Investments in subsidiaries are accounted for in the separate financial statements using the cost method less on impairment of investments (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment / depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	20 years
Land and building improvements	5 - 20 years
Machinery and equipment	5 - 10 years
Furniture, fixtures and office equipment	5 - 10 years
Motor vehicles	3 - 5 years

Depreciation is included in determining income.

No depreciation is provided on land, work under construction and machinery under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Leasehold right to land and amortisation

Leasehold right to land is stated at cost less accumulated amortisation and allowance for loss on impairment (if any). Amortisation is calculated using the straight-line method over the leasehold period of 50 years.

The amortisation is included in determining income.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	Useful lives
Computer software	5 - 10 years
Customer relationship	5 - 8 years

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining income.

4.12 Related party transactions

Related parties comprise individuals or enterprises that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Long-term lease

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of assets

At the end of reporting period, the Group performs impairment reviews in respect of the investment properties, property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service award.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

4.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets 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 asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gain and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. 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 maximises 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 categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1	Use of quoted market prices in an observable 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgment and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory requires management to exercise judgment in estimating losses on outstanding inventory, based on the selling price expected in the ordinary course of business, minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

Investment properties and Property plant and equipment / Depreciation

In determining depreciation of investment properties (excluded land), plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties (excluded land), plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment properties and property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets on the acquisition date, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Provision for warranty

In determining a provision for warranty, the management needs to make judgements and estimates based on past experience of the level of repairs and returns and related expenses.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Equity-settled share-based payment transactions

Estimating fair value for share-based payment transactions requires the management to exercise judgement, using general accepted valuation techniques and model, and to apply appropriate assumptions as to the expected life of the share options, share price volatility and dividend yield.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, related persons and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	757	728	99.99 percent of customer charge
Sales of fixed assets	-	-	13	122	Net book value plus 2.00 percent
Purchases of raw materials	-	-	1,110	1,359	At cost
Raw materials sourcing fee	-	-	25	25	Actual charge and actual charge plus margin 0.25 to 0.60 percent
Selling expense	-	-	31	18	At cost
Interest income	-	-	11	6	2.00 percent per annum (2018: 1.80 to 2.00 percent per annum)
Transactions with associates					
Sales of goods and raw materials	2	1	-	-	At cost
Development expenses of tooling	1	5	-	-	Actual charge plus margin of 1.50 - 3.00 percent

The relationships between the Company and the related parties are summarised below.

List of related companies	Relationship
SVI A/S	Subsidiary
SVI Public (HK) Limited	Subsidiary
SVI (AEC) Company Limited	Subsidiary
SVI Japan Company Limited	Subsidiary
SVI (HKG) Limited	Subsidiary
SVI (Austria) GmbH	Subsidiary (Held by subsidiary)
SVI Hungary Limited Liability Company	Subsidiary (Held by subsidiary)
SVI Slovakia s.r.o.	Subsidiary (Held by subsidiary)
SVI-GDL, S.A.P.I. DE C.V.	Subsidiary (Held by subsidiary)
Emsiso d.o.o.	Subsidiary (Held by subsidiary)
Sementis Engineering GmbH	Subsidiary (Held by subsidiary)

The balances of the accounts as at 31 December 2019 and 2018 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties (Note 9)				
Subsidiaries	-	-	244,215	334,080
Associates	4	647	-	-
Total trade receivables - related parties	4	647	244,215	334,080
Other receivables - related parties (Note 9)				
Subsidiaries	-	-	25,117	31,572
Total other receivables - related parties	-	-	25,117	31,572
Long-term loans and interest receivable to subsidiary	-	-	629,511	369,277

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other long-term receivable - related parties				
Subsidiaries	-	-	29,455	125,859
Total other long-term receivable	-	-	29,455	125,859
Trade accounts payable - related parties (Note 19)				
Subsidiaries	-	-	233,080	421,364
Associates	197	-	-	-
Total trade accounts payable - related parties	197	-	233,080	421,364
Other payables - related parties (Note 19)				
Subsidiaries	-	-	9,527	15,488
Total other payables - related parties	-	-	9,527	15,488
Accrued expenses - related parties (Note 19)				
Subsidiaries	-	-	39	-
Total accrued expenses - related parties	-	-	39	-

Long-term loans to subsidiary amounting to USD 21.0 million (2018: USD 11.4 million) carry interest at a rate of 2.0 percent per annum (2018: 2.0 percent per annum). The loans are unsecured and due within 5 years since the agreement date and able to extend another 5 years by written request prior to this loan repayment date. However, the Company does not intent to call for repayment of these loans in short term and the Company therefore classifies them as non-current assets. Movements in the balances of the loans during the year were as follows:

(Unit: Thousand Baht)

	Separate financial statements				
	1 January 2019	Increase	Decrease	Effect on exchange rate	31 December 2019
Long-term loans and interest receivables to subsidiary					
SVI (AEC) Company Limited					
Principals	368,047	275,999	-	(14,535)	629,511
Interest receivables	1,230	11,145	(12,386)	11	-
Total	369,277	287,144	(12,386)	(14,524)	629,511

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	104,903	102,603	54,446	47,783
Post-employment benefits	6,286	4,885	6,273	4,872
Total	111,189	107,488	60,719	52,655

Commitment to related company

All subsidiaries have guarantee commitment to the parent company's long-term loans from bank as stipulated in Note 22 to financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	499	645	214	302
Deposit at banks	865,172	343,421	735,477	254,827
Total	865,671	344,066	735,691	255,129

As at 31 December 2019, bank deposits in savings accounts carried interests between 0.01 to 0.50 percent per annum (2018: 0.01 to 0.38 percent per annum) (The Company only: 0.01 to 0.50 percent per annum (2018: 0.01 to 0.38 percent per annum)).

8. Current Investments

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2019	2018
Foreign currency deposits	1,111,908	209,118
Available-for-sale securities		
Equity securities		
Listed securities	487,406	611,572
Add: Unrealised gains (losses) on the change in value of listed securities	(10,053)	38,377
Listed securities - net	477,353	649,949
Unit trusts	-	390,074
Add: Unrealised losses on the change in value of unit trusts	-	(212)
Unit trusts - net	-	389,862
Debt securities		
Private sector - debentures	169,168	465,857
Add: Unrealised gains (losses) on the change in value of debentures	5,431	(7,837)
Debt securities - net	174,599	458,020
Total available-for-sale securities	651,952	1,497,831
Total current investments	1,763,860	1,706,949

As at 31 December 2019, foreign currency deposits carried interest at a rate 1.31 percent per annum (2018: 1.07 percent per annum).

During the year 2019, the Company sold available-for-sale securities with book values totaling Baht 2,274 million (2018: Baht 2,636 million) and recognised gains on the sales in profit or loss, amounting to Baht 75 million (2018: Baht 13 million). During the year, losses (after tax) on valuation of available-for-sale securities in other comprehensive income amounted to Baht 28 million (2018: Baht 26 million).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable - related parties				
Aged on the basis of due dates				
Not yet due	1	647	136,635	228,630
Past due				
Up to 3 months	3	-	54,408	89,294
3 - 6 months	-	-	53,172	16,156
6 - 12 months	-	-	-	-
Total trade accounts receivable - related parties	4	647	244,215	334,080
Trade accounts receivable - third parties				
Aged on the basis of due dates				
Not yet due	2,288,040	3,081,095	1,676,534	2,296,871
Past due				
Up to 3 months	646,937	728,461	502,049	575,319
3 - 6 months	103,126	85,709	83,753	77,579
6 - 12 months	38,793	6,558	37,165	6,270
Over 12 months	5,291	5,469	3,670	2,990
Total	3,082,187	3,907,292	2,303,171	2,959,029
Less: Allowance for doubtful debts	(4,123)	(12,250)	(2,369)	(9,122)
Total trade accounts receivable - third parties, net	3,078,064	3,895,042	2,300,802	2,949,907
Other receivables - related parties	-	-	25,117	31,572
Other receivables - third parties	19,100	13,313	18,720	12,771
Total trade and other receivables - net	3,097,168	3,909,002	2,588,854	3,328,330

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	301,285	285,248	(8,303)	(14,925)	292,982	270,323
Work in process	278,547	369,045	-	-	278,547	369,045
Raw materials	2,491,259	3,146,803	(127,416)	(97,579)	2,363,843	3,049,224
Supplies and spare parts	78,762	109,985	(1,488)	(761)	77,274	109,224
Raw materials in transit	146,130	584,071	-	-	146,130	584,071
Total	3,295,983	4,495,152	(137,207)	(113,265)	3,158,776	4,381,887

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	219,656	217,879	(7,962)	(14,721)	211,694	203,158
Work in process	163,935	259,018	-	-	163,935	259,018
Raw materials	1,936,600	2,671,124	(104,316)	(78,660)	1,832,284	2,592,464
Supplies and spare parts	1,527	1,533	-	-	1,527	1,533
Raw materials in transit	128,760	576,024	-	-	128,760	576,024
Total	2,450,478	3,725,578	(112,278)	(93,381)	2,338,200	3,632,197

During the current year, the Group reduced cost of inventories by Baht 31 million (2018: Baht 28 million) (The Company only: Baht 25 million (2018: Baht 30 million)), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 7 million (2018: Baht 1 million) (The Company only: Baht 6 million (2018: Baht 0.5 million)) and reduced the amount of inventories recognised as expenses during the year.

11. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts - net	
			2019	2018	2019	2018	2019	2018	2019	2018
			(Percent)	(Percent)						
Sementis Engineering GmbH	Design and development of products	Austria	20	20	9,935	9,935	(9,935)	(9,935)	-	-
Emsiso d.o.o.	Design and development of products	Slovenia	23	23	9,935	9,935	(9,935)	(9,935)	-	-
Total					19,870	19,870	(19,870)	(19,870)	-	-

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up share capital		Shareholding percentage		Cost method	
	2019	2018	2019	2018	2019	2018
			(Percent)	(Percent)		
SVI A/S	DKK 0.50 million	DKK 0.50 million	100	100	3,269	3,269
SVI Public (HK) Limited	HKD 36.94 million	HKD 36.94 million	100	100	174,143	174,143
SVI (AEC) Company Limited	USD 1.00 million	USD 1.00 million	100	100	34,454	34,454
SVI Japan Company Limited	JPY 0.75 million	JPY 0.75 million	100	100	227	227
SVI (HKG) Limited	HKD 0.01 million	-	100	-	41	-
Total investments in subsidiaries					212,134	212,093

On 11 August 2017, a meeting of the Board of Directors of the Company approved the resolution to establish a new company named SVI Japan Company Limited which the registered share capital comprised of 1,500 shares at par value of JPY 1,000 per share, totaling JPY 1.5 million. The Company had a 100 percent of shareholding in such company. Subsequently, on 11 May 2018, a meeting of the Board of Directors of the Company approved the resolution to increase in the registered share capital to be 20,000 shares at par value of JPY 1,000 per share, totaling JPY 20 million. Its percentage shareholding in such company remained unchanged. Such subsidiary was incorporated on 29 May 2018. During the year 2018, the Company paid-up for share capital in such company for 750 shares at par value of JPY 1,000 per share, totaling JPY 0.75 million.

On 22 February 2019, a meeting of the Board of Directors of the Company approved the resolutions as follows:

- To establish a subsidiary at Hong Kong Special Administrative Region of the People's Republic of China to operate in the business of purchasing raw materials, with a registered share capital of HKD 5 million. The Company will invest at 100 percent.
- To establish a subsidiary in Mexico to operate the business of producing materials relating to the electronic and computer manufacturing industry, with a registered share capital of USD 400,000 or equivalent. The Company would hold at 0.01 percent (1 share) and its subsidiary (SVI (HKG) Limited) would hold the remaining shares at 99.99 percent.

In May 2019, the Company established "SVI (HKG) Limited" in Hong Kong Special Administrative Region of the People's Republic of China, which the Company had shareholding at 100 percent of HKD 10,000 registered share capital. Such company was completed for incorporation on 7 May 2019 and became the Company's subsidiary since thereon. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

In August 2019, the Company established "SVI-GDL, S.A.P.I. DE C.V." in Mexico with the registered share capital of MXN 10,000. SVI (HKG) Limited had 99.99 percent of shareholding and the Company had 0.01 percent of shareholding. Such company was completed for incorporation on 8 August 2019 and became the Company's subsidiary since thereon. As at 31 December 2019, such subsidiary has fully paid-up share capital and has yet operated.

On 9 August 2019, a meeting of the Board of Directors of the Company approved the resolution for establishment of a subsidiary in India to provide the provision of IT service for the Group. The Company would hold at 100 percent of INR 1 million registered share capital. However, on 13 February 2020, a meeting of the Board of Directors of the Company has approved the resolution for cancellation of the corporation establishment in India as stipulated in Note 39 to financial statements.

During the current year, SVI (Austria) GmbH recognised dividend income from SVI Hungary Limited Liability Company amounting to EUR 0.3 million.

13. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements		
	Land awaiting sales	Buildings and Land and Building Improvements	Total
31 December 2019			
Cost	171,697	106,273	277,970
Less: Accumulated depreciation	-	(88,424)	(88,424)
Net book value	171,697	17,849	189,546
31 December 2018			
Cost	171,697	106,273	277,970
Less: Accumulated depreciation	-	(84,428)	(84,428)
Net book value	171,697	21,845	193,542

A reconciliation of the net book value of investment properties for the year 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2019	2018
Net book value at beginning of year	193,542	-
Transfer to change in asset type	-	193,542
Depreciation	(3,996)	-
Net book value at end of year	189,546	193,542

The fair value of the investment properties as at 31 December 2019 and 2018 are stated below:

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2019	2018
Land awaiting sales	282,900	282,900
Buildings and land and building improvements	46,340	50,600

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land awaiting sales and buildings and land and building improvements which located in Nontaburi, has been determined based on market prices. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and land and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Work under construction and machinery under installation	Total
Cost							
1 January 2018	547,991	975,290	1,436,813	215,677	25,858	232,453	3,434,082
Additions	-	567	44,938	6,817	1,050	344,859	398,231
Disposal/written-off	-	(9,266)	(87,991)	(272)	(1,998)	-	(99,527)
Transfer in (out)	5,957	237,849	300,920	7,099	1,127	(552,952)	-
Transfer to investment properties	(171,697)	(106,273)	-	-	-	-	(277,970)
Translation adjustment	-	(3,347)	(21,308)	(6,385)	(422)	(1,036)	(32,498)
31 December 2018	382,251	1,094,820	1,673,372	222,936	25,615	23,324	3,422,318

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and land and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Work under construction and machinery under installation	Total
Additions	-	1,297	28,264	27,627	3,829	206,670	267,687
Disposal/written-off	-	(368)	(2,677)	(1,033)	(5,496)	(164)	(9,738)
Transfer in (out)	2,530	33,701	99,416	6,456	1,614	(143,717)	-
Translation adjustment	(544)	(20,842)	(47,226)	(12,138)	(945)	(2,352)	(84,047)
31 December 2019	384,237	1,108,608	1,751,149	243,848	24,617	83,761	3,596,220
Accumulated depreciation							
1 January 2018	-	296,671	813,004	180,856	16,210	-	1,306,741
Depreciation for the year	-	56,894	227,674	14,188	2,691	-	301,447
Depreciation on disposal/ written-off	-	(7,604)	(57,802)	(107)	(1,652)	-	(67,165)
Depreciation on transfer to investment properties	-	(84,428)	-	-	-	-	(84,428)
Translation adjustment	-	(2,782)	(19,346)	(6,108)	(377)	-	(28,613)
31 December 2018	-	258,751	963,530	188,829	16,872	-	1,427,982
Depreciation for the year	-	55,429	252,070	16,315	3,221	-	327,035
Depreciation on disposal/ written-off	-	-	(2,669)	(1,008)	(5,494)	-	(9,171)
Translation adjustment	-	(5,337)	(44,345)	(11,201)	(719)	-	(61,602)
31 December 2019	-	308,843	1,168,586	192,935	13,880	-	1,684,244
Net book value							
31 December 2018	382,251	836,069	709,842	34,107	8,743	23,324	1,994,336
31 December 2019	384,237	799,765	582,563	50,913	10,737	83,761	1,911,976

Accumulated depreciation

2018 (Baht 283 million included in manufacturing cost, and the balance in selling and administrative expense)	301,447
2019 (Baht 307 million included in manufacturing cost, and the balance in selling and administrative expense)	327,035

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Buildings and land and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Work under construction and machinery under installation	Total
Cost							
1 January 2018	547,991	906,617	965,527	82,326	17,199	139,120	2,658,780
Additions	-	287	24,422	3,061	-	195,585	223,355
Disposal/written-off	-	(2,000)	(151,084)	(272)	(1,920)	-	(155,276)
Transfer to investment properties	(171,697)	(106,273)	-	-	-	-	(277,970)
Transfer in (out)	-	27,933	174,039	3,004	-	(204,976)	-
31 December 2018	376,294	826,564	1,012,904	88,119	15,279	129,729	2,448,889
Additions	-	416	5,067	23,492	3,816	164,279	197,070
Disposal/written-off	-	-	(24,115)	(561)	(3,000)	-	(27,676)
Transfer in (out)	-	32,413	196,291	5,771	-	(234,475)	-
31 December 2019	376,294	859,393	1,190,147	116,821	16,095	59,533	2,618,283
Accumulated depreciation							
1 January 2018	-	242,634	462,977	56,855	8,818	-	771,284
Depreciation for the year	-	45,378	190,743	10,587	2,073	-	248,781
Depreciation on disposal/ written-off	-	(337)	(48,794)	(107)	(1,574)	-	(50,812)
Depreciation on transfer in (out)	-	(2)	2	-	-	-	-
Depreciation on transfer to investment properties	-	(84,428)	-	-	-	-	(84,428)
31 December 2018	-	203,245	604,928	67,335	9,317	-	884,825
Depreciation for the year	-	42,656	208,011	12,305	2,279	-	265,251
Depreciation on disposal/ written-off	-	-	(11,468)	(536)	(3,000)	-	(15,004)
31 December 2019	-	245,901	801,471	79,104	8,596	-	1,135,072

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Buildings and land and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Work under construction and machinery under installation	Total
Net book value							
31 December 2018	376,294	623,319	407,976	20,784	5,962	129,729	1,564,064
31 December 2019	376,294	613,492	388,676	37,717	7,499	59,533	1,483,211
Accumulated depreciation							
2018 (Baht 236 million included in manufacturing cost, and the balance in selling and administrative expense)							248,781
2019 (Baht 255 million included in manufacturing cost, and the balance in selling and administrative expense)							265,251

As at 31 December 2019, the Group had vehicles and equipment under finance lease/hire purchase agreements with net book value amounting to Baht 43 million (2018: Baht 37 million) (The Company only: Baht 19 million (2018: Baht 10 million)).

As at 31 December 2019, certain plant and equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 614 million (2018: Baht 553 million) (The Company only: Baht 280 million (2018: Baht 187 million)).

15. Leasehold right to land

The net book value of leasehold right to land as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Cost	119,229	119,229
Less: Accumulated amortisation	(10,086)	(8,003)
Translation adjustment	(17,134)	(10,035)
Net book value	92,009	101,191

A reconciliation of the net book value of leasehold right to land for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Net book value at beginning of year	101,191	104,105
Amortisation	(2,084)	(2,169)
Translation adjustment	(7,098)	(745)
Net book value at end of year	92,009	101,191

In 2015, a subsidiary in Cambodia made a contract with one company which subsequently resulted in acquiring the right to use land for the purpose of constructing the plant which the leasehold right has a period of 50 years.

16. Goodwill

The Company allocated goodwill arising from business combination to each cash-generating unit for the purpose of performing annual impairment testing, as follows:

(Unit: Thousand Baht)

	SVI Hungary Limited Liability Company	SVI Slovakia s.r.o.	Total
Goodwill	17,811	119,665	137,476

The Company assessed the recoverable amount of each cash-generating unit based on the value in use of the assets, using projections of cash inflows that were prepared with reference to financial projections approved by the management and that covered a 5-year period for both companies.

The significant assumptions used in determining the value in use were as follows:

	SVI Hungary Limited Liability Company	SVI Slovakia s.r.o.
Growth rate	2.5%	5%
Pre-tax discount rate	13.23%	11.06%
Inflation rate	0%	0%

The management determined the growth rates of each subsidiary based on historical operating results, markets, competitors, customer demand and production capacity. SVI Hungary Limited Liability Company is an extension of the production line of SVI (Austria) GmbH and a consistent business growth rate at 2.5 percent was set, while SVI Slovakia s.r.o. has attracted more customers and has started receiving orders from some of these, which can be seen from an increase in sales occurred during 2019. As a result, its projected revenues set growth rates of at least 5 percent since 2020 to 2024. The pre-tax discount rates reflect the specific risk of each company.

The net book value of goodwill as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cost	
1 January 2018	79,573
Translation adjustment	(3,878)
31 December 2018	75,695
Translation adjustment	(6,921)
31 December 2019	68,774
Net book value	
31 December 2018	75,695
31 December 2019	68,774

17. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Customer relationships	Computer software	Total
Cost			
1 January 2018	123,099	127,671	250,770
Additions	-	6,700	6,700
Translation adjustment	(6,000)	(2,246)	(8,246)
31 December 2018	117,099	132,125	249,224
Additions	-	24,598	24,598
Disposal	-	(69)	(69)
Translation adjustment	(10,705)	(4,029)	(14,734)
31 December 2019	106,394	152,625	259,019
Amortisation			
1 January 2018	39,704	110,480	150,184
Amortisation	20,250	5,056	25,306
Translation adjustment	(2,480)	(2,198)	(4,678)
31 December 2018	57,474	113,338	170,812
Amortisation	18,445	4,400	22,845
Amortisation on disposal	-	(69)	(69)
Translation adjustment	(5,795)	(4,002)	(9,797)
31 December 2019	70,124	113,667	183,791
Net book value			
31 December 2018	59,625	18,787	78,412
31 December 2019	36,270	38,958	75,228

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost	
1 January 2018	81,593
Additions	6,462
31 December 2018	88,055
Additions	22,338
31 December 2019	110,393
Amortisation	
1 January 2018	66,248
Amortisation	3,497
31 December 2018	69,745
Amortisation	3,835
31 December 2019	73,580
Net book value	
31 December 2018	18,310
31 December 2019	36,813

18. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate	Consolidated financial statements		Separate financial statements	
	(percent per annum)	2019	2018	2019	2018
Bank overdrafts	1.05 - 1.50	273,470	-	-	-
Short-term loans from banks	1.25 - 2.47	947,000	244,979	947,000	-
Total		1,220,470	244,979	947,000	-

As at 31 December 2019, the Company has short-term loans from bank in form of promissory notes amounting to Baht 947 million bearing interest rates between 2.00 to 2.47 percent per annum. These promissory notes will be due in March 2020 and unsecured. The subsidiaries have bank overdrafts amounting to EUR 8.1 million or Baht 273.5 million, which are secured by letter of guarantees that issued by a local bank on behalf of the Company (2018: the subsidiaries had short-term loans from banks amounting to EUR 6.6 million or Baht 245.0 million bear interest rates between 1.25 to 1.50 percent per annum, which were unsecured).

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - related parties	197	-	233,080	421,364
Trade payables - third parties	2,284,899	3,702,409	1,693,504	2,882,374
Other payables - related parties	-	-	9,527	15,488
Other payables - third parties	70,772	69,183	56,632	64,260
Liabilities for acquisition of machine and equipment	20,792	108,736	20,791	108,736
Accrued expenses - related parties	-	-	39	-
Accrued expenses - third parties	577,033	166,457	509,844	82,270
Consigned stock and equipment for production payable	-	79,407	-	79,407
Total trade and other payables	2,953,693	4,126,192	2,523,417	3,653,899

During the year, the Company paid for consigned stock and equipment for production payable, which was claim for damaged goods, amounting to Baht 15.9 million. The Company received confirmation that there will be no further claim. Therefore, the Company reversed all remaining balance by Baht 63.5 million of consigned stock and equipment for production payable and recognised as other income presented in income statement for this year.

20. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payables from forward exchange contracts	-	665	-	665
Withholding tax payables	232,833	14,543	227,142	5,925
Provisions for warranty	12,753	11,488	12,238	11,117
Value added tax payable	7,432	13,731	-	-
Others	490	13,823	321	225
Total other current liabilities	253,508	54,250	239,701	17,932

As at 31 December 2019, withholding tax payable amounting to Baht 222 million presented in the consolidated and separate financial statements, was withholding tax payable from interim dividend payment of the Company in December 2019. The Company has submitted such amount to the Revenue Department on 7 January 2020.

The Group recognised a provision for expected warranty claims on products sold during last year, based on past experience of the level of repairs and returns. The Group expects most of these costs to be incurred in the next financial year and all to have been incurred within one year of the reporting date. In calculating the provision for warranties, the Group applied assumptions based on current sales levels and current information available about returns of products with one-year warranty periods for all types of product sold.

Movement of provision for warranty account during the year ended 31 December 2019 and 2018 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	9,489	9,489
Increase during the year	2,768	2,386
Utilised	(758)	(758)
Translation adjustment	(11)	-
Balance as at 31 December 2018	11,488	11,117
Increase during the year	4,903	4,725
Utilised	(3,604)	(3,604)
Translation adjustment	(34)	-
Balance as at 31 December 2019	12,753	12,238

21. Liabilities under finance lease/hire purchase agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liabilities under finance lease/ hire purchase agreements	55,446	35,864	29,615	7,000
Less: Deferred interest expenses	(3,209)	(1,013)	(2,635)	(508)
Total	52,237	34,851	26,980	6,492
Less: Portion due within one year	(15,095)	(19,538)	(5,889)	(3,349)
Liabilities under finance lease/ hire purchase agreements - net of current portion	37,142	15,313	21,091	3,143

The Group has entered into the finance lease/hire purchase agreements with leasing companies for rental of vehicles and equipment for use in its operation, whereby it is committed to pay rental/installment on a monthly basis. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under the finance lease/hire purchase agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements As at 31 December 2019		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	16.3	39.1	55.4
Deferred interest expenses	(1.2)	(2.0)	(3.2)
Present value of future minimum lease payments	15.1	37.1	52.2

(Unit: Million Baht)

	Consolidated financial statements As at 31 December 2018		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	20.1	15.8	35.9
Deferred interest expenses	(0.5)	(0.5)	(1.0)
Present value of future minimum lease payments	19.6	15.3	34.9

(Unit: Million Baht)

	Separate financial statements As at 31 December 2019		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	6.9	22.7	29.6
Deferred interest expenses	(1.0)	(1.6)	(2.6)
Present value of future minimum lease payments	5.9	21.1	27.0

(Unit: Million Baht)

	Separate financial statements As at 31 December 2018		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	3.6	3.4	7.0
Deferred interest expenses	(0.2)	(0.3)	(0.5)
Present value of future minimum lease payments	3.4	3.1	6.5

22. Long-term loans from banks

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2019	2018	2019	2018
1	1.1 - 1.3	Repayment on maturity date (3 May 2022)	371,042	519,753	-	-
2	THBFIX + Fix rate	Repayment by quarterly basis starting first quarter ending March 2020 and last quarter ending December 2023	2,800,000	-	2,800,000	-
Total			3,171,042	519,753	2,800,000	-
Less: Deferred financial fees			(69,997)	-	(69,997)	-
Loans - net			3,101,045	-	2,730,003	-
Less: Current portion			(571,937)	-	(571,937)	-
Long-term loans, net of current portion			2,529,108	519,753	2,158,066	-

Movement of the long-term loan account during the year ended 31 December 2019 is summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	519,753	-
Add: Additional borrowings	2,800,000	2,800,000
Less: Repayment	(101,193)	-
Financial fees	(70,000)	(70,000)
Amortisation of financial fees	3	3
Translations adjustment	(47,518)	-
Balance as at 31 December 2019	3,101,045	2,730,003

As at 31 December 2019, the Company has long-term loans from a domestic bank amounting to Baht 2,800 million for the purpose of the Company's working capital and operating business including for the dividend payment to the Company's shareholders. Such loans are secured by letter of guarantees on behalf of all subsidiaries. On 5 February 2020, the Company repaid partial of loan amounting to Baht 650 million.

As at 31 December 2019, a subsidiary has long-term loans from an overseas bank amounting to EUR 11 million (2018: EUR 14 million). Such loans are secured by letter of credit which issued by a domestic bank on behalf of the Company.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2019, the Group withdrawn all long-term loans in accordance with loan agreements in full credit facilities received from the banks.

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of year	176,065	175,703	84,397	81,540
Included in profit or loss:				
Current service cost	14,141	12,304	9,502	7,261
Interest cost	4,503	3,535	2,861	2,027
Past service costs	23,600	-	18,218	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Financial assumptions changes	19,491	(3,177)	12,043	-
- Experience adjustments	25,000	274	23,941	-
- Benefits paid during the year	(15,415)	(11,193)	(12,369)	(6,431)
Translation adjustment	(8,722)	(1,381)	-	-
Provision for long-term employee benefits at end of year	238,663	176,065	138,593	84,397

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities. During the current period, the Company reflected the effect of the change by recognising past service costs as expenses amounting to Baht 18 million in the income statement.

The Group expects to pay Baht 23 million of long-term employee benefits during the next year (2018: Baht 3 million) (The Company only: Baht 20 million (2018: Baht 1 million)).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 12 - 20 years (2018: 11 - 15 years) (The Company only: 12 - 20 years (2018: 11 - 12 years)).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.0 - 2.0	1.9 - 2.8	1.7 - 2.0	2.7 - 2.8
Salary increase rate	2.5 - 4.0	2.5 - 4.0	4.0	4.0
Turnover rate	3.8 - 45.8	3.8 - 45.8	3.8 - 45.8	3.8 - 45.8

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2019					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%	Increase 10.0%	Decrease 10.0%
Impact on the long-term employee benefit obligation	(6)	6	11	(11)	(5)	6

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2018					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%	Increase 10.0%	Decrease 10.0%
Impact on the long-term employee benefit obligation	(12)	14	15	(13)	(1)	1

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2019					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%	Increase 10.0%	Decrease 10.0%
Impact on the long-term employee benefit obligation	(6)	6	11	(10)	(5)	6

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2019					
	Discount rate		Salary increase rate		Staff turnover rate	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%	Increase 10.0%	Decrease 10.0%
Impact on the long-term employee benefit obligation	(0.2)	0.2	1	(1)	(1)	1

24. Share capital

The registered ordinary shares that have not been issued and paid-up are reserved for the exercise of warrants.

During the current year, there was exercise of warrants as details below.

Type of warrant	Date of exercise	Quantity of exercised warrants (units)	Ordinary shares issued for exercise warrants (shares)	Exercise price (baht)	Date of registration with the Ministry of Commerce	Date that the Stock Exchange of Thailand approved ordinary shares as listed securities
SVI-W3	15 July 2019	1,000,000	1,000,000	4.44	26 August 2019	1 November 2019

On 26 August 2019, the Company registered paid-up capital and amended the Company's memorandum of association with the Ministry of Commerce. After the registration of increased shares, the issued and paid-up share capital was Baht 2,266,749,381 comprising of 2,266,749,381 shares with a par value of Baht 1 per share.

On 24 September 2019, the Company received the conditional voluntary tender offer from a major shareholder ("the offeror") which the offer price of the Company's ordinary shares is Baht 4.85 per share and the offer price of warrants (SVI-W3) is Baht 0.41 per unit. The tender offer period is 25 business days starting from 26 September 2019 to 1 November 2019. If upon the expiry of the tender offer period, the number of shares which the Company's shareholders have intention to sell in this tender offer is less than 415,321,965 shares or equivalent to less than 19.29 percent of the Company's total issued and paid-up share capital (net from treasury stocks held by the Company) and less than 19.29 percent of total voting rights of the business, the offeror may consider cancelling the tender offer.

Upon the expiry of the tender offer period, there are number of the Company's shareholders intended to sell their shares to the offeror which is 26.83 percent of the Company's total issued and paid-up share capital (net from treasury stocks held by the Company). Such offeror purchase all those shares, as a result, the shareholding increases from 45.71 percent to 72.54 percent. The registration of change in shareholder was completed on 4 November 2019. In addition, there was no any person offered to sell the warrants (SVI-W3) to the offeror.

25. Right to purchase ordinary shares

On 18 March 2015, the Company received approval from the Office of the Securities and Exchange Commission to issue the warrants. There warrants are transferrable and the directors and employees can trade the warrants allotted each year on the Stock Exchange of Thailand. The details are as follows:

No. of warrants offered:	31,000,000 units
No. of shares reserved for exercise:	31,000,000 shares
Term of warrants:	5 years
Offering date:	27 March 2015
Expiry date:	26 March 2020
Exercise price:	4.44 Baht per share

Exercise ratio:	1 ordinary share per 1 warrant
Exercise period:	The warrants can be exercised once a year, with the warrant holders to exercise in each year not more than 20% of the total warrants allotted to them, plus unexercised warrants from previous years. The warrants can be exercised on 15 July of each year for a period of 5 years, with the first exercise date is on 15 July 2015 and the last exercise date is on 26 March 2020.
Conditions for Right Adjustment:	The person who will receive the right of allotment must be the directors and/or employees on the date of right allotment. In case, the directors or employees resign from the Company before the expiry date of the warrants, the remaining warrants which have not transferred or traded in the Stock Exchange of Thailand will be expired, The Company will report to TSD for locking up the remaining unreleased warrants on yearly basis. The Company will reduce the register share capital reserved for these warrants when this program ended.

During the current year, the Company did not allot additional warrant to the employees. The total number of allotted warrants is 22.7 million units. The Company recognised expenses of this scheme (SVI-W3) amounting to Baht 1.2 million (2018: Baht 0.7 million) which included in personnel expenses.

As at 31 December 2019, the Company had capital reserve for share-based payment amounting to Baht 29.8 million (2018: Baht 28.6 million) and 8.3 million warrants remain unallotted (2018: 8.3 million warrants).

Reconciliation of unallotted number of SVI-W3

(Unit: Million units)

	Consolidated financial statements/ Separate financial statements
Number of warrants as at 1 January 2019	8.3
Allotted during the year	-
Number of warrants as at 31 December 2019	8.3

On 6 December 2019, a meeting of the Board of Directors of the Company approved the resolution for the interim dividend payment from the net profit and unappropriated retained earnings pursuant to the separate financial statement at the rate of Baht 1.9282 per share, is equal to the dividend payout ratio of approximately 792.3 percent and falls under Clause 3.3.1 (e) of the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of SVI-W3 Warrants, which states that the Company shall adjust the exercise price and/or exercise ratio of SVI-W3 Warrants, in the event that the Company distributes dividends in cash in excess of 80 percent of the Company's net profit after income tax under the standalone financial statements of the Company of any relevant fiscal year.

The adjustment of the exercise ratio and the exercise price of the SVI-W3 warrants are as follows:

	Before adjustment	After adjustment
Exercise ratio	1 ordinary share per warrant	1.5098 ordinary shares per warrant
Exercise price	Baht 4.44 per share	Baht 2.9408 per share

Such adjustment was effective from 19 December 2019 onwards.

Details of the allotted warrants of the Company are as follows:

Type of warrant	Exercise price per share (baht)	Exercise ratio per 1 warrant	Number of warrants outstanding as at 1 January 2019 (units)	Number of warrants exercised during the year (units)	Number of expired warrants since the employee resigned (units)	Number of warrants outstanding as at 31 December 2019 (units)
SVI-W3	2.9408	1 unit of warrant per 1.5098 existing shares	22,713,000	(1,000,000)	(3,649,400)	18,063,600

26. Treasury stocks

26.1 On 2 October 2017, a meeting of the Board of Directors of the Company approved a share repurchase program for the purpose of financial management and to manage the Company's excess liquidity. The details are as follows:

- The maximum amount available for repurchasing the shares is Baht 1,400 million.
- A maximum of 200 million shares with par value of Baht 1 per share are available for repurchase, equivalent to 8.83 percent of the total paid-up capital as at 2 October 2017.
- These shares are to be repurchased through the Stock Exchange of Thailand. The repurchase price must not exceed 115 percent of the weighted average closing price over the five trading days before each repurchase is made.
- The repurchase period is from 18 October 2017 to 12 April 2018.
- Any shares bought back are to be resold on the Stock Exchange of Thailand, during the period from 13 October 2018 to 12 April 2021 (after 6 months but no later than 3 years after the completion date of the share repurchase scheme). Reselling of shares, cancellations of the repurchased shares and reductions of share capital are to conform to the 2001 ministerial regulations regarding principles and procedures for the repurchase and resale of shares. The resale price is to be set at not lower than 85 percent of the weighted average closing price over the five trading days before each resale is made.
- The treasury stocks carry no rights to receive dividend.

26.2 On 22 February 2019, a meeting of the Board of Directors approved a share repurchase program for the purpose of the management regarding the Company's finance and excess liquidity. The details are as follows:

- The maximum amount available for repurchasing the shares is Baht 1,000 million.
- A maximum of 130 million shares with par value of Baht 1 per share are available for repurchase, equivalent to 5.74 percent of the total paid-up capital as at 22 February 2019.
- These shares are to be repurchased through the Stock Exchange of Thailand. The repurchase price must not exceed 115 percent of the weighted average closing price over the five trading days before each repurchase is made.
- The repurchase period is from 17 April 2019 to 16 October 2019.
- Any shares bought back are to be resold on the Stock Exchange of Thailand, during the period from 17 April 2020 to 16 October 2022 (after 6 months but no later than 3 years after the completion date of the share repurchase scheme). Reselling of shares, cancellations of the repurchased shares and reductions of share capital are to conform to the 2001 Ministerial regulations regarding principles and procedures for the repurchase and resale of shares. The resale price is to be set at not lower than 85 percent of the weighted average closing price over the five trading days before each resale is made.
- The treasury stocks carry no rights to receive dividend.

The Company's treasury stocks have details below.

	Consolidated financial statements/Separate financial statements	
	2019	2018
Number of shares (shares)	113,539,400	96,133,100
Average price per share of treasury stocks (Baht)	4.40	4.42

As at 31 December 2019, the Company's treasury stocks, amounting to Baht 499.45 million (2018: Baht 424.38 million), were presented as a deduction item in shareholders' equity under the cost method. The market price of the treasury stocks, which is based on the closing price quoted on the Stock Exchange of Thailand on the last day of period, was approximately Baht 408.74 million (2018: Baht 469.13 million).

The Company has to set aside an amount from retained earnings equal to the cost of the treasury stocks to a separate reserve account, with such reserve to remain outstanding until either the stocks are sold or paid-up capital is reduced by the cancellation of any remaining unsold stocks. As at 31 December 2019, the Company had reserved Baht 499.45 million (2018 Baht 424.38 million) of its retained earnings; an amount equal to the cost of the treasury stocks. Such reserve has been presented as "Appropriated retained earnings - reserve for treasury stocks" in the statements of financial position.

27. Statutory reserve

Pursuant to Section 116 of the Public Company Limited Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

28. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salary and wages and other employee benefits	1,768,274	1,736,314	993,464	959,718
Depreciation	331,032	295,175	269,249	252,278
Amortisation	24,928	25,001	3,835	3,496
Raw materials and consumables used	11,807,195	11,773,453	9,139,554	8,967,409
Changes in inventories of finished goods and work in progress	(74,461)	64,133	(93,307)	59,414

29. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Current corporate income tax charge for the year	77,409	55,522	37,874	12,823
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,494)	(2,169)	1,629	(237)
Income tax expenses reported in the income statement	73,915	53,353	39,503	12,586

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial losses	(2,138)	(120)	(12)	-
Deferred tax relating to losses from the change in value of available-for-sale investments	(6,990)	(6,542)	(6,990)	(6,542)
Total income tax reported in the comprehensive income statement	(9,128)	(6,662)	(7,002)	(6,542)

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit before tax	445,605	856,210	361,702	755,344
Applicable tax rate	9% - 25%	9% - 25%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	106,674	189,434	72,340	151,069
Effects of:				
Promotional privileges (Note 30)	(27,679)	(133,678)	(27,679)	(133,678)
Non-deductible expenses (tax exemption income/additional expense deductions allowed)	(5,080)	(2,403)	(5,158)	(4,805)
Total	(32,759)	(136,081)	(32,837)	(138,483)
Income tax expenses reported in the income statement	73,915	53,353	39,503	12,586

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets				
Unrealised loss on valuation of available-for-sale investments	924	-	924	-
Provision for long-term employee benefits	25,489	23,458	864	298
Tooling	102	268	102	268
Unused tax losses from non-promoted operations	296	509	-	-
Intangible assets	7,930	6,476	-	-
Liabilities under finance lease agreements	6,098	6,824	-	-
Others	3,661	3,290	-	3
Total	44,500	40,825	1,890	569
Deferred tax liabilities				
Unrealised gain on valuation of available-for-sale investments	-	6,065	-	6,065
Machinery and equipment	6,841	8,084	-	-
Deferred financial fees	2,016	-	2,016	-
Others	-	621	-	-
Total	8,857	14,770	2,016	6,065
Deferred tax assets (liabilities) - net	35,643	26,055	(124)	(5,496)

As at 31 December 2019, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised, is Baht 272 million (2018: Baht 211 million).

30. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Company are as follows.

Details						
1. Certificate No.	1065(2)/2550	1296(2)/2554	2724(2)/2555	5152(2)/2556	1587(2)/2558	1595(2)2558
2. Promotional privileges for	Manufacturing of PCBA, electronic products	Manufacturing PCBA, electronic products and hand-microphone	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products	Manufacturing of PCBA, electronic products	Manufacturing of Submount, electronic products
3. The significant privileges are						
3.1 Exemption of corporate income tax for net profit from promotional privileges and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	5 years (Transfer right to 5152(2)2556)	5 years (Transfer right to 5152(2)2556)	5 years	5 years	5 years	5 years
3.2 Allowance for 5% of the increment in export income over the preceding year for ten years, providing that the export income of that particular year should not be lower than the average export income over the three preceding years except for the first two years.	Non-granted	Non-granted	Non-granted	Non-granted	Non-granted	Non-granted
3.3 Exemption of import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted	Granted	Granted
3.4 Exemption of import duty on raw materials and significant supplies used in export production for a period of one year from the first import date.	Granted	Granted	Granted	Granted	Granted	Granted
4. Date of first earning promotional privileges under the promotion certificates						
- Raw materials	24 Apr 2008	1 May 2011	-	17 Jun 2013	1 Oct 2017	-
- Machinery	27 Dec 2006	25 Jan 2011	3 Oct 2012	17 Jun 2013	2 Mar 2015	23 Mar 2015
- Income tax	14 May 2008	13 May 2011	Not yet exercised	17 Jun 2013	10 Oct 2017	-

The Company's operating revenues for the years divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Export sales	11,031,850	11,710,952	479,414	200,738	11,511,264	11,911,690
Other income	11,579	10,796	249,801	106,937	261,380	117,733
	11,043,429	11,721,748	729,215	307,675	11,772,644	12,029,423

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year (net from treasury stocks held by the Company as discussed in Note 26 to the financial statements).

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year (net from treasury stocks held by the Company) plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2019 (Thousand Baht)	2018 (Thousand Baht)	2019 (Thousand shares)	2018 (Thousand shares)	2019 (Baht)	2018 (Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	371,690	802,856	2,160,893	2,176,417	0.17	0.37
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,274	3,745		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	371,690	802,856	2,162,167	2,180,162	0.17	0.37

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2019 (Thousand Baht)	2018 (Thousand Baht)	2019 (Thousand shares)	2018 (Thousand shares)	2019 (Baht)	2018 (Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	322,199	742,758	2,160,893	2,176,417	0.15	0.34
Effect of dilutive potential ordinary shares						
Warrants	-	-	1,274	3,745		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	322,199	742,758	2,162,167	2,180,162	0.15	0.34

32. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Chief Executive Officer.

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows

- Industrial Control System
- Communication network
- Automotive & Transportation

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	Industrial Control System		Communication network		Automotive & Transportation		Others		Total reportable segments		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	4,593	4,418	5,206	5,828	1,554	1,495	3,609	3,869	14,962	15,610	-	-	14,962	15,610
Inter-segment revenue	267	256	389	455	-	-	1,237	1,376	1,893	2,087	(1,893)	(2,087)	-	-
Total revenue	4,860	4,674	5,595	6,283	1,554	1,495	4,846	5,245	16,855	17,697	(1,893)	(2,087)	14,962	15,610
Segment operating profit	214	353	493	648	100	165	249	328	1,056	1,494	(108)	(118)	948	1,376
Unallocated income and expenses:														
Gain (loss) on exchange													(45)	63
Other income													281	119
Selling and distribution expense													(201)	(205)
Administrative expense													(505)	(476)
Finance cost													(32)	(21)
Income tax expense													(74)	(53)
Income tax expense													372	803

The operations of the Group are carried on in geographic area in Asia and Europe. Below is the consolidated financial information for the years ended 31 December 2019 and 2018 of the Company and its subsidiaries presented by geographical segment.

(Unit: Million Baht)

	Asia		Europe		Eliminations		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	11,063	11,201	3,899	4,409	-	-	14,962	15,610
Inter segment revenues	813	811	1,080	1,276	(1,893)	(2,087)	-	-
Total revenues	11,876	12,012	4,979	5,685	(1,893)	(2,087)	14,962	15,610

The following table presents segments assets of the Group operating segments as at 31 December 2019 and 2018.

(Unit: Million Baht)

	Asia		Europe		Eliminations		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
Property, plant and equipment	1,758	1,838	161	178	(7)	(22)	1,912	1,994
Unallocated assets							9,421	10,911
Total assets							11,333	12,905

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2019	2018
Scandinavia	7,857,441	8,344,453
The United States of America	1,389,789	1,458,047
Europe	3,864,480	3,978,057
Global (customers who have related parties in many countries)	1,470,366	1,206,767
Others	379,468	622,223
Total	14,961,544	15,609,547

Major customer

During the year 2019, the Company had revenue from two major customers in amount of Baht 3,408 million and Baht 955 million, arising from sales by industrial control system (2018: Baht 3,592 million and Baht 1,126 million derived from two major customers).

33. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3 to 15 percent of their basic salaries, and by the Company at rates of 3 to 5 percent and will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 14 million (2018: Baht 12 million) were recognised as expenses.

34. Dividends paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2017	Annual General Meeting of the shareholders on 27 April 2018	180,078	0.083
Total for 2018		180,078	0.083
Dividends for 2018	Annual General Meeting of the shareholders on 26 April 2019	238,658	0.110
Interim dividends for 2019	Board of Directors' meeting on 6 December 2019	4,151,819	1.928
Total for 2019		4,390,477	2.038

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of Baht 16 million (2018: Baht 106 million), relating to the installation of machinery and equipment (The Company only: Baht 16 million (2018: Baht 97 million)).

35.2 Operating lease commitments

I. The Group has entered into several lease agreements in respect of the lease of motor vehicles, equipment and building space agreements. The terms of the agreements are generally between 1 year and 4 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable:				
In up to 1 year	26	14	20	7
In over 1 and up to 5 years	14	12	10	2

II. The subsidiary has entered into an office rental agreement in the People's Republic of China for a period from 1 January 2017 to 31 December 2020, under which the rental fee is RMB 21,995 per month.

35.3 Commitment in respect of uncalled investments

As at 31 December 2019, the Company is committed to pay the uncalled portion of investment in SVI Japan Company Limited amounting to JPY 19.25 million (2018: JPY 19.25 million)

35.4 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 16 million (2018: Baht 18 million) (The Company only: Baht 14 million (2018: Baht 16 million)) issued by the banks on the behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to government agency, a state enterprise and other companies.

35.5 Letter of credit

As at 31 December 2019, the Company has unused foreign currency letter of credit amounting to EUR 21.0 million (2018: EUR 23.5 million).

35.6 Other commitment

As at 31 December 2019, there was a total of Baht 412 million (2018: Baht 191 million) consigned stock for products kept at the Company's factory that have yet to be consumed.

36. Fair value hierarchy

As at 31 December 2019, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements/Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	477	-	-	477
Debt instruments	-	175	-	175
Assets for which fair value are disclosed				
Investment properties	-	329	-	329

(Unit: Million Baht)

	Consolidated financial statements/Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	1,040	-	-	1,040
Debt instruments	-	458	-	458
Forward contracts	-	292	-	292
Liabilities measured at fair value				
Forward contracts	-	74	-	74
Assets for which fair value are disclosed				
Investment properties	-	334	-	334

37. Financial instrument

37.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instrument: Disclosure and Presentation", principally comprise cash and cash equivalents, current investments, trade and other receivable, long-term loans and interest receivables to subsidiaries, trade and other payables, liabilities under finance lease/hire purchase agreements and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans. The management manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, current investments with interest bearing, bank overdrafts and short-term loans from banks and long-term loans with interest bearing. Most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Group's interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2019 and 2018 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2019						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Average interest rates (Percent per annum)	
		Within 1 year	1 - 5 years			Floating rate	Fix rate
Financial assets							
Cash and cash equivalents	841	-	-	25	866	0.01 - 0.50	-
Current investments	-	1,112	-	652	1,764	-	1.07 - 1.31
Trade and other receivables	-	-	-	3,097	3,097	-	-
Financial liabilities							
Bank overdraft and short-term loans from banks	-	1,220	-	-	1,220	-	1.05 - 2.47
Trade and other payables	-	-	-	2,954	2,954	-	-
Liabilities under financial lease/ hire purchase agreements	-	15	37	-	52	-	031 - 4.17
Long-term loans from banks	3,101	-	-	-	3,101	1.10 - 4.15	-

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2018						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Average interest rates (Percent per annum)	
		Within 1 year	1 - 5 years			Floating rate	Fix rate
Financial assets							
Cash and cash equivalents	262	-	-	82	344	0.01 - 0.38	-
Current investments	-	209	-	1,498	1,707	-	0.80 - 1.07
Trade and other receivables	-	-	-	3,909	3,909	-	-

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2018						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Average interest rates (Percent per annum)	
		Within 1 year	1 - 5 years			Floating rate	Fix rate
Financial liabilities							
Bank overdraft and short-term loans from banks	-	245	-	-	245	-	1.25 - 1.50
Trade and other payables	-	-	-	4,126	4,126	-	-
Liabilities under financial lease/ hire purchase agreements	-	20	15	-	35	-	1.25 - 4.09
Long-term loans from banks	520	-	-	-	520	1.30	-

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2019						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Average interest rates (Percent per annum)	
		Within 1 year	1 - 5 years			Floating rate	Fix rate
Financial assets							
Cash and cash equivalents	736	-	-	-	736	0.01 - 0.50	-
Current investments	-	1,112	-	652	1,764	-	1.07 - 1.31
Trade and other receivables	-	-	-	2,589	2,589	-	-
Long-term loans and interest receivables to subsidiary	-	-	630	-	630	-	2.00
Bank overdrafts and short-term loans from banks	-	947	-	-	947	-	2.00 - 2.47
Financial liabilities							
Trade and other payables	-	-	-	2,523	2,523	-	-
Liabilities under financial lease/ hire purchase agreements	-	6	21	-	27	-	2.15 - 4.17
Long-term loans from banks	2,730	-	-	-	2,730	4.15	-

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2018						
	Floating interest rate	Fixed interest rate		Non-interest bearing	Total	Average interest rates (Percent per annum)	
		Within 1 year	1 - 5 years			Floating rate	Fix rate
Financial assets							
Cash and cash equivalents	255	-	-	-	255	0.01 - 0.38	-
Current investments	-	209	-	1,498	1,707	-	0.80 - 1.07
Trade and other receivables	-	-	-	3,328	3,328	-	-
Long-term loans and interest receivables to subsidiary	-	-	369	-	369	-	2.00
Financial liabilities							
Trade and other payables	-	-	-	3,654	3,654	-	-
Liabilities under financial lease/ hire purchase agreements	-	3	3	-	6	-	2.30 - 4.09

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts and currency option agreements when it considers appropriate. Generally, the forward contracts and currency option agreements mature within one year.

As at 31 December 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	214	98	131	79	30.15	32.45
Euro	21	6	24	6	33.73	37.13
Japanese Yen	26	-	102	326	0.28	0.29
Danish Krona	-	-	3	2	4.52	4.98
Hungarian Forint	7	-	60	-	0.10	0.12
Swedish Krona	-	-	14	4	3.23	3.60

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	156	108	58	70	30.15	32.45
Euro	6	6	6	6	33.73	37.13
Japanese Yen	7	-	85	326	0.28	0.29
Danish Krona	-	-	3	2	4.52	4.98
Swedish Krona	-	-	1	1	3.23	3.60

As at 31 December 2019, there was no any forward exchange contract and as at 31 December 2018, forward exchange contracts outstanding are summarised below.

2018					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US Dollar	-	9	-	32.39 - 33.16	9 January 2019 - 25 February 2019

Euro	2	-	37.40 - 38.06	-	22 January 2019 - 18 March 2019

37.2 Fair values of financial instruments

Since the majority of the Group's financial instruments assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

I For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable, accounts payable and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.

II For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

III For equity securities, their fair value is generally derived from quoted market prices.

IV For long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

V For fixed rate long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

VI For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

38. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders' value. As at 31 December 2019, the group's debt-to-equity ratio was 2.27:1 (2018: 0.69:1) and the Company's was 1.94:1 (2018: 0.50:1).

39. Events after the reporting period

On 13 February 2020, a meeting of the Board of Directors of the Company approved the resolutions as follows:

- Approved to propose to the Annual General Meeting of the shareholders to approval for increase in the Company's registered share capital amounting to Baht 15,294,000 which is from Baht 2,296,749,381 to Baht 2,312,043,381 by issuing 15,294,000 new ordinary shares at the par value of Baht 1 for right adjustment of SVI-W3 warrants in accordance with the warrants' conditions as stipulated in Note 25 to financial statements.
- Approved to propose to the Annual General Meeting of the shareholders to approval for revision of the Company's memorandum of association in accordance with increase in registered share capital from 2,296,749,381 shares to 2,312,043,381 shares.
- Approved guarantee commitment of loan agreement to an oversea subsidiary for credit facility

amounting to EUR 5.2 million.

- Approved for cancellation of incorporation establishment of a subsidiary in India.

40. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 13 February 2020.