



SNC

ANNUAL
REPORT **2016**
รายงานประจำปี 2559

บริษัท เอส เอ็น ซี ฟอर्मอร์ จำกัด (มหาชน)
SNC Former Public Company Limited

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วิสัยทัศน์ / VISION

(SNC : SUPERSTORE)

เอส เอ็น ซี ศูนย์รวมของผลิตภัณฑ์และบริการแบบครบวงจรในอุตสาหกรรมรถยนต์, เครื่องทำความเย็น, เครื่องใช้ไฟฟ้าและอิเล็กทรอนิกส์ An ultimate ONE STOP SHOP & SERVICE CENTER of variety products and comprehensive services in Automotive, HVAC systems (Heating Ventilation & Air Conditioning), Electrical Appliances and Electronics industries.

พันธกิจ / MISSION

- | | |
|--|--|
| 1. คำนึงถึงคุณภาพของสินค้าเป็นอันดับแรก
Regard of the quality of products first. | Quality First |
| 2. สร้างความหลากหลายของผลิตภัณฑ์และบริการเพื่อตอบสนองความต้องการทุกรูปแบบของลูกค้า
Create a wide variety of products and services to meet all kinds of customers. | Differentiation |
| 3. สร้างผลิตภัณฑ์ที่มีคุณภาพในราคาที่ลูกค้าสามารถซื้อไปแข่งขันได้
Create quality products at a price that customer can buy to compete. | Cost
Effectiveness |
| 4. ตอบสนองความต้องการของลูกค้าด้วยความรวดเร็ว
Meet customer needs with speed. | Quick Response |
| 5. ปรับระบบการผลิตให้ยืดหยุ่นทันต่อสภาพแวดล้อมที่เปลี่ยนแปลงอย่างรวดเร็ว
Adjust production systems to take away flexibility to rapidly changing environment. | Flexible
Manufacturing
System |
| 6. ให้ความสำคัญกับผลิตภัณฑ์ที่เป็นมิตรกับสิ่งแวดล้อมและผู้มีส่วนได้ส่วนเสียทั้งทางตรงและทางอ้อม
Focus on products that are environmentally friendly and stakeholders, both direct and indirect. | Focus on
Products and
Stakeholders |
| 7. มีจิตวิญญาณและความตั้งใจในเรื่องการบริการ เพื่อให้ลูกค้าได้รับความพึงพอใจสูงสุด
A mental switch and signal intentions on the service to customers satisfaction. | Service Mind |

Message from the Chairman of the Board of Directors

To Shareholders

The year 2016 witnessed significant adjustments to the company's production structure and investment ranging from relocation of its production facilities to new investment. The air conditioning assembly line was moved from Laem Chabang to the new factory belonging to SNC's factory cluster in the Eastern Region. Apart from the improvement of the manufacturing line, new investment was also made to modern painting procedure with high performance at lower production cost. New investment was also paid to plastic injection plant to support end user of electric appliance in the Eastern Region of the country and to power generation by Solar Roof, capacity 3.43 MW for use in the plant in



order to save the energy cost. Another investment was given to construction of water resources to meet the demand of all factory clusters in the Eastern Region.

With respect to the operation result in 2016, the total revenue for the whole group was equal to 7,468 million baht, lesser than that of the previous year at 8,140 million baht. The net profit amount of 2016 was equal to 402 million baht, slightly decreased from that of the previous year at 410 million baht. However, the net profit against sales volume of 2016 was higher than that of the previous year.

Moreover, great effort has been made to promote good governance culture within the organization and to enhance transparency for stakeholder and to launch campaigns against corruption. It has been a great pleasure that the company was awarded with the certificate of membership of Collective Action Coalition against Corruption. Regarding CSR issue and organization sustainability, the company is determined to implement several activities including community participation, career development for the inmate, application of environmental-friendly technologies, promoting staff's competency and quality of life etc. Another project involves capacity building through further education opportunity in which the company in cooperation with academic institutions including King Mongkut's University of Technology Thonburi and several technical colleges in the Northeast provide range of programs for the company's staff.

The company took part in the assessment of sustainability of listed company and the SET announced that SNC was one of the 8 listed companies awarded as Thailand Sustainability Investment (THSI) out of 114 list companies in 2016. It has been a great success and pride for everyone in this organization. I believe that these shall form a firm foundation for the company to steadily step forward to sustainable growth in this 2017 and for the next several years.

A handwritten signature in dark ink, appearing to read 'Sathit Chanchaokul'.

Sathit Chanchaokul

Chairman of the Board of director

Profile of the Directors, Executives and Authorized Persons



In front of, from left 1) Mrs. Chanisa Chutipat 2) Mr. Satit Chanjavanakul 3) Mr. Chaisak Ankasuwan

4) Mr. Wisan Wuttisaksin

Backside, from left 1) Mr. Somboon Gurdlin 2) Mr. Samitt Palitagram 3) Dr. Somchai Thaisa-nguanvorakul

4) Pol.Gen.Maj. Nopsak Poovatatanasedj 5) Mr. Suchat Boonbanjersri

Mr. Satit Chanjavanakul (69 Years)

Chairman of the Board of Directors

Independent Director

Appointment Date: April 30, 2009

Education

- Master of Business Administration, Thammasat University
- Master of Science, Textile Technology, University of Leeds, U.K
- Bachelor of Industrial Engineering, Chulalongkorn University
- Top Executive Program in Commerce and Trade (TEPCOT), Class 1
- Director Accreditation Program Training (83rd)
- Capital Market Academy, Class 5
- International Advanced Management Program, MIT, USA
- National Defence Course for the Joint State-Private Sector, Class 4414
- Hubert Humphrey Fellowship Program, Planning & Resource Management, Massachusetts Institute of Technology (MIT), USA.

Experience Background

- 2009 - Present Chairman of the Board of Directors
SNC Former Public Company Limited
- 2013 - Present Director
Thai Agro Energy Public Company Limited
- 2004 - Present Audit Committee
Asia plus Group Holdings
Public Company Limited
- 2016 - Present Independent Director
Asia Plus Securities Public Company Limited
- 2009 - Present Audit Committee
Crown Seal Public Company Limited
- 2009 - Present Audit Committee
Lalin Property Public Company Limited
- 2013 - Present Director
Witcorp Company Limited
- 2010 - Present Director
Thai Airlines Holdings Company Limited
- 1991 - Present Director
SPC Home Ideas Company Limited

No. of shares and % of shares holding

: None

Relationship: None**No. of meeting attendances in 2016: 7/7**

Dr. Somchai Thaisa-nguanvorakul (60 Years)

Chairman of Executive Committee

Director

Appointment Date: April 19, 2004

No. of shares and % of shares holding

11,480,722 shares equal to 3.99 %

Relationship: Executive and major shareholder

No. of meeting attendances in 2016: 7/7

Education

- Doctor of Philosophy Program in Public Administration, Ubon Ratchathani University
- Honorary Doctorate degree in Business Administration in Finance, Rajamangala University of Technology Isan
- Master of Public and Private Management (Class#3), National Institute of Development Administration (NIDA)
- Bachelor of Political Science, Ramkhamhaeng University
- Certificate in Management, University of California, Berkeley, CA, USA
- Capital Market Academy Leader Program Class #10 Capital Market Academy
- The Senior Executive Program (SEP) Class#19 Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Security Management Program ASMP #5 The Association National Defence College of Thailand under the Royal Patronage of His Majesty the King
- Director Accreditation Program Training (31ndt)
- Director Certification Program Training (55th)
- Director Certification Program Update (DAPU) Leadership Development Program (LDP 3)

Experience Background

- 2004 - Present Chairman of Executive Committee SNC Group
- 2014 - Present Director of The Stock Exchange of Thailand
- 2014 - Present luminaries of Market for Alternative Investment – MAI
- 2014 - Present Sub-Committee Corporate Governance- and Social Responsibility The Stock Exchange of Thailand
- 2014 - 2016 Director of Thai Listed Companies Association
- 2016 - Present Chairman of the Sub-Committee Securities Investor Protection Fund The Stock Exchange of Thailand
- 2016 - Present Sub-Committee Derivatives Investor Protection Fund Thailand Futures Exchange Public Company Limited (TFEX)

Mr. Chaisak Ankasuwan (68 Years)

Independent Director

Audit committee

Chairman of Nomination and

Remuneration Committee

Date of acquiring the position: April 3rd, 2014**Education**

- Bachelor of Law, Thammasat University
- Master of Public Administration, Public and Private Management Program, National Institute of Development Administration (NIDA)
- The National Defense College (NDC 4414)
- Training program - Business commissioning for directors and top level management of state enterprise and Public, Batch 2, Public Director Institute (PDI)
- Training program - Director Accreditation Program (DAP), Class 51/2006
- Training program - Director Certification Program (DCP), Class 129/2010
- Training program – Top level management, Batch 10, Capital Market Academy

No. of shares and % of shares holding: none**Relationship:** none**No. of meeting attendances in 2016:** 7/7**Experience Background**

2014 - Present Independent Director

Audit committee

Chairman of Nomination and Remuneration Committee

SNC Former PCL

2013 - Present Vice Chairman

One to One Contacts PCL

2009 - 2011 Vice Chairman

The Transport Co., Ltd.

2009 - 2011 Director

Thai Airways International PCL

2005 - 2011 Chairman

Aeronautical Radio of Thailand Co., Ltd.

2005 - 2008 Director

Airports of Thailand PCL

2004 - 2010 Director

Thai Aviation Industries Co., Ltd.

2004 - 2007 Director

Tourism Authority of Thailand (TAT)

Mr. Wisan Wuttisaksin (67 Years)

Independent Director

Nomination and Remuneration Committee

Appointment Date: July 27, 2012

Education

- Master of Public and Private Management, National Institute of Development Administration (NIDA)
- Bachelor of Laws, Ramkhamhaeng University
- Director Certification Program (DCP125/2009)
- Financial Statements for Directors (FSD6/2009)
- Role of the Compensation Committee (RCC 12/2012)
- Diploma, National Defence College, The Joint State-Private Sector Course Class of 15
- Politics and Governance in Democratic Systems for Executive Course, Class of 8
- Chief Executive officer Development Program, Fiscal policy Research Institute Foundation, The Kellogg School of Management and the Maxwell School of Citizenship and Public Affairs
- Senior Executives on Justice Administration, Class of 12

No. of shares and % of shares holding

none

Relationship: none

No. of meeting attendances in 2016: 7/7

Experience Background

- 2012 - Present Independent Director
SNC Former Public Company Limited
- 2015 - Present Chairman of Nomination and Remuneration Committee
SNC Former Public Company Limited
- 2011 - Present Advisor Office of The National Broadcasting and Telecommunications Commission
- 2012 - 2013 Independent Director
Thai Oil Public Company Limited
- 2009 - 2011 Advisor on Customs Control Development
Customs Department

Mr. Suchat Boonbanjerd Sri (58 Years)

Independent Director

Chairman of Audit committee

Date of acquiring the position: December 25th, 2014

Education

- Master degree, Wharton School, University of Pennsylvania, USA.
- Bachelor degree (2nd Class honor), Economics, Quantitative Analysis, Chulalongkorn University
- Training program - Director Certification Program (DCP)
- Training program - Audit Committee Program (ACP)

- Training program - Executive Development Program (EDP)	Steeler Steel Works Co., Ltd.
- Training program - Leadership Development Program (LDP)	2005 - Present Director
	Steel Plus Fabrication Co., Ltd.
	2003 - Present Director
No. of shares and % of shares holding	Suan Som Chaing Dow Co., Ltd.
517,000 shares or 0.18%	2001 - Present Chairman
Relationship	Practicum Engineering Co., Ltd.
None	2000 - Present Chairman
No. of meeting attendances in 2016: 7/7	Knight Club Capital Asset Management Co., Ltd.
	1998 - Present Director
Experience Background	ALM (Thailand) Co., Ltd.
2014 - Present Independent Director	2011 - 2011 Chairman
Head of Audit committee	TOT PCL
SNC Former Public Company Limited	2011 - 2011 Director
2014 - Present Head of Audit committee and Independent Director	Thailand Post Loan Co., Ltd.
Salee Printing PCL	2010 - 2011 Vice Chairman
2014 - Present Chairman	Thailand Post Co., Ltd.
Dark Horse Development Co., Ltd.	
2014 - Present Director	Mrs. Chanisa Chutipat (56 Years)
Lam Water Solution Co., Ltd.	Independent Director
2012 - Present Equity Instrument and Securities Issuing Companies Management investigation	Audit committee
Securities and Exchange Commission (SEC)	Date of acquiring the position: December 25 th , 2014
2002 - 2014 Subcommittee	Education
Independent Director	- Bachelor of Commerce and Accountancy, Thammasat University
Srithai Superware PCL	- Master of Business Administration (Accountancy), Thammasat University
2011 - Present Chairman	- Training program - Director Certification Program (DCP), Batch 71
EDP Foundation	
2005 - Present Director	

- Training program - Top level management,
Capital Market Academy, Batch 1

No. of shares and % of shares holding

none

Relationship: none

No. of meeting attendances in 2016: 6/7

Experience Background

2014 - Present Independent Director

Audit committee

SNC Former Public Company Limited

2014 - Present Managing Director

Siam Piwat Co., Ltd.

2013 - 2014 Deputy Manager

2014 - Present Independent Director

Audit committee

SNC Former Public Company Limited

2014 - Present Managing Director

Siam Piwat Co., Ltd.

2013 - 2014 Deputy Manager

Pol.Gen.Maj. Nopsak Poovatatanasedj (58 Years)

Independent Director

Nomination and Remuneration Committee

Date of acquiring the position: December 25th, 2014

Education

- Bachelor of Science, Mahidol University

- Bachelor of Medicine, Mahidol University

No. of shares and % of shares holding

none

Relationship: none

No. of meeting attendances in 2016: 7/7

Experience Background

2014 - Present Independent Director

Nomination and Remuneration
Committee

SNC Former Public Company Limited

Present Doctor (Sor Bor 6)

Police Hospital

Mr. Somboon Gurdlin (58Years)

- Vice Chairman of Executive Committee

- Managing Director - Subsidiary

- Chairman of Risk Management Committee

- CG & CSR Committee

Appointment Date: April 19, 2004

Education

-Master of Business Administration, Burapha
University

- Bachelor of Political Science, Ramkhamhaeng
University

- Director Accreditation Program (DAP) (32nd)

- Executive Development Program (EDP) 15

No. of shares and % of shares holding

7,949 shares equal to 0.002 %

Relationship

Executive

No. of meeting attendances in 2016: 7/7

Experience Background

2011 - Present Vice Chairman of Executive Committee
Group of SNC Former Public Company Limited

2015 - Present Chairman of Risk Management Committee
CG & CSR Committee
SNC Former Public Company Limited

Mr. Samitt Palitagram (50 Years)

- Vice Chairman of Executive Committee
- Chairman of CG & CSR Committee
- Risk Management Committee
- Director

Appointment Date: April 19, 2004

Education

- Master of Economics, National Institute of Development Administration (NIDA)
- Bachelor of Industrial Engineering, Chulalongkorn University
- DAP Training (33rd)

No. of shares and % of shares holding

433,690 shares equal to 0.15 %

Relationship

Executive

No. of meeting attendances in 2016: 7/7

Experience Background

2011 - Present Vice Chairman of Executive Committee
Group of SNC Former Public Company Limited

2015 - Present Risk Management Committee
CG & CSR Committee
SNC Former Public Company Limited

Mr. Kenji Kodama (70 Years)

- Vice Chairman of Executive Committee

Appointment Date: January 1, 2014

Education

- Osaka Technical College

No. of shares and % of shares holding

1,768,511 shares equal to 0.61%

Relationship

Executive

No. of meeting attendances in 2015 N/A

Experience Background

2014 - Present Vice Chairman of Executive Committee
Group of SNC Former Public Company Limited

Mr. Surapol Yamkasem (59 Years)

Assistant Chairman of the Executive Committee

Education

- Bachelor of Political Science, Ramkhamhaeng University

-Director Accreditation Program (DAP) (20th)

-Director Certification Program (DCP) (55th)

No. of shares and % of shares holding

272,910 shares equal to 0.09 %

Relationship

Executive

No. of meeting attendances in 2016: 7/7

Experience Background

2015 - Present Assistant Chairman of the Executive Committee

SNC Former Public Company Limited

2004- 2014 Director

NC Former Public Company Limited

- Executive Development Program (EDP) (14th)

- Director Accreditation Program (DAP) (118th)

No. of shares and % of shares holding

24,422 shares equal to 0.01%

Relationship

Executive

No. of meeting attendances in 2016: 7/7

Experience Background

2015 - Present Managing Director Accounting & Finance Department

Group of SNC Former Public Company Limited

2007 - 2014 Deputy Managing Director

Accounting & Finance Department

Group of SNC Former Public Company Limited

2004 - 2007 Accounting Manager

SNC Former Public Company Limited

1997 – 2003 Audit Manager

PricewaterhouseCoopers ABAS Limited

Mr.Rattapoom Nantapatawee (45 Years)

Managing Director Accounting and Finance Department

Education

- Master of Private and Public Management, National Institute of Development Administration (NIDA)

- Bachelor of Accounting, Ramkhamhaeng University

- Certificate of Auditing, Thammasat University

Profile of the Head of Internal Audit Manager

Mr. Pornchai Sirikitpanichkul

(Age 40 years)

Internal Audit Manager

Education

- Bachelor of Business Administration, Accounting
Burapha University
- Tax Auditor
- Student Activity Budget Committee Burapha
University Student Council
- President of Student, Business Administration,
Accounting, Burapha University
- Training Program Certification of Internal Auditors of
Thailand (CPIAT) Association of Internal Auditors of
Thailand.
- Enterprise Risk Management in Practice , Thai
Listed Companies Association
- The anti-corruption, Federation of Accounting
Professions.
- accounting and tax year 2016., Tax Auditor
Association of Thailand

Experience Background

2011 – Present Internal Audit Manager

SNC Former Public Company Limited

2005- Present Tax Auditor

2009 - 2011 Special Instructor Faculty

of Business Administration, urapha

2006 - 2011 Accounting Audit Manager

FASB Auditing and Consulting Company

Limited, Chonburi

1999 - 2005 Deputy Manager

Thai Account Company Limited, Chonburi

Duties and responsibilities

1. Review and assess the Company's internal
control system
2. Ensure credibility of accounting information,
financial statements, accounting record method and
accounting standard
3. Ensure and maintain assets and benefit of the
Company
4. Review the operation based on good corporate
governance
5. Consult, advise or provide opinion to perform
according to the operation manual

Profile of Head of Compliance

Miss Rattaporn Leenawatta (Age 36 years)

Secretary of the Company

Head of Compliance Department

Appointment Day : October 4, 2007

Education

- Master of Business Administration, Finance and Banking Ramkhamhang University
- Bachelor of Accounting (honor), Sripatum University
- Certified Public Accountant (CPA)
- Tax Auditor (TA)
- Corporate Secretary Development Program
- Training program Strategic CFO in Capital Markets
- Training program Investor Relation (IR)

Experience Background

- 2010- Present Company Secretary and Accounting & Finance Manager
SNC Former Public Company Limited.
- 2007- 2010 Company Secretary and Head of Accounting & Finance Department
SNC Former Public Company Limited.

Duties and responsibilities

1. Advise on legal and regulations which the Board of Directors has to recognize and perform accordingly and manage activities of the Board of Directors in order to enable the directors to efficiently and effectively perform their duties.
2. Monitor the Board of Directors, executives and all staff to perform according to the corporate governance policy and business ethics.
3. Oversee the disclosure of information and information memorandum as required according to the regulations and notifications of the SET and SEC.
4. Arrange shareholders' meeting and Board of Directors' meeting to be in line with laws, articles of association and other rules.
5. Prepare shareholders' meeting minutes and monitor the Company to perform according to the resolution of the shareholders' meeting.
6. Prepare and keep document such as director registration, invitation letters for Board of Directors' meetings, minute of Board of Directors' meetings, annual reports, invitation letters and minutes of the shareholders' meetings.
7. Keep and maintain report on the interest of the directors or executives.
8. Contact and communicate with general shareholders to inform the rights of shareholders and the Company's news and information.

1. Policy and Business Overview

The group of SNC Former Public Company Limited comprises of 16 companies, including SNC. There are 7 subsidiaries held directly by SNC, 12 subsidiaries held by its subsidiary, 2 associated company (has not commenced the operation) and 1 jointly controlled company. At present, the business operation of the Company's group can be classified in 2 groups as follows:

- AUTO = parts for automobile air conditioner
- PART = parts for electric appliances
- OEM = OEM for electric appliances
- OTHER = Other operations such as parts for washing machine, tools made of steel, tungsten carbide

Company	Type of business			
	AUTO	PART	OEM	OTHER
SNC Former Public Company Limited (SNC)				
1.1 Branch 2		✓		✓
1.2 Branch 4 (move to Rayong in Y2016).			✓	
<u>Direct subsidiaries</u>				
SNC Pyongsan Evolution Company Limited (SPEC)		✓		
SNC Cooling Supply Company Limited (COOL)	✓			
Immortal Part Company Limited (IMP)		✓		
Paradise Plastic Company Limited (PRD)	✓			
Toptech Diamond Tool Company Limited (TTD)				✓
SNC Creativity Anthology Company Limited (SCAN) (during machinery installation)		✓		
SNC Atlantic Heat Pump Company Limited (SHAP)				✓
SNC Fukui Holy Insulation Company Limited (SFHI)		✓		
Meisou SNC Precision Company Limited (MSPC)				✓
SSM Automation Company Limited (SSMA)	✓	✓		
Odin Power Limited (ODIN).				✓
<u>Indirect subsidiaries</u>				
Ultimate Part Company Limited (UMP)		✓	✓	
Infinity Part Company Limited (IPC)	✓	✓		✓
<u>Associates</u>				
SNC Atlantic Water Heater Asia Company Limited (SAWHA)		✓		

Company	Type of business			
	AUTO	PART	OEM	OTHER
Fuso Industries Company Limited (FUSO)		✓		
<u>Jointly-controlled entity</u>				
SSM Automation Company Limited (SSMA)	✓	✓		✓

1.1 Vision and Mission

Vision: SNC Superstore : The center of all products and one stop services for automotive, cooling machine, electrical appliances and electronics industries.

Mission

- 1) Quality First : Consider the quality of product first
- 2) Differentiation : Create variety of products and services to response to all kinds of customers' needs
- 3) Cost Effectiveness : Manufacture high quality product at the price that the customers can buy to compete with others
- 4) Quick Response : Response to the customers' need promptly
- 5) Flexible Manufacturing System : Adapt production system to be ready for the rapid change of environment
- 6) Focus on Products and Stakeholders : Focus on environmentally friendly product as well as direct and indirect stakeholders
- 7) Service Mind : Possess mind, soul and determination for service to maximize customers' satisfaction

Objective and Goal

The Company has drawn up business plan with financial goal and growth rate at 10% per year since 2017-2020. In order to maximize its profitability, the Company is committed to achieving such goal through following strategies:

Product Strategy

The Company's goal is to respond to variety of requirement by the customer and focus on 2 major customer groups as follows:

- 1) Domestic electric appliance manufacturer including manufacturer of air conditioning, refrigerator, washing machine especially those leading brands from Japan, Korea, USA etc. These manufacturers place their major production base in Thailand. Various products are supplied by the Company to this customer group including copper tube, metal sheet parts, plastic parts and heat exchanger. Apart from parts of electric appliance, the Company is engaged as OEM for certain customers.

- 2) Automobile parts manufacturer group to which products are supplied by the Company including aluminum tube, rubber tube, plastic parts and formed sheet metal.

Quality Strategy

In order to establish confidence and optimum satisfaction among the customer, the Company needs to produce product of best quality to meet the customer's requirement. To achieve this, the Company has implemented standard quality management system in order to improve its management and product quality continually based on the Plan-Do-Check-Action (PDCA) and ISO. Not only will the customer receive product and service of quality as needed but also have trust in the Company.

The Company has mobilized human resource, tools and machine suitable for each business in order to produce product of quality. It has also put in place clear quality policy to be observed by all staffs while the results are monitored regularly to ensure that product quality meet the customer's requirement for all steps.

Quick Response Strategy

In this today world of intense business competition, the Company realizes that the customer's demand is diverse and may be changed quickly while it's our duty to be able to respond to such demand. The Company focuses on the following:

- 1) Cost that is appropriate and fair for customer and the Company (Cost).
- 2) Plant location must not be too far from the customer's office in order that delivery and response to customer's need can be done conveniently (Location).
- 3) Flexibility in production process enables us to manufacture variety of product in due time and may adjust such process to meet the demand of new product required by the customer (Flexibility).

Service Strategy

Although the company is considered a production company but we realizes the significance of service work to help optimize our customer's satisfaction. We therefore have our own motto as follows: "We are the Marketing Team" which means that all personnel are the Company's representative in rendering service for the customer.

Moreover, in order to get more flexibility, the Company has put in place its unique managerial system called "MINI MD" which will help respond to the customer's need in each respect including production, quality, deliver or price more rapidly and efficiently.

Another mean to provide service of optimum efficiency is to require the Company's executive both medium and top level, to visit the customer on regular basis to ensure that the customer voice is heard properly and rapidly.

Environmental Strategy

The Company carries out its business by taking into account possible environmental impact inside or outside the Company. Below are some significant strategies:

- 1) External environmental impact as a result of the Company's core business relating to air conditioning which uses refrigerant that may have impact on global weather. The Company has developed our products by using new type of refrigerant (R32) that helps decrease ozone depletion and global warming.

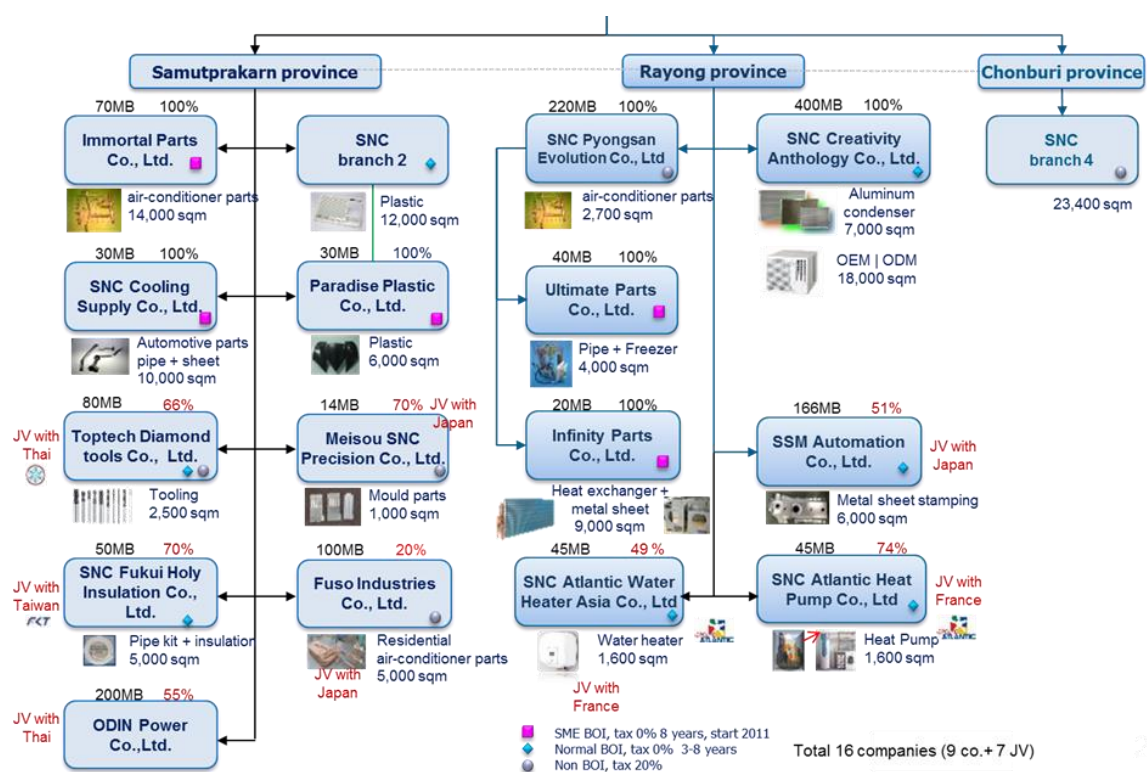
- 2) Internal environmental impact: To maintain internal environment for the benefit of working condition, the Company places importance upon 5S system where all staffs are encouraged to give priority to this matter and internal operation is carried out based on "3 R" principle consisting of Reduce, Re-use and Recycle to ensure that all personnel realize value of the Company's resources and use them in most effective manner.

1.2 Significant change and development

The Company's revenue in 2016 was equal to 7,468 million baht or 8% increase. Net profit was equal to 402 million baht or 2% decrease the first growth in the last 4 years period. Over the past years, the Company has invested significantly in order to expand its business including formed plastic parts, metal sheet (SSMA), aluminum condenser (SCAN), water heater and parts (SAWHA and SAHP), insulator (SFHI) and mold and plastic parts (MSPC) making the Company's product line more complete.

1.3 Capital Structure of the Company's group

Business and shareholding structure of the group of SNC Former Public Company Limited can be summarized in diagram as follows:



2. Nature of Business Operation

At present, the business operation of the group of the Company can be classified in 4 main product lines as follows:

- 2.1 Parts for automobile air conditioner
- 2.2 Parts for Electrical Machine
 - 2.2.1 Copper tube parts
 - 2.2.2 Metal fabrication parts
 - 2.2.3 Plastic parts
 - 2.2.4 Heat Exchanger
 - 2.2.5 Insulator pipe
- 2.3 OEM for Electrical Machine
- 2.4 Other operations

In 2016, the revenues from parts of automobile air conditioner, parts for Electrical machine, OEM for Electrical machine and other operations were 15%, 40%, 42% and 3% of total revenues, respectively (reference to notes to the financial statements section segment information).

2.1 Parts for automobile air conditioner

1) Product Characteristics

Parts for automobile air conditioner mostly are made from aluminum tube, fabricated and assembled with metal parts and sold as a set to major air conditioner manufacturers who will deliver and distribute to automobile manufacturers further. The Company's product samples are Inlet/Outlet Pipe Assembly, Header, Suction Pipe, Flange Inlet/Outlet, Pipe and Hose Assembly, Liquid Pipe, Pipe Assembly with Flange, Discharge Pipe, Insulator Pipe Assembly, Hose-Header Assembly, Compressor Part

Parts for motorcycles, The component Plastic, Sheet Metal and sent to Motorcycle manufacturer directly.

1. Machine Part



Machine part is product which fabricated from aluminum, Extrusion, Die – Casting, stainless steel pipe, metal, brass to be components of automobile air conditioning system, diesel pump, compressor and automobile parts, etc. Machine part will be manufactured for internal assembly and be delivered to customer groups such as Keihin, Denso, Hanon, Calsonic , etc

Product	Customer	Car
Connector	Keihin	Honda
	Denso	Toyota
	Hanon	Ford, Mazda
	Calsonic	Nissan, Isuzu
Yoke	NSK	Isuzu, GM

2. Aluminum Pipes



Aluminum pipes are products that assembled aluminum pipe with aluminum connector to be components of automobile air conditioning system and be delivered to customers such as Keihin, Denso, Hanon, Calsonic, Valeo.

Product	Customer	Car
Pipe Ass'y	Keihin	Honda
	Keihin USA	Ford
Pipe Suction	Denso	Toyota, Hino
Pipe Discharge	Hanon	Ford, Mazda
Pipe Inlet	Calsonic	Isuzu
Pipe Outlet		
Pipe Liquid	Valeo	Mitsubishi

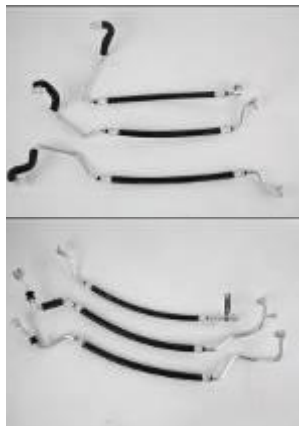
3. Steel Pipes



Steel pipes are products that assembled steel pipe with steel bracket and hardened with MF-Zn+3 and EDP to be components of cooling system. The main customer groups are Denso, Calsonic, Hanon.

Product	Customer	Car
Water Pipe	Denso	Toyota
	Calsonic	Isuzu
	Hanon	Ford

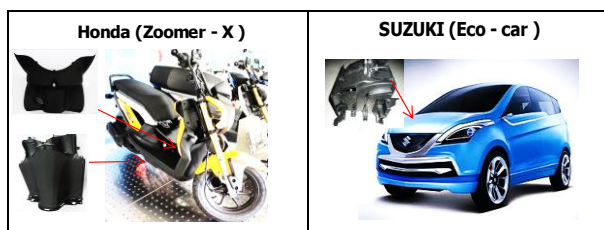
4. Hose Assembly



Hose assembly is product that assembled aluminum pipe with hose to be used in automobile air conditioning system. The Company manufactures the product for Valeo group to be used for Mitsubishi Triton and Pajero Sport for both domestic and export sales.

Product	Customer	Car
Hose Discharge	Valeo Keihin	Mitsubishi, Nissan New Civic 2016
Hose Suction		
Hose Liquid		

5. Plastic



Products of plastic group for automobile air conditioner system is parts of Honda, Suzuki, Yamaha, Kawasaki

Product	Customer	Car
Shroud Fan	Denso	Toyota
Frame	Honda	Honda

6. Stamping & Forging

- Metal Stamping is component of Pipe Water and Bracket in automobile air conditioner system which the Company has expanded its products to other parts (wiper) such as Stay Wiper

Pipe Water and Bracket



Stay Wiper



Product	Customer	Car
Stay Wiper	Denso	Toyota
Bracket	Denso	Toyota

- Aluminum Stamping is expandable product of Stamping Process from Metal to Aluminum by using as components of Evaporator and Condenser of Automobile Air Conditioner system.

Side Plate EVA



Side Plate Ass'y



Product	Customer	Car
Side Plate EVA	Keihin	Honda / Mitsubishi
Side Plate Ass'y	Keihin	Honda

Automobile Air Conditioner Parts			
Customer	Automobile Manufacturer	Model	Parts
Keihin Keihin USA Keihin China	Honda, Mitsubishi Mitsubishi	Civic, Accord, CRV, New Triton	Automobile Air Conditioner Parts Automobile Air Conditioner Parts
Denso Thailand	Toyota	Vigo, Camry, Yaris	Intercooler Parts, Compressor Parts Intercooler Parts
Hanon system Visteon India	Ford Mazda GM	New Ranger, Focus, Fiesta New BT50, Mazda 2, 3 Optra	Automobile Air Conditioner Parts
Hanon system Visteon India	Ford Mazda GM	Civic, Accord, CRV, New Triton New Ranger, Focus, Fiesta New BT50, Mazda 2, 3 Optra	Automobile Air Conditioner Parts
Calsonic	Isuzu Ford Isuzu Mitsubishi	D-Max Ranger New D-Max New Triton	Automobile Air Conditioner Parts and Radiator Parts
Delphi	Isuzu	D-Max	Diesel Pump Parts
Siam NSK	Isuzu GM	New D-Max New Colorado	Steering System Parts
Sanden	Ford (Export)	KA	Automobile Air Conditioner Parts
Subros	Tata	Xenon, CNC	Automobile Air Conditioner Parts

- Aluminum Forging, the production of Aluminum Forging will start in 2014 targeting to produce parts for automobile air conditioner system such as Header End, Flange

Header End



Flange

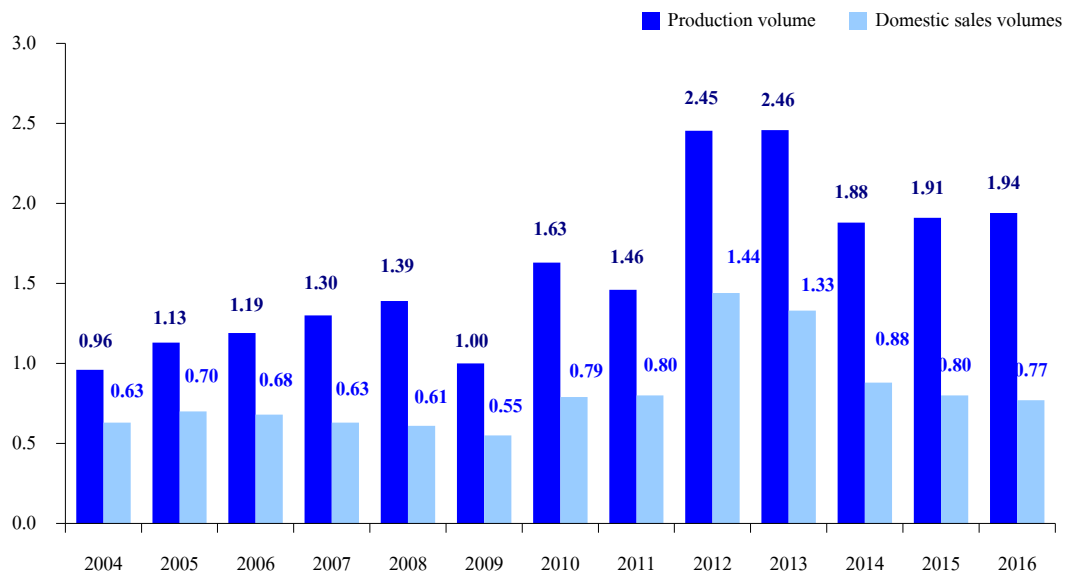


Forging



2) Marketing and competition

Domestic automobile production volumes during 2004-2016



Source: Thailand Automobile Institute, Automotive Industry Club, the Federation of Thai Industries

A. Product Marketing

The Company's first priority is to focus on the product quality and customer satisfaction; therefore, it has consistently developed marketing strategies which are:

Strategy for customers

1. Quality First : regardless of the quality of the product first. The internal audit process is called "Process Reject" to check the quality of goods or material at each stage of production. The staff at each stage of production to ensure the quality of goods or raw materials before entering the production process and pay out of their own. With the slogan " not accept not do not waste."
2. Differentiation: create variety of products and services to response to all kinds of products needs
3. Cost Effectiveness : manufacture high quality product at the competitive price for its customers
4. Quick Response : response to the customers' needs promptly
5. Flexible Manufacturing system: adapt production system to be ready for the rapid change of the environment
6. Focus on Products and Stakeholders : focus on environmentally friendly product as well as direct and indirect stakeholders
7. Service Mind : possess mind, soul and determination for service to maximize customers' satisfaction
8. Building Confidence : with production management system for both quality and capacity enable the Company to support customers' orders
9. KPI to Quality and Delivery Awards.

Strategy for building motivation within organization

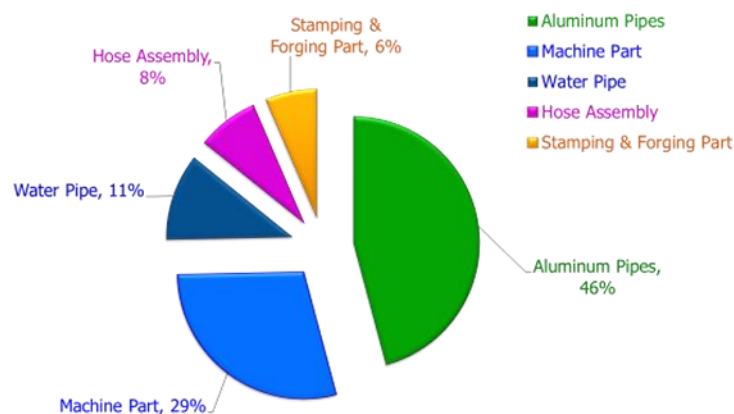
1. Create motivation by focusing on return in order to motivate good track record and good performance employee by using evaluation daily result to evaluate the return to the employee.
2. Create motivation to middle management (MINI MD) by providing return based on the performance and evaluation based on KPI of the organization for Operator and Supervisor staff.
3. Improve organization development via 5S activities and Zero Claim in order to create awareness to staff for 5S, Safety and constant quality improvement by focusing to create competition in 5S, Safety concern and quality in organization.
4. Evaluation of Radar Chart to assess the knowledge and competencies Competency-based organization is the knowledge, skills and behavioral habits that are essential to the functioning of the party. To achieve higher standards generally divided into two categories evaluated.
 - 4.1 (Knowledge) 9 Basic Needs
 - 4.2 Competency



5. Job Description prepared by the ISO 9000 or TS16949 and target revenue per capita per day (Income per Head) which requires the measurement and concluded Income per Head on a daily basis and targeting Income. per employee per Head
6. "Team Building" improve the lives of working as a team.
 - 6.1 So that employees understand the values and culture of the organization. Ready to be deployed correctly.
 - 6.2 Teamwork
 - 6.3 Communication
 - 6.4 Good relationships at all levels.

In 2016, the Company will focus on development and building human resources which are the fundamental of industrial factory in order to be ready for AEC next year. The Company will develop skill of existing staff and recruit staff at High Vocational Certificate level in order to increase expertise of high skill staff. The objective is to level up quality and working to equal to First Tier and be able to compete with both local and foreign players.

B. Distribution Portion



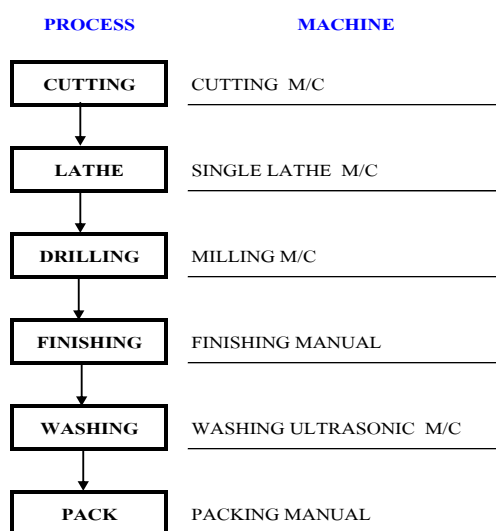
In 2559, sales in the automotive business increased from the year 2558 to be 13% by the year 2560 is expected to achieve sales growth of 1%, which is the result of the Order of China and America customers KEIHIN sales. domestic policy continues because due to the imposition by the co_2 making domestic sales slowdown.

The impact on the car industry in the country with effect from

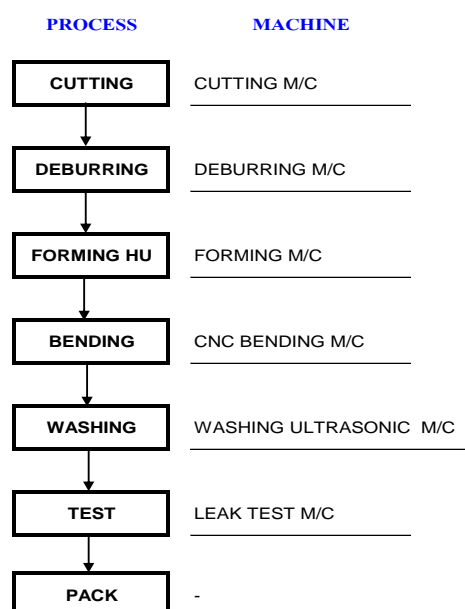
1. The stability of the government and the policy remains unclear.
2. The economic environment does not promote domestic spending.

3) Product Procurement

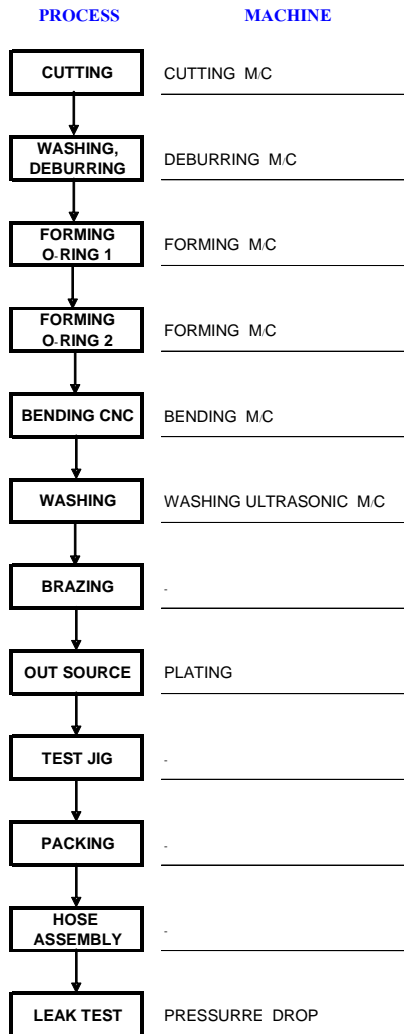
- Machine Part



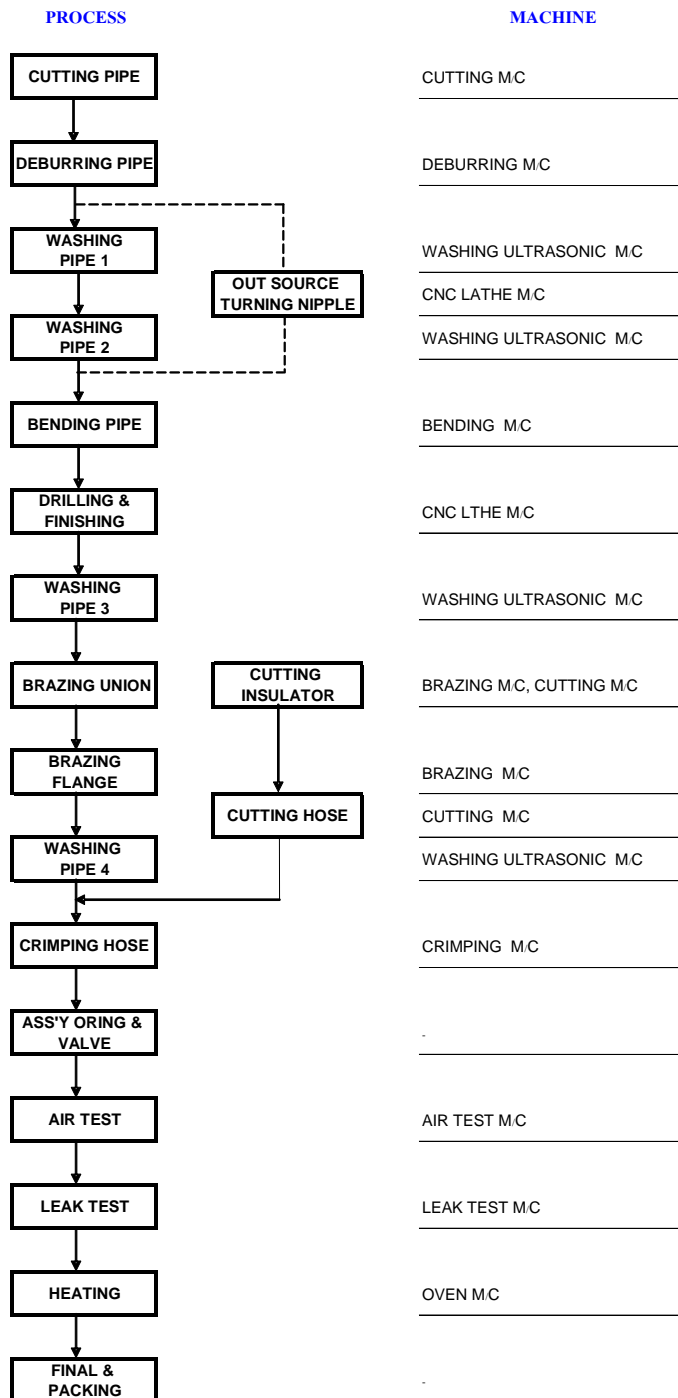
- Aluminum Pipes










- Steel Pipe



-HoseAssembly



Production Capacity in 2016

	Production Line	Capacity per Month (pieces)
	Aluminum Pipes	800,000
	Hose	65,000
	Steel Pipes	250,000
	Machine Parts	1,200,000
	Inter Cooler Tube	70,000
	Plastic	15,000
	Forging &Stamping	2,000,000

Note :

1. Production Capacity is estimated based on 8 hours / shift : 2 Shift / day : 25 days / month
2. Current capacity used 60-65%



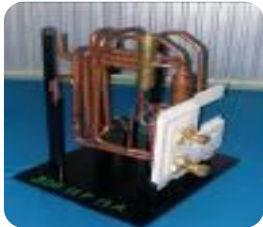
2.2 Parts for cooling machine






2.2.1 Copper Pipe Parts

At present, parts for cooling machine are made from copper. There is no other material which able to replace copper for 100%. Therefore, parts for cooling machine still use copper as major component.

1) Product Characteristic

Air conditioner parts made of copper pipe that the Company manufactures are

<p>1) Inlet pipe ,Outlet pipe ,Header pipe for connecting Condenser</p> <div>   </div>	<p>2) Suction pipe , Discharge pipe for connecting Compressor and Condenser together</p> <div>  </div>
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<p>3) Accumulator using as pressure receiver tube</p> 	<p>4) Strainer using for filter out dust in the system to protect the obstruction in the system</p> 
<p>5) U-Bend for connecting Condenser</p> 	<p>6) Capillary Tube Ass'y. Using as pressure reducing pipe in the system</p> 
<p>7) Pipe Connector (Pipe Kit) using for installation to connect Indoor and Outdoor systems</p> 	

Besides, the Company also manufactures copper parts to assemble to be compressor such as Suction Pipe, Muffler Pipes, Oil Pipe, Discharge Pipe



At present, the Company has developed copper parts to reduce raw material cost with customer by using copper plated steel or aluminum welded with copper to produce compressor parts such as Inlet Tube, Dis Joint Pipe, Inlet Pipe Ass'y , etc.



Copper plated steel



Aluminum welded with copper

Besides, the Company is developing copper plating process to be able to plate at required specific position (area) in order to reduce cutting process which is a costly and time consuming process. The outcome of the development will enable the Company to reduce its production cost.

2) Marketing and Competition

Customer group of air conditioner parts consist of

- 1) Customer group from Japan such as Daikin, Mitsubishi, Fujitsu, Sharp, Panasonic, MACO, MACOT
- 2) Customer group from Korea such as LG, Samsung
- 3) Customer group from China such as Haier
- 4) Customer group which is the export such as Japan, Middle East, Europe and U.S.A.

The Company's distribution channels include manufacturing parts and direct delivery to air conditioner manufacturer and the customer will assemble with its parts, manufacturing and assembly in OEM production line and then deliver to customer as well as direct export to foreign countries.

Customer group of compressor parts mostly are customers who manufacture compressors and deliver to assembly factory of air conditioner and cooling machine which are distributed to both domestic and overseas. Almost compressor manufacturers in Thailand are the Company's customers which are Siam

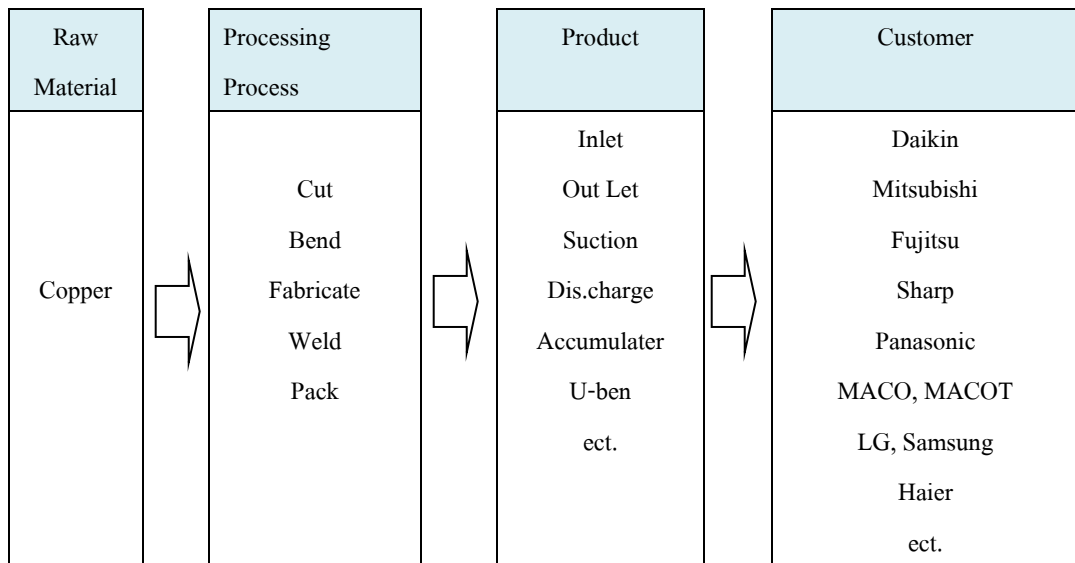
Compressor, Hitachi Compressor, Kulthorn Kirby, Emerson, TCFG, Kulthorn Premier, Daikin, LG. Besides, the Company has prepared additional production for export market.

Expansion and growth rates of air conditioner parts are in accordance with the growth of customers and economic. In 2013, the Company invested more in plants, machinery and improved new production line by separating to be SMEs to be granted tax privileges as well as properly relocated production base in order to be able to support the growth toward AEC in 2015. The compressor industry grows in line with cooling machine industry for air conditioner, refrigerator and freezer.

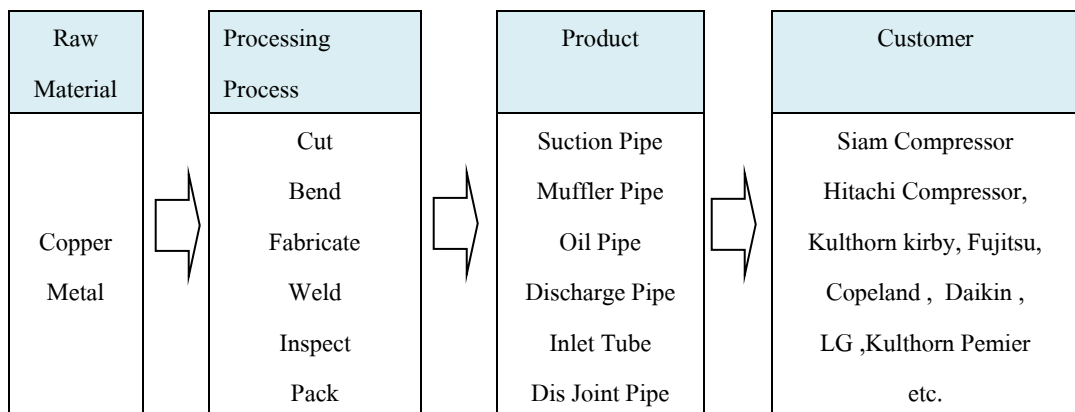
3) Product Procurement

A Production Process

- Air Conditioner Parts



- Compressor parts



The Company purchases copper directly from both domestic and export and the copper will be delivered to the plant and pass the production process of each part according to the ISO quality standard in order to

manufacture product in accordance with the customers' requirement before deliver to customer (according to production diagram)

At present, the Company's plants that manufacture parts are at Samutprakarn and Rayong, therefore, the capacity is more than million pieces per year. All plants can manufacture all parts and replace each other as well as can increase production capacity by adjusting working hours according to the customer's requirement.

B Raw Material

Most of the raw materials are under standard as required by customer and all suppliers pass the standard certification of customer. The lead time is around 2 weeks after receiving purchase order. The Company purchases copper from both domestic and overseas (China) and has to consistent with condition as agreed with the customer in order to obtain the good quality of raw material with proper cost. The purchase price is the price as determined with the customer.

C Machinery and production equipment

Main machinery for production line are CNC Cutting Machine, Punching Machine, CNC Bending Machine, CNC Fabrication Machine, Automatic Welding Machine, Welding Table which the Company has plan to exploit automatic system more in the future.

The machinery of each process is modern machines form cut, bend, fabricate and weld process which the Company bought directly from the manufacturer and distributor in Thailand in order to protect the maintenance problem. There are some machines that the Company built itself and also has maintenance system to protect the broken down during production. Machines used in SNC group are machines from same manufacturer and can be replaced among each other; therefore, the Company has flexibility in production. For other production equipment such as Jix Fixture mold, the Company has unit to manufacture production equipment to support each other of each plant.

2.2.2 Metal Fabrication

1) Product Characteristics

At present, parts to be assembled to be the product using various raw materials such as metal, plastic, wood or other materials in order to make the product durable, nice-looking with high quality, suitably for use and low production cost. However, metal parts still play the major material of the product as the price is not too high, and its durability as well as the various technologies can fabricate metal in any required forms.

The Company manufactures metal fabrication parts and the plants that can manufacture are plants at Samutprakarm and Rayong. The Company's major customers of metal fabrication for air conditioner are Daikin, Mitsubishi, LG, Siam Compressor, Other.

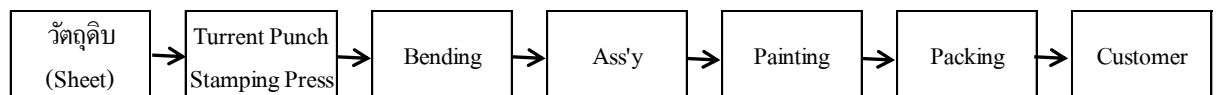


2) Marketing and Competition

Due to its high standard of quality, delivery and good service, the Company has been trusted by both existing customers and new customers by providing more production order. The Company views that its competitor is its customer. Therefore, the Company has to produce better, cheaper and faster than the customer can do. Since the Company is SNC Super Store which provides total solution production and has MINI MD system to serve customers, it is able to decrease the customer's purchase burden. Therefore, the Company has constantly grown with its customers.

3) Product Procurement

A Production Process



Raw materials in form of bar, pipe and sheet will be passed the production process by using various machine such as cutting machine, plating machine, bending machine and stamping machine which are all modern machinery. After such process, the parts will be assembled or painted and deliver to customer for assembly before sending to consumer.

B Raw Material

Raw material, which the Company uses for production in form of bar, pipe or sheet, will be according to the customers' requirement for quality, price and source. Almost raw materials are standard using in general industry. With regard to the sources, the Company imports from Japan, China and Korea as determined by customers. Regarding to the price, the Company will determine with the customer in order to protect the risk from raw material price fluctuation

C Machinery

Since the Company has policy to be Super Store, the Company has standard and modern machines together with efficient production technique. All the machines including plating machine, cutting machine and stamping machine are controlled by CNC system. Machines of each production line are also replaceable, therefore, the Company can manufacture high quality product with low cost. Besides, the Company also prepares spare part and has annual maintenance plan in order to protect the breakdown of machines and be able to lengthen the using time to serve the customers' need.



2.2.3 Plastic Parts

1) Product Characteristics

The characteristic of the product is plastic part manufactured by Injection Molding system for electric appliance assembly such as refrigerator, electrical fan, air conditioner, etc.

2) Marketing and Competition

The main customers are leading manufacturers of electric appliance in the market such as Sharp, Mitsubishi, Toshiba, and Daikin. Although this industry has fierce competition but the Company obtains purchase orders for new products from electric appliance group constantly. Because the Company can maintain the quality of product, cost and on-time delivery (QCD : Quality Cost Delivery). Besides, the Company has invested in software Mold flow to improve its quality and analyze the problem of mold using in production process which can help its customers for the participation in product development and reducing the production cost of customers.

The Company has policy to satisfy its customer by using SNC ONE STOP SERVICE, therefore, the plastic parts manufacturing is one of the component to support such policy by building satisfaction, simplicity and time saving of the customer when dealing with SNC for parts which the customer can get metal parts and plastic parts in the same period.

3) Product Procurement

A Raw Material

Raw materials are various kinds of plastic such as ABS, PP, PSGP, PSPI, PE, AS, PA. Customers will determine type and grade of the raw material in order to maintain the quality and price. Almost all raw materials are produced by local, some types have to import from overseas as they are special raw materials. The price of raw material will fluctuate according to the market price. The customers will contact with supplier for the price and volumes per quarter and if there is any change, they will inform in advance in order to adjust the product price in relation to the raw material price. Therefore, the Company has no risk burden with regard to the raw material price.

B Machinery

Machines for plastic manufacturing are imported machines with high technology, rapid operation and energy saving. Therefore, the Company is confident on the machinery efficiency as well as the maintenance management to make the machines operate smoothly and effectively. Besides, the previous year, the Company invested in its machinery to increase production capacity and support customer requirement which has tendency to increase.

2.2.4 Heat Exchanger

2.2.4.1 Heat Exchanger made from copper

1) Product Characteristics

Cooling machine in residential or building in general has major component for heat exchanger known as "Coil"(Heat Exchanger) which are evaporator coil and condenser coil and be the components to exchange heat and coldness within air conditioner. General coil structure comprises of 3 main components which are:

- A) Aluminum Fin to be plate fin for heat exchanging between outside air and fluid in copper tube
- B) Hairpin to be fluid flow path to build mechanism for heat exchanging with outside air
- C) Side Plate to attach aluminum plate with copper tube and be the connector to hold coil with other structure in air conditioner

The Company manufactures 3 main components and assemblies to be evaporator coil and condenser coil for air conditioner production further.

2) Marketing and Competition

Since the Company's customers partly manufacture these products themselves and partly buy directly from coil manufacturer. Therefore, the Company has to compete with other coil manufacturers and its customers. However, the Company still has competitive advantage for cheaper cost than competitor. The coil manufacturing is a complicated task; therefore, the transportation cost is quite high. The Company focuses this business only for manufacturing parts for air conditioner assembly. More than 90% of its

production is Window Type Air-Conditioner OEM production for Fujitsu General. The remaining production is for air conditioner production that the Company assembles and distributes directly to foreign customers (ODM group) and distributes as heat exchangers to local air conditioner manufacturers.

Almost heat exchangers that manufactured by the Company are for its own air conditioner assembly. Therefore, the competition will be among its customers. If the Company is able to control the cost lower than its customers, the customers will trust the Company to manufacture for them further. The Company also has activities and plan to consistently control and improves the production effectiveness in order to maintain its competitiveness.

3) Product Procurement

A Production Process and Capacity

1. Aluminum Bare Fin, Blue Fin or other colors as required by customers. Aluminum will be fabricated with Fin Press according to the customers' pattern
2. Copper Tube. Soft copper tube will be passes through shearing process using Hairpin Bender for specific length. Aluminum fabricated by Fin Press will be inserted with Hairpin Tube sheared with Hairpin Bender. Coil size will be determined at the insert coil table with Insert Hairpin process. The coils will be passed the Expander Machine to compress such coils for the size required. After that, the coils will be passed through Dry Oven to eliminate oil slick from previous process with 160 °C for 5 minutes. Then the coils will be assembled by welding U-pipe and Header with automatic Brazing or Manual Brazing. All coil production processes from the beginning to final process have to be passed the standard quality control process and the products have to be manufactured based on customers' specifications.

Diameter of copper tube	Capacity per month (pieces)
7.00 mm	20,000
7.94 mm	40,000
9.53 mm	60,000
Total	120,000

B Raw Material Procurement

Raw materials used in the production are standard products under the supplier's condition and comply with supplier' international standard conditions. The lead time for production is 1-2 weeks for copper tube and 4-5 weeks for aluminum depends on the difficulty of raw material production. The Company purchases copper tube from major copper tube manufacturers in Thailand while the Company imports aluminum from China. The Company determines and informs the delivery time and amount required to

supplier in order to obtain on-time delivery. From past until now, raw material price has been fluctuated and rapidly changed. Besides, the customers' business plans always adjust to fit with environment. The Company has dealt with its customers and suppliers for its purchase and selling system such as the selling price to its customers will be the average price of copper for the last 2 months for current transaction, the purchase price from its suppliers will be the average price of copper for the last 2 months as well in order to mitigate the risk from raw material price

C Environmental impact

Most raw materials to be assembled to be heat exchanger are metal, copper and aluminum. The waste from production process will be sold to waste buyer and be back to raw material manufacturer for recycling. Therefore, the environmental impact is minimal. Meanwhile, the plant at Laem Chabang which located in Industrial Estate has to monitor waste water and gas emission from the plant and report to Industrial Estate every month which the Company is able to control all environmental levels.

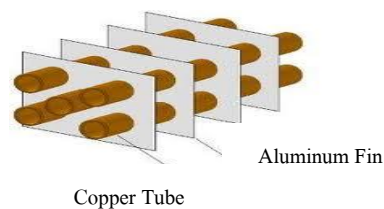
2.2.4.2 Heat Exchanger made from aluminum

1) Product Characteristics

Residential air conditioner industry is a major market of Thailand and SNC Former Public Company Limited manufacturers and distributes various parts of residential air conditioner. One of the major components of air conditioner is heat exchange which a set of air conditioner comprises 2 heat exchangers, evaporator and condenser.

At present, condenser used in residential air conditioner mainly is Aluminum Fin-Copper Tube Type, F&T Type) (see the picture below) while Aluminum Condenser which used extensively in automobile air conditioner system has not been widely used in residential air conditioner.

Current Condenser (Fin & Tube)



Aluminum Condenser



Aluminum Tube ฝีม

Due to the fluctuation of global copper price during past 5-6 years together with the demand of efficient air conditioner for high energy saving enable residential air conditioner manufacturers tend to develop their products by using more Aluminum Condenser instead of F&T Condenser.

SNC Former Public Company Limited anticipated such market tendency, therefore, it has established SNC Creativity Anthology Company Limited (SCAN) at Rayong to manufacture and distribute Aluminum Condenser by using technology from Keihin Thermal Corporation from Japan which Keihin is a manufacturer of air conditioner parts and system for leading automobile manufacturers. Its major customer is Honda.

The outstanding characteristic of Aluminum Condenser comparing to F&T Condenser is using aluminum as major component. Aluminum is lighter and cheaper than copper and the price fluctuation is less than copper price. Besides, the design of fluid flow path is different which Aluminum Condenser has more surface touching cooling fluid. Therefore, heat exchanging is more efficient. To replace F&T Condenser with Aluminum Condenser in residential air conditioner will improve system for energy efficiency and using less fluid. The total weight will be less. Such difference will be noticeable for large air conditioner (from 12,000 BTU/ hour)

However, the obstacle of not widely using Aluminum Condenser in residential air conditioner is corrosion and leak of aluminum after using for a while. Each manufacturer has its own technology for material using, design and production. Since SCAN anticipated this obstacle, it employs technology from Keihin from Japan. Keihin has knowledge and experience for more than 30 years in manufacturing this product for Honda and others. Besides, SCAN has established Development Center in the organization. The initial investment for building, machinery and equipment is more than 80 million baht to support product design of each customer's requirement, build confidence of the product and constantly improve production cost in order to be able to compete with other players.

2) Marketing and Competition

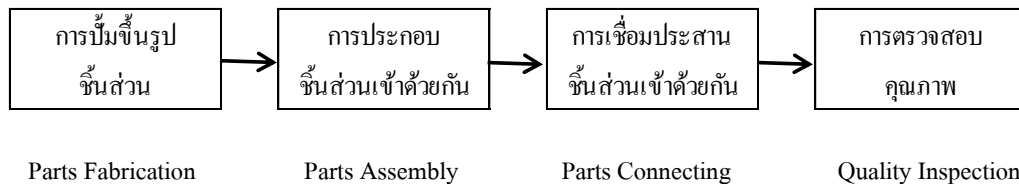
Regarding its marketing, SCAN's target customers are leading residential air conditioner manufacturers in Thailand especially manufacturers from Japan. In 2016, SCAN has started its marketing activities during building and plant construction as well as machinery installation by meeting and discussing with a couple major customers which obtained good response from them.

With regard to the competition, at present there are 4-5 Aluminum Condenser manufacturers for residential air conditioner in Thailand, mostly are manufacturers from Korea and Japan. This kind of product is quite new. The customers who are air conditioner manufacturers still not widely use but all manufacturers are under product development by using Aluminum Condenser. Therefore, in the next 1-2 years, Aluminum Condenser market for air conditioner has potential to grow greatly.

3) Product Procurement

Year 2013 was the preparation year of SCAN. SCAN constructed 5,000 square meters plant and already installed necessary machinery for production during quarter 4, 2013. The initial production capacity is at 100,000 machines per year and with additional machinery in 2014, the production capacity will increase to 500,000 machines per year.

SCAN's Production process of Aluminum Condenser will be as follows:



All parts will be mostly made from aluminum except in-out fluid line which will be made from copper. All materials will be bought mainly from domestic suppliers.

2.2.5 Insulator pipe

1) Type of business and product

The company is an insulated copper tube for air conditioner: Pipe kit for Air Conditioners manufacturer. The outstanding characteristic of the product is nonflammable. The product is not a fuel and it produces little smoke when it burns. It contains flame retardant with its self-extinguishing characteristic. It will not cause flame spread. The company focuses on manufacture for export. The main customer is OK_KIZAI who will send the products to Daikin in Australia, the Philippines and etc.

2) Marketing and Competition

The industry of air conditioner parts both in Thailand and overseas is quickly growing as per the change of weather and higher temperatures, including higher standard of the products emphasized on safety for users and eco-friendly. Because there are a lot of competitors in the industry of air conditioner parts, the company must have the outstanding characteristics for the selling point to become a leading manufacturer. SFHI Company therefore built the manufacturing line stressed the importance of world standard quality and the productivity which is able to respond to the diversity of customer demand in order to build customer trust and confidence that the products of SFHI Company can meet customer's needs more than other competitors' products.

3) Procurement

3.1 Raw materials

Most of the raw materials which are used for manufacture will tally with the customer's standard referring to the world standards such as JIS, UL standard. The raw materials are imported from overseas and procured from world's standard companies in the country. There are 3 main raw materials: copper tube, embossing foam sheet and master batch. According to the agreement with the customers, for acquiring good quality raw materials with suitable costs, prices tallies with the agreement.

3.2 Machines

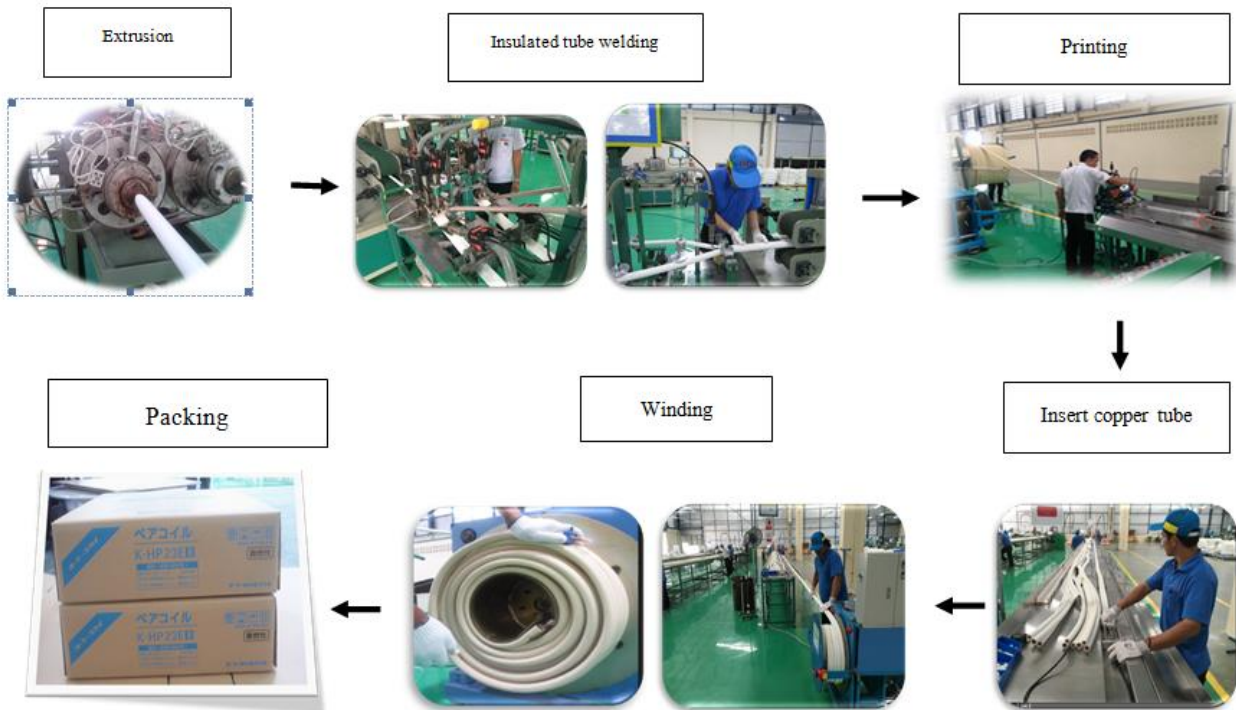
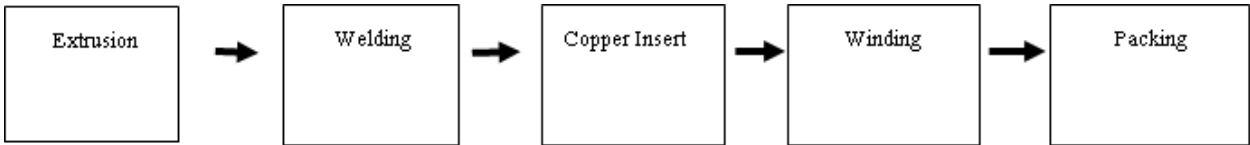
The company uses the machines imported from overseas. The company purchases machines directly from the manufacturers and the company's staff are trained to use the machines by the manufacturers in order to use and maintain them correctly. The main machines used in the manufacturing line were extruder, slitter, tubing and copper insert and winding. The company has a plan to bring the automatic system to use more in the future for reducing production costs. Furthermore, for flexibility of manufacture, the machines of SNC Group are compatible. For other manufacturing equipment such as Jet Fixture, the company owns the division of equipment manufacture to support each factory.

3.3 Human resources development

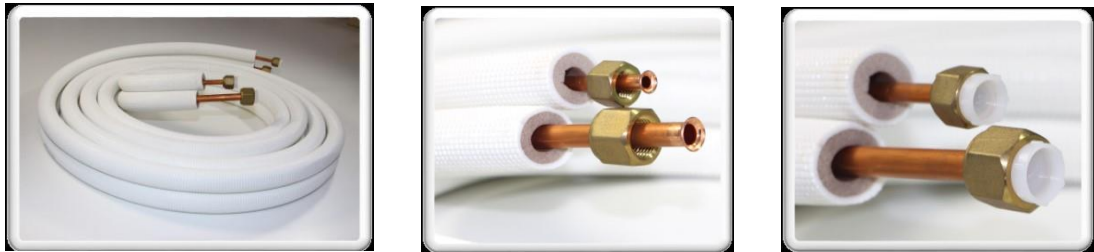
Human resources are regarded as the importance to develop competitive ability of a company. The company has the important policy regarding quality and competency which tally with work by using Radar Chart to evaluate and develop staff's potential including offering scholarships to the staff to continue studying for upgrading knowledge and skills in order to support growth of the company in the future and high competitive situation. For the way of management, the company keeps going by following the plan of building Mini MD.

3.4 Manufacture

Manufacture is divided into 5 main processes as follows: extrude insulated tube to cover inner tube and then bring the insulated tube to cover with the cut embossed foam sheet and join them with heater's head. Bring the tube to print in size, model, length and logo as per the customer's order and then insert the copper tube which is cut to the specific length into the insulated tube. Wind the tube and check completeness before packing for sale.



Product sample : Insulated copper tube for air conditioner: Pipe kit for Air Conditioners)



2.3 Original Equipment Manufacturer for cooling machine (OEM and ODM)

2.3.1 Original Equipment Manufacturer for air conditioner

1) Product characteristics

The product of this business comprises of various characteristics depending on each customer's requirement. The main products are Window Type air conditioner, Wall Type air conditioner, Ducted Type air conditioner as well as big set of air conditioner ranging 100,000 – 300,000 BTU per hour. The Company also cooperates with customer to develop which is not air conditioner such as Heat Pump Water Heater. The Company's strength is be able to respond to its customer as they require since the Company is able to improve, adapt or design new product to fit with each customer requirement.

2) Marketing and Competition

Since the Company has no policy to launch its product under its brand, its aim is to be OEM (Original Equipment Manufacturer) and ODM (Original Design Manufacturer). The Company will develop its product to fit with each customer requirement. At present, the Company contacts with various foreign customers such as United Arab Emirates, Australia, United States of America, Japan, etc.

Target Customer

1. OEM Group, customers under this group comprise of
 - Fujitsu General (Thailand) Company Limited: products manufactured by the Company are Window Type air conditioner ranging from 8,000 – 27,000 BTU per hour
 - Sharp Appliance (Thailand) Company Limited: products manufactured by the Company are Condensing Unit for Wall Type air conditioner ranging from 5,000 – 9,000 BTU per hour
2. ODM Group, the Customers under this group comprise of
 - Well known air condition manufacturers and distributors. At present, the Company has developed the products with these target customers which are MITSUBISHI ELECTRIC, Goodman (USA), TRANE (Canada), etc.
 - Designer, distributor and installer of the air condition system for various projects in overseas. This group of customer has various projects under its responsibility and requires specific air condition system for each project. The major customer of this group is Westair Industries Inc. , Sakura Air Conditioner.
 - Products which are not air conditioner. This year the Company had developed product Air-to-Water Heat Pump with Atlantic from France, and is developing product in this group with various customers.

Revenues of 2 customers of OEM group are more than 90% of OEM air conditioner; the Company sells products directly to customer located locally. For ODM customers who mainly located in foreign

countries such as United Arab Emirates, Australia, France, USA and Japan, etc., the Company exports directly to customers.

Competition Situation

In Thailand, there are only a few large and high potential OEMs of air conditioner similar to the Company. Most of OEMs are small plants with low capacity. Therefore, the Company's real local competitors are its own customers. As a result, the Company has to manufacture the products at the lower cost with high quality and more effectiveness to motivate its customers for their confirmation for the Company to be its air condition manufacturer center.

The competitors outside country are players from China because of the lower labor and material costs. However, according to consumer view, the air condition from China still has image of low cost with low quality product comparing to air condition from Thailand which has better image. Besides, the labor welfare law of China which is stricter to the employers, the minimum wage in China which has been increased as well as tariff concern which air conditioner from China has to face when import to other countries enable the competitive advantages of Chinese players decrease especially the countries that entered into Free Trade Agreement with Thailand.

With regard to SNC, though there are several competitors from China and its size is smaller, the Company has experience and expertise in air condition parts industry for more than 30 years; its staffs are knowledgeable in design and development of air condition which be able to response to each customer requirement. Moreover, the image of Thai air condition enables the Company to be able to compete with other foreign players. Although, the world's well known manufacturer from Japan, Korea or United States of America have better technology than the Company, their production costs are higher as well.

Competition condition

There is no competition with other OEM manufacturers since almost all local OEM manufacturers have no sufficient capacity to support the customer. Besides, the Company has its own air conditioner parts manufacturing, it can control production factors which are quality, price and delivery time. Therefore, the Company has substantial competitive advantages above local OEM manufactures.

There are a few local entrepreneurs who engage in ODM of air conditioner for the export market such as Unifex Company Limited, Bitwise Company Limited, etc. Most of the players are Thai companies while the well-known foreign air condition manufacturers (such as Mitsubishi, Daikin, LG, etc.) are not focus on this market.

The Company has several competitors, mostly are located in various cities in China. Their strategies are mainly focus on low price. The Company will not compete on price but will focus on responding to each customer.

Besides, the Company has tried to expand the business of ODM by focusing on product development to add value to product the Company manufactured and assist the customer to have more choices.

3) Product Procurement

At present, the Company has one plant for manufacturing air condition for export market which is at Laem Chabang Industrial Estate. Most of its raw materials are purchased from local suppliers which can be categorized as follows:

- Compressor purchase from local suppliers such as Copeland and Siam compressor , part of compressors may directly import such as SANYO
- MOTOR mainly purchase from local suppliers
- Heat Exchanger manufacture from its internal production process
- Metal Parts manufacture from its internal production process
- Plastic Parts both purchase from local suppliers and manufacture from its group of company, the portion of purchase from local supplier is 80% of total value.

Besides, the Company also engages in assembly cooling machine for food industry such as Freezer which the Company's customers of this group are BIG, Air products.



2.3.2 Engaged for production and assemble of water heater

SNC - Atlantic Heat Pump Co., Ltd. (SAHP) was established on 24 March 2014 based on the joint investment of Thai and French parties with authorized capital of 45,000,000 baht. The Company is located at 88/18 Moo 2, Makhm Khu Sub-district, Nikhom Phattana District, Rayong 21180. Its main operation is to manufacture heat pump unit for large water heater (100-300 liters). The shareholding proportion is presented in the table below:

No.	Joint Investor	Shareholding percentage	Authorized Capital (Baht)
1	SNC Former Public Company Limited	74%	33,300,000
2	SA ATLANTIC SFDT JSC	26%	11,700,000
Total		100%	45,000,000

1. Business Nature and Products

SAHP's business of heat pump unit production and distribution has some special features as follows:

1. A joint investment between SNC and customers buying the product (ATLANTIC) with an aim to develop products that meet customer's need.
2. All products are exported to the customer in France for assembly as water heater with tank and other components.

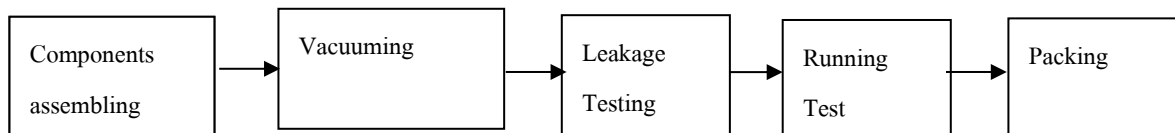
2. Marketing and Competition

Heat Pump Unit manufactured SAHP is designed and developed under the cooperation of SNC Former Public Company Limited and ATLANTIC and specifically used as a component of ATLANTIC's water heater. The Company's customer (ATLANTIC) is also a shareholder in this company and thus marketing issue is not necessary.

However, there might slightly have some competition with other manufacturers and suppliers and such has driven the Company to try to control its production cost at reasonable level and seek for cooperation with its client on how to save cost of materials while product quality is still maintained in order to enable the Company's client to compete with other water heater manufacturers.

3. Product Supply

The production is generally classified into 5 major steps, namely, components assembling through brazing of machine base, compressor, copper tube and heat exchanger, vacuuming, leakage testing with Helium, running test and packing, respectively.



2.4 Other Operations

2.4.1 Manufacture industrial tools

On May 30, 2012, the Company obtained controlling power in Toptech Diamond Tool Company Limited which is a service provider for tools manufacturing made of steel, tungsten carbide. The acquisition of 60% of Toptech Diamond Tool Company Limited enabled the Company to synergize management, expand to new business, increase chance to generate revenues, lessen time and process in building new organization and new working team, reduce production cost by using existing resources, increase bargaining power and diversify risk from depending on single business by compensating revenues from each business.

1) Product Characteristics

The products are industrial tools which are cutting tools using for lathe, milling, punching, polishing and cutting parts by focusing on special tools which made of steel, tungsten carbide with diamond or PCD (Polycrystalline Diamond) which possess special strength for milling, eroding, punching and longer useful life. Therefore, these tools are able to increase more production efficiency than other standard tools. At present, these tools are used in automobile parts manufacturing industry, electronic parts industry, synthetic wood industry, furniture industry, printing industry including upstream industry such as steel melting, steel fabrication, etc. which the Company manufactures according to customers' requirements.

2) Marketing and Competition

Regarding tools which comprised of steel tungsten carbide (Cutting tools) especially standard size tools for general use, at present more than 70% of tools in Thailand have to be imported from Japan, Korea, Taiwan and China. Therefore, this industry still has potential to grow since:

2.3.4.1.1 The total market share comparing to imported portion still have potential to grow as well as capability to compete for cost, quality and faster delivery

2.3.4.1.2 Even the automobile industry in previous year was affected from the slowing down economic, but the automobile export still growing therefore, using such special tools still in demand

2.3.4.1.3 In Cutting tools group still be able to classify into various segments such as tools for lathe, cut, drill, punch or Mold Die & Punch Dies which the Company is preparing to expand its business to cover further.

3) Product Procurement

A Raw Material

Major raw material for production is high quality steel Carbide, PCD (Polycrystalline Diamonds, CBN (Cubic Boron Nitride) which customers will determine type of material for each job and will submit design to the Company. The production plan department will determine grade of raw material that

appropriate for customer using by considering the effectiveness. At present, most of raw material has to import.

B Machinery

Machinery using to produce cutting tools has to be machines with highest resolution. The machines have to be at the best standard, therefore, all machines have to be imported. Besides, TPM (Total Preventive Maintenance) system has to be carefully taken. Therefore, the machines can be used at their maximum efficiency. Moreover, the Company has to consider good environment as the Company was granted ISO 14001 from Moody in December 2013.

C Human Resources Management

It is the Company's main policy since its product need high skilled production. Therefore, staff is major factor to drive the organization. The Company has set concept for business management as follows:

- To continue MINI MD project in order to establish empirical result. At present, there are 4 business groups classified by product for freely management with efficiency.
- To initiate in building cutting tools technician by cooperation with Occupation Education Institution by arranging the first Dual Vocational Course in Thailand and expect to be able to train technician with specific skill to support the real demand of this tooling industry
-

2.2.4 Production of plastic injection mold for high precision parts

MEISOU SNC PRECISION CO., LTD (MSPC) was founded on 10 November 2014 based on joint investment of Thai and Japanese companies with its authorized capital amounting to 25,000,000 baht. The Company is located at 56/2 Moo 3, Bang Pla Sub-district, Bang Phli District, Samut Prakan. The Company's business involves the production of plastic injection mold for high precision parts in electronic industry. The shareholding proportion is shown below:

1. Business Nature and Products

MSPC's plastic injection mold is used for small and high precision parts generally and mostly used in smart

No.	Joint Investor	Shareholding Percentage	Authorized Capital (Baht)
1	SNC Former Public Company Limited	70%	17,500,000
2	Meisou Co., Ltd.	30%	7,500,000
	Total	100%	25,000,000

phone, tablet, digital camera and eco-home appliance.

2. Marketing and Competition

The industrial sector involving manufacturing smart phone, tablet, digital camera and eco-home appliance has been expanded dramatically both in Thailand and other countries in CLMV group. In order to pursue its business success,

MSPC has to be able to manufacture plastic injection mold and its part of quality and price satisfied by customer as well as on time delivery. In addition, MSPC has to acquire production technology developed by MEISOU JAPAN (partner of MSPC) that can produce mold component at a very high precision level of 0.001 mm and 0.003 mm.

3. Product Supply

Starting with 3D CAD, mold components will be produced by CNC Macwining center for forming shape of the component, electric discharge machine, wire cut electric discharge machine and CNC grinding machine for fine forming. All manufactured components including those imported ones are then assembled to get instant mold which will be tested for quality before delivered to the customer.

2.4.3 SSM Automation Company Limited (SSMA)

SSM Automation Company Limited (SSMA) was established on October 26, 2011 by joint venture between Thai and Japanese with registered capital of 100,000,000 baht located at 88/19 Moo 2, Makhmku District, Amphur Nikom Pattana, Rayong 21180 to engage in manufacturing and fabricating metal parts for automobile and electric appliance parts. The shareholding portion is as follows:

No.	Partnership	Shareholding Portion	Registered Capital (Baht)
1	SNC Former Public Company Limited	51%	85,000,000
2	SUGIMOTO METAL MANUFACTURING CO., LTD	46%	76,000,000
3	MR. MASAHIRO SUGIMOTO	2%	3,000,000
4	MR. TADASHI SASAKI	1%	2,000,000
Total		100%	100,000,000



SSMA

1. Nature of business and product

Metal fabrication business of SSMA possess distinctive feature which is different from other general manufacturers in Thailand as SSMA mainly focuses on using Robot line, Transfer Line and Progress Line for its production lines. SSMA emphasizes on parts manufacturing for automobile and electric appliance industry, the details of each main product group are as follows:

1.1 Automobile parts

At present, SSMA manufactures automobile parts for H-One Parts (Thailand) Company Limited (automobile parts for Honda and Mitsubishi) and Kyokuyo Industrial (Thailand) Company Limited (automobile parts for Nissan)

1.2 Electric appliance parts

Major customers of this group are Mitsubishi Electric Consumer Product Company Limited, Sharp Appliances (Thailand) Company Limited, Electrolux Company Limited and SNC Former Company Limited, etc.

2. Marketing strategy and competition

Automobile industry in Thailand is the high growth industry whereas the competition in steel fabrication for automobile industry is also severe. To step up to be the leader, the player has to possess particular characteristics to be selling point for customers. Therefore, SSMA has built its production line by focusing on “Quality” and “Productivity”. SSMA invested in Robot Line, Transfer Line and Progress Line in order to ensure its customers that its products will be “cheaper”, “better”, and “faster”, products than other competitors’ products.

SSMA aims to be Tier 1 Supplier for automobile parts within 2016, while it will also manufacture parts and deliver to customers in electric appliance industry such as Mitsubishi Electric Consumer Product Company Limited (air conditioner), Sharp Appliances (Thailand) Company Limited (Sharp refrigerator), etc.

SSMA aims to become Tier 1 Supplier for auto parts by 2014 and we have already achieved that goal with Suzuki Motors (Thailand). In this 2015, we produce parts for another new model of SUZUKI car as Tier 1 Supplier. At the same time we also produce parts for customers in electric appliances industry e.g. Mitsubishi Electric Consumer Product (air-conditioner), Electrolux (refrigerator) etc.

3. Product Procurement

The production will be divided into 3 main procedures, cutting, fabrication and assembly. Firstly, the steel will be cut, followed by fabricated to be various parts and then assembled by connecting fabricated parts

together. Subsequently, the product will be tested for its quality before packing and delivery to customer later. However, some products might be required only fabrication process (no assembly).

At present, SSMA has 4 production lines which are

- 3.1 Robot Line comprising of 800 ton and 500 ton press machine for 4 machines and 5 robots



Robot Line

- 3.2 Transfer Line comprising of 500 ton press machine and Transfer set

- 3.3 Progressive Line comprising of 250 ton and 80 ton press machines and feeder set

- 3.4 Tandem Line comprising of 300 ton press machines for 5 machines and 80 ton press machine for 2 machines

2.4.4 SNC - Atlantic Water Heater Asia Co., Ltd. (SAWHA)

SNC - Atlantic Water Heater Asia Co., Ltd. (SAWHA) was founded on 13 June 2013 based on the joint investment of Thai and French companies with its authorized capital amounting to 45,000,000 baht. The Company is located at 88/9, 88/18 Moo 2, Makham Khu Sub-district, Nikhom Phattana District, Rayong 21180. Its main business activities involve the production of water heater (STORAGE TYPE WATER HEATER). Shareholding proportion is as follows:

No.	Joint Investor	Shareholding Percentage	Authorized Capital (Baht)
1	SNC Former Public Company Limited	49%	22,050,000
2	SA ATLANTIC SFD T JSC	51%	22,950,000
Total		100%	45,000,000

1. Business Nature and Products

SAWHA's business of water heater production and distribution has some special features as follows: This company originates from joint investment of SNC and its client (ATLANTIC) in order to customize the product as required by the customer and to sell to ATLANTIC INTERNATIONAL, a sale distributor of ATLANTIC. All manufactured products are sent to trading partner countries directly from SAWHA

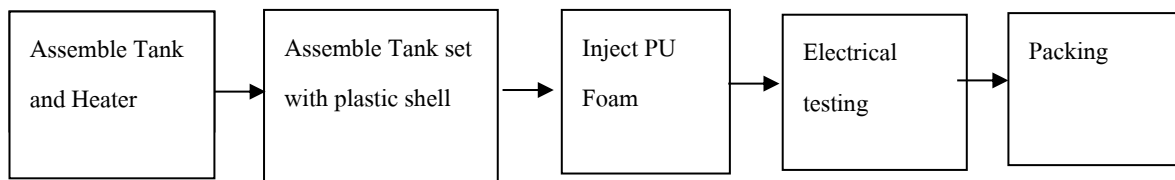
2. Marketing and Competition

Water heater manufactured by SAWHA is designed and develop and distributed to various countries by ATLANTIC where SAWHA is considered as a production base. The product has been popular in many countries. However, the main markets are those in Asia (India, Indonesia, Vietnam and Singapore etc.) and Europe.

This storage type water heater is manufactured by many manufacturers in Europe and China. The strategy for competition is to get beautiful modern design with quality of assembly. This requires the Company to control part quality especially plastic parts to maintain work quality. The Company also needs to work hand in hand with its customer on how to save material cost and on new design that meet customer's need and satisfaction in order to enable them to compete with other water heater manufacturers in the market.

3. Product Supply

Production is divided into 5 major steps; starting from the assembly of enamel-coated tank with heater, tank set testing for leak, assemble tank set with plastic shell, PU foam injection, electrical testing and packing.



3. Risk Factors

Risk factors from the Company's business operation that might significantly affect the investors' returns can be summarized as follows:

3.1 Operation Risk

3.1.1 Risk of fluctuation of raw material

The major raw materials of the Company are copper, aluminum, brass, metal and plastic. Copper, the main raw material, is the commodity product imported from other countries. Its price is fluctuated in relation to the global price (LME : London Metal Exchange) . The fluctuation of the copper price may affect the production cost of the Company to be higher. However, the management of the Company has set the guideline to mitigate the risk of copper price fluctuation in the future by:

1. Have meeting with the customer to discuss on copper selling price and it is agreed to use Rolling price, the average selling price of the previous quarter or otherwise use the price of the previous month to dictate current price. Currently, the Company buys copper from 2 major suppliers abroad and has reserved another 2-3 domestic suppliers to avoid risk of material shortage.
2. Each order for copper is based on the production plan given by the customer in the meeting listing details for number and quantity for order in each month.
3. Supervise order placement and inventory management to maintain least amount of inventory in hand.
4. In case the customer reserves copper from supplier and asks the Company to place order, the Company shall do so at the price reserved by the customer and use such price in determining selling price to the customer in order to avoid price risk.

3.1.2 Risk of dependency on a major customer

The Company has four major customer whose its revenues are at 54% of total revenues. If these customers terminates the appointment or materially decrease its purchase volume, the performance of the Company may be affected. Nevertheless, the Company has good relationship with such customer. The Company is able to respond to its demand for the product quality, reasonable price, punctual delivery and the effectiveness of pre-post sales service. Therefore, the customer is confident with the Company and there is potential to do more business together in the future. Since the beginning, the Company and the customer carry out product development (R&D) and production plan together. Such cooperation strengthens the relationship. In order to diversify its revenues structure, the Company procures new customer by increase customer base of ODM and co-develops the product with the customer. Besides, the Company has increased its customer base in the other group. Therefore, its retail customers have increased considerably from the previous year. The top executives has implemented the policy to find new

customers per current customers and keep the ratio of 30 : 70 including considering the effect on the ratio of each major customer, if the base is moved, it must not affect the company's profits more than 50%.

3.1.3 Risk from competitors from abroad investing in Thailand

According to the implementation of ASEAN Economic Community (AEC), more foreign investors from China, South Korea and others have come to set up production base in Thailand to enjoy tax incentives and this has resulted in more competition and impact on the Company's operation. However, the management has already made a plan for mitigating possible risks as follows:

1. Quality aspect- try to maintain and control product quality to meet the customer's need.
2. Delivery aspect- on time delivery
3. Price aspect-review excess capacity in order to get full capacity of the machine on 24-hour basis, offer low cost policy to the customer in order to persuade the customer to increase their order, extend business opportunity to the extent that the total production and revenue will rise with surplus profit to compensate fixed cost and ultimately get better operation figures. The customer will get reasonable price to maintain their competitiveness.
4. Service aspect – respond to information and customer's need immediately before and after sale, get customer's impression through its readiness for help and cooperation, build up good relation and make them feel that the customer are more like the Company's partner.

3.1.4 Risk of technological change impacting on business

Today consumers want equipment and device which can facilitate their daily life and also long for modern technology. The manufacturer therefore must adjust and change their methods of manufacture by designing and developing to be modern and be able to respond to customer demand. This can increase a higher competitive situation which focuses on quality, quick response and competitive price. The method of manufacture will be changed and develop continuously. If a company do not study and explore new technology and methods to prepare for supporting the diversity of production, it might lose business opportunities.

Our company established the research and development institute to study and provide new technology to support the departments of company's group to cumulate the old products and increase business opportunities by developing new products and designing products with customers.

3.2 Financial RiskRisk of fluctuation of foreign exchange rate

The Company imports raw material and exports its products with credit term around 30-60 days, the fluctuation of foreign exchange rate may affect the Company's operation. The raw material cost in foreign currency is 15% of Purchase of raw materials and sales in foreign currencies 8% of total sales.

4. Assets for business operation

4.1 Fixed assets for business operation

As at December 31, 2016, major fixed assets which the Company and subsidiaries utilize for business operation are as follows:

Details	Net Book Value (MB)	Obligation
Assets utilized for main business		
- Land and land improvement		
Rayong 4 plots of land Total 164.85 rais Owner	163.69	Free of obligation
Samutprakarn 2 plots of land Total 6 rais Owner	30.71	Free of obligation
Top tech 2 plots of land Total 5 rais Owner	25.80	Free of obligation
- Building and plant		
Head Office Owner	65.89	Free of obligation
SPEC Owner	263.98	Free of obligation
SCAN Owner	213.40	Free of obligation
Top tech Owner	80.62	Free of obligation
Other plants Owner	157.98	Free of obligation
- Machine, equipment and assets under installation		
Machinery Owner	1,268.00	Free of obligation
Tool and plant equipment Owner	261.66	Free of obligation
Office equipment and furniture Owner	23.70	Free of obligation
Vehicles Owner	11.06	Free of obligation
Assets under installation Owner	180.44	Free of obligation
Total assets utilized for main business	2,686.94	
Assets for other use		
- Land at Rayong for business expansion in the future 91.2 rais Owner	76.21	Free of obligation
- Plant and land at Rayong rent to an associated company 1.31 rais Owner	10.33	Free of obligation
-Laem Chabang factory Owner	85.44	Free of obligation
Total assets for other use	182.31	
Grand Total	2,869.25	

Summary of major contracts of the Company and its subsidiaries

	Lessor	Lease Agreement	Term	Location	Area	Rental Fee/month
1) SNC Cooling Supply	KRC Development Co., Ltd.	Land Building	3 years (15 May 15- 1 Dec 16)	333/6 Moo 6, Bangprinag, Bangbor, Samutprakarn	8,000 sq.m.	840,000
2) Immortal Part	Warehouse said Siri Co., Ltd.	Land Building	2 years (1 Jan 15 - 31 Dec 16)	333/2 Moo 6, Bangprinag, Bangbor, Samutprakarn	4,000 sq. m.	460,000
	Warehouse said Siri Co., Ltd.	Land Building	1 year (1 Jan 15- 31 Mar 16)	333/4 Moo 6, Bangprinag, Bangbor, Samutprakarn	9,000 sq. m.	945,000
3) SNC Former Branch 2	Bangprieng Patana Co., Ltd.	Building Plant	2 years (1 Sep 14 – 31 Dec 16)	128/888 Moo 1, Bangsaotong, Bangsaotong, Samutprakarn	6,600 sq. m.	520,000
	Bangprieng Patana Co., Ltd.	Building Plant	2 year (1 Oct 15 – 31 Dec 17)	128/888 Moo 1, Bangsaotong, Bangsaotong, Samutprakarn	1,000 sq. m.	70,000
	Bangprieng Patana Co., Ltd.	Building Plant	2 years (1 Sep 15 – 31 Dec 17)	128/888 Moo 1, Bangsaotong, Bangsaotong, Samutprakarn	1,944 sq.m. (excl. parking)	147,000
	KRC Development Co., Ltd.	Building Plant	3 years (1 Sep 15 – 31 Dec 17)	333/5 Moo 6, Bangprinag, Bangbor, Samutprakarn	3,600 sq. m.	414,000
4) SNC Fukui Holy Insulation	บจก. ฟ้ายักษ์ ร่วมพัฒนา	Building Plant	3 years (1 Mar.15 – 28 Feb..18)	122/25 Moo 6, Bangprinag, Bangbor, Samutprakarn	6,000 sq. m	690,000
5) SNC Former Branch 4	Laemchabang Industrial Estate	Land Plant	10 years (1 Oct 07 – 30 Sep 17)	49/40 Moo 5, Laemchabang Industrial Estate, Tungsukhla, Sriracha, Chonburi	48 rais 42.51 sq.wah	880,405
5) Paradise Plastic	KRC Development Co., Ltd.	Building Plant	3 years (1 Sep 15 – 31 Dec 17)	333/5 Moo 6, Bangprinag, Bangbor, Samutprakarn	2,400 ตร.ม.	276,000

Intangible Assets

As at December 31, 2016, the intangible assets of the Company and its subsidiaries, software and rights to use license and other benefit, were at 45.31 million baht. The intangible assets are shown at cost less any accumulated amortization. The amortization is calculated on a basis of straight line method over the estimated useful life of the intangible assets. (Details are shown in the notes to the financial statements .Article 14)

4.2 Investment policy in subsidiaries and associated companies

The Company has policy to invest in subsidiaries and associated companies which engage in automobile parts, electric appliance parts and business that related to its existing operations in order to strengthen its long term capability support its business expansion, and adding value to the Company in the long run. Tax privileges granted from BOI is also another major factor for its consideration.

Details of investment in subsidiaries, associated companies and jointly controlled entity are shown in the notes to financial statements for the year ended December 31, 2016 section 11)

5. Legal Disputation

As at December 31, 2016, the Company had no following legal disputes:

- Legal dispute which may have negative impact on assets of the Company or its subsidiaries.
- Legal dispute which may significantly impact on the Company's business operation.
- Legal dispute which does not arise from normal course of business.

6. General Information

6.1 Company Information

SNC Former Public Company Limited (“the Company”), registration number 01075 47000 371, was established on March 1994. The Company was listed on the Stock Exchange of Thailand (“SET”) on October 2004 and its abbreviation of the securities listed on the SET is SNC.

The Company engages in parts manufacturing for automobile air conditioner and cooling machine as well as OEM for cooling machine.

As at December 31, 2016, the Company’s paid up capital was 287,777,339 baht. SNC Holding Company Limited, a registered company in Thailand, is the major shareholder of the Company holds 30% of its paid up capital.

The Company’s head office is located at 333/3 Moo 6, Bangpreang District, Amphur Bangbo, Samutprakarn 10560. Telephone No. 0-2763-8961-3 Fax No. 0-2763-8964 Homepage www.sncformer.com

Branch 2 :

128/888 Moo 1, Taparuk Road,

Bangsotong District, Amphur Bangsotong,

Samutprakarn 10540

Tel No. 0-2763-8961-3 Fax No. 0-2763-8964

Branch 4 :

49/40, Moo 5, Laemchabang Industrial Estate,

Tungsukhla District, Amphur Sriracha,

Chonburi 20230

Tel No. 0-3849-3400-19 Fax No. 0-3849-3423-4

6.2 Juristic persons which the Company holds at least 10% of their shares

(Information as at December 31, 2014)

Name and address	Type of Business	Paid-up Capital	Shareholding Portion (%)
<i>Subsidiaries which SNC Former Public Company Limited holds their shares directly.</i>			
<u>SNC Cooling Supply Company Limited</u> 333/3 Moo 6, Bangpreang District, Amphur Bangbo, Samutprakarn 10560 Tel No. 0-2108-0360-66 (Automatic 7 Lines) Fax No. 0-2108-0367-8	Engages in parts manufacturing for automobile air conditioner	30 million baht 300,000 common shares Par value 100 baht per share	99.99%
<u>SNC Pyongsan Evolution Company Limited</u> 88/9, 88/18-20 Moo2, Makhamku District, Amphur Nikom Pattana, Rayong 21180	Engages in parts manufacturing for cooling	220 million baht 22,000,000 common shares	99.99%

Name and address	Type of Business	Paid-up Capital	Shareholding Portion (%)
Tel No. 0-3889-3620-27 Fax No. 0-3891-7207	machine as well as OEM for cooling machine	Par value 100 baht per share	
<u>Immortal Part Company Limited</u> Head Office : 333/2, 333/4 Moo 6, Bangpreang District, Amphur Bangbo, Samutprakarn 10560 Tel No. 0-2108-0370-76 (Automatic 7 Lines) Fax No. 0-2108-0369, 0-2108-0377 Branch : 242/4 Moo 6, Bangpreang District, Amphur Bangbo, Samutprakarn 10560 Tel No. 0-2116-0750-2 Fax No. 0-2116-0754	Engages in parts manufacturing for cooling machine	70 million baht 700,000 common shares Par Value 100 baht per share	99.99%
<u>Paradise Plastic Company Limited</u> 333/5 Bangpreang District, Amphur Bangbo, Samutprakarn 10560 Tel No. 0-2763-8961-3 Fax No. 0-2763-8964	Engages in plastic parts manufacturing for electric appliance and automobile	30 million baht 300,000 common shares Par Value 100 baht per share	99.99%
<u>Toptech Diamond Tool Company Limited</u> 56,56/2 Moo 3, Bangpra District, Amphur Bangplee, Samutprakarn 10540 Tel No. 0-2182-1275-79 Fax No. 0-2182-1283-4	Engages in tools manufacturing made of steel, tungsten carbide cutting for metals industry	80 million baht 800,000 common shares Par Value 100 baht per share	66%
<u>SNC Creativity Anthology Company Limited</u> 88/21-24 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3802-6750-8 Fax No. 0-3802-6759	Production of air-conditioning parts for cars and housing. Manufacturing components for refrigeration and refrigeration	400 million baht 4,000,000 common shares Par Value 100 baht per share	99.99%

Name and address	Type of Business	Paid-up Capital	Shareholding Portion (%)
	manufacturing and assembling.		
<u>SNC Atlantic Heat Pump Company Limited</u> 88/21-22 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3620-27	Engages in manufacturing of heat pump for water heat pump	45 million baht 450,000 common shares Par Value 100 baht per share	74%
<u>SNC Fukui Holy Insulation Company Limited</u> 122/25Bangpreang District, Amphur Bangbo, Samutprakarn 10560 Tel No. 0-20063470-2 (Automatic 3 Lines) Fax No. 0-20063473	Engages in manufacturing of insulation copper pipe kit used for the installation of cooling machine and foam pipe insulation	50 million baht 500,000 common shares Par Value 100 baht per share	70%
<u>Meisou SNC Precision Company Limited</u> 56 Moo 3, Bangpra District, Amphur Bangplee, Samutprakarn 10540 Tel No. 0-2182-1275-82 Fax No. 0-2182-1283-4	Production and manufacture of molds and Die	Paid 13.75 million baht 250,000 common shares Par Value 100 baht per share	70%
<u>SSM Automation Company Limited</u> 88/19 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3891-7211-5 Fax No. 0-3891-7216	Engages in manufacturing and fabricating metal parts for electric appliance and automobile	166 million baht 1,660,000 common shares Par Value 100 baht per share	51%
<u>Odin Power Co., Ltd.</u> 333/3 Moo 6, Bangpreang District, Amphur Bangbo, Samutprakarn 10560 Tel No. 0-2108-0360-66 (Automatic 7 Lines) Fax No. 0-2108-0367-8	Investing in alternative power plant	200 million baht 2,000,000 common shares Par Value 100 baht per share	55%

Name and address	Type of Business	Paid-up Capital	Shareholding Portion (%)
<i>Subsidiaries which shares indirectly held by SNC Pyongsan Evolution Company Limited</i>			
<u>Ultimate Part Company Limited</u> 88/18 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3620-27 Fax No. 0-3891-7207	Engages in parts manufacturing for cooling machine and OEM for freezer	40 million baht 400,000 common shares Par Value 100 baht per share	99.99%
<u>Infinity Part Company Limited</u> 88/18 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3620-27 Fax No. 0-3891-7207	Engages in parts manufacturing for cooling machine	20 million baht 200,000 common shares Par Value 100 baht per share	99.99%
<i>Associates</i>			
<u>SNC Atlantic Water Heater Asia Company Limited</u> 88/9, 88/18 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3620-27 Fax No. 0-3889-3619	es in manufacturing water heater (has not commenced the operation)	45 million baht 450,000 common shares Par Value 100 baht per share	49%
<u>Fuso Industries Company Limited</u> 99/1 Moo 3 Bangsaothong District, Amphur Bangsaothong, Samutprakarn 10540 Tel No. 0-2397-9140-50 Fax No. 0-2397-9151-2	Engages in manufacturing of cooling parts	100 million baht 1,000,000 common shares Par Value 100 baht per share	20%

6.3 Other References

Registrar

Thailand Securities Depository Company Limited

93, 14th, floor, the Stock Exchange of Thailand Building,

Ratchadapisek Road, Dindaeng, Bangkok 10400

Tel No. 0-2009-9000 Fax No. 0-2009-999

Auditor

KPMG Phoomchai Auditing Company Limited

1 Empire Tower , South Sathorn,

Yannawa, Bangkok 10120

Tel No. 0-2677-2000 Fax No. 0-2677-2222

7. Securities Information and Shareholders

7.1 Registered Capital and Paid Up Capital

As at December 31, 2016, the Company's registered capital and paid-up capital was 287,777,339 baht, comprised of 287,777,339 common shares, at par value of 1 baht per share.

7.2 Shareholders

7.2.1 List of shareholders

List and shareholding portion of the top-ten major shareholders of the Company according to the latest book closing date on November 21, 2016 are as follows:

No.	Name	Shareholding	
		No. of shares	%
1	Thaisa-nguanvorakul Group *	110,815,122	38.51
2	ASIA INVESTMENT PARTNERS LIMITED	20,000,000	6.95
3	Mr. Wanchai Chaisawat	9,584,500	3.33
4	Mr. Praiwan Chartpitak	8,320,000	2.89
5	Mr. Anucha Kittanamongkhonchai	8,230,000	2.86
6	THAI NVDR CO., LTD	6,558,100	2.28
7	Mr. Pitak Pisetsit	4,020,000	1.40
8	HSBC (SINGAPORE) NOMINEES PTE LTD	4,002,800	1.39
9	Mr. Paisal Chartpitak	3,300,000	1.15
10	Mr. Chaiwat Witchawut	3,220,000	1.12
	Total	178,050,522	61.88

Remark *Thaisa-nguanvorakul Group comprises of SNC Holding Company Limited, Dr. Somchai Thaisa-nguanvorakul, Khun Sineenart Thaisa-nguanvorakul, Khun Anongnart Thaisa-nguanvorakul and Khun Chanisara Thaisa-nguanvorakul who hold 31.62%, 3.99%, 2.27%, 0.59% and 0.03% of total issued shares, respectively.

7.2.2 Shareholders of SNC Holding Company Limited

No.	Name	Shareholding	
		No. of shares	%
1	Dr. Somchai Thaisa-nguanvorakul	2,235,157	22.13
2	Mrs. Anongnart Thaisa-nguanvorakul	1,193,594	11.82
3	Miss Sineenart Thaisa-nguanvorakul	1,000,000	9.90
4	Miss Netchanok Thaisa-nguanvorakul	1,000,000	9.90
5	Miss Chanisara Thaisa-nguanvorakul	1,000,000	9.90
6	Mr. Keichin Nakamoto	757,500	7.50
7	Mr. Kenji Kodama	505,000	5.00
8	Mr. Fumiaki Takahashi	505,000	5.00
9	Miss Pilailuck Koonrukprom	257,500	2.55
10	Mr. Tosaporn Thaisa-nguanvorakul	257,500	2.55
11	Mr. Somboon Gurdlin	252,500	2.50
12	Others	1,136,249	11.25
	Total	10,100,000	100.00

7.2.3 Shareholders of Institutional Investors

ลำดับที่	ชื่อ	สัดส่วนการถือหลักทรัพย์	
		หุ้น	ร้อยละ
1	ASIA INVESTMENT PARTNERS LIMITED	20,000,000	6.95
2	Thai NVDR Company Limited	6,558,100	2.28
3	HSBC (SINGAPORE) NOMINEES PTE LTD	4,002,800	1.39
4	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	954,900	0.33
5	Safety Insurance Public Company Limited	913,000	0.32
6	CREDIT SUISSE AG, SINGAPORE BRANCH	440,000	0.15
7	OTHER	2,823,036	0.98
	รวม	35,691,836	12.40

For the good governance of the Company and to show transparency management, there is no cross shareholding or pyramid shareholding among the group of companies.

As at February 18, 2016, the Company had 3,854 minority shareholders, accounted for 48.39% of total issued shares and such information was disclosed in the SET's website.

7.3 Other Securities

The Company has no any other shares or securities.

7.4 Dividend Payment Policy

The dividend payout policy of the Company is not less than 50% of its net profit after tax and legal reserve, provided that the said payment shall have no impact to the Company's business significantly and should take other factors such as future performance, financial status, liquidity, business expansion plan and economics condition into consideration. Such dividend payment shall subject to the shareholders' approval or the Board of the Directors' approval.

Past dividend payment of SNC Former Public Company Limited

Dividend Payment for the year	2011	2012	2013	2014	2015	2016
Dividend per share (Baht)	1.60	1.60	1.00	0.66	0.90	0.90
Earnings per share (Baht)	1.81	1.72	1.47	1.31	1.42	1.40
Dividend payout ratio (%)	89%	93%	68%	50%	63%	64%

Remark: * The Board of Directors' meeting on February 7, 2017 passed the resolution for the dividend payment for the operation result of year 2016 for the year end period which was the last period at 0.40 baht per share, the dividend will be paid on April 28, 2017. After adding up with the interim dividend at 0.50 baht per share, the total dividend payment will be 0.90 baht per share.

Subsidiaries' Dividend Policy

The subsidiaries' dividend policy is to pay dividend on June and/or December every year, therefore, the parent company (SNC) shall have sufficient retained earnings to pay dividend to its shareholders further.

8. Management Structure

8.1 Board of Directors

As at December 31, 2016, the Company's Board of Directors comprised of 9 directors. Include

- Independence director 6 directors (More than one half of the Company's Board of Directors)
- None executive director 6 directors (For 67% of the Company's Board of Directors)
- Female independence director 1 director is Mrs. Chanisa Chutipat.

No.	Name		Position
1	Mr. Satit	Chanjavanakul	Chairman of the Board of Directors Independence Director
2	Dr. Somchai	Thaisa-nguanvorakul	Chairman of Executive Committee
3	Mr. Wisan	Wutthisaksilp	Independence Director
4	Mr. Chaisak	Angkasuwan	Independence Director
5	Mr. Suchat	Boonbanjersri	Independence Director
6	Mrs. Chanisa	Chutipat	Independence Director
7	Pol.Gen.Maj. Nopsak	Poovatanasedj	Independence Director
8	Mr. Somboon	Gurdlin	Director and Executive Committee.
9	Mr. Samitt	Palitagram	Director and Executive Committee.

Ms. Ratanaporn Leenawat is the Company Secretary

The definition of the Company's director's independence is more stringent than those provided by the Capital Market Supervisory Board as follows:

- 1) Holding shares not more than 0.5% of the total shares with voting rights of the Company, its subsidiaries, which shall be inclusive of the shares held by related persons.
- 2) Not being or having previously been a director who takes part in management, an employee, a staff member or advisor who receives a regular salary, or a controlling person of the Company, its subsidiaries unless the termination of being in such position had occurred at least 2 years before an appointment as the Company's independent director.
- 3) Not being a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, sibling and child as well as child's spouse, of its executives, its major shareholders, its controlling persons or such other persons who will be nominated to be executives or controlling persons of the Company or its subsidiaries.

- 4) Having no current or previous business relationship with the Company, its subsidiaries, its major shareholders or its controlling persons which may interfere his /her independent discretion, and not being or having previously been a major shareholder or controlling person of the company which has a business relationship with the Company, its subsidiaries, its major shareholders or its controlling persons, unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.
- 5) Not being or having previously been an auditor of the Company, its subsidiaries, its major shareholders or its controlling persons and not being a major shareholder or partner of the audit office of the auditor of the Company, its subsidiaries, its major shareholders or its controlling persons unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.
- 6) Not being or having previously been any professional service provider including legal advisor or financial advisor who receives more than 2 million baht annually from the Company, its subsidiaries, its major shareholders or its controlling persons and not being a major shareholder, controlling person or partner of such professional service provider unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.
- 7) Not being a director appointed as a representative of the Company's directors, major shareholder or a shareholder who is related to the Company's major shareholder.
- 8) Not operating any business which has the same nature and significant in competition with the Company, its subsidiaries or not being a major shareholder in partnership or a director who takes part in the management, an employee, a staff member or advisor who receives a regular salary or holding shares more than 1% of total shares with voting rights of other company who operates same business and significantly competes with the Company and its subsidiaries.
- 9) Having no characteristics that may affect the giving of independent opinions on the operation of the Company and its subsidiaries.

Authorized Directors

The Company's authorized directors are Dr. Somchai Thaisa-nguanvorakul jointly with Mr. Somboon Gurdlin or Mr. Samitt Palitagram, one of the directors totaling 2 persons are authorized to sign on behalf of the Company with the Company's seal affixed.

Scope of duties and responsibilities of the Board of Directors

1. Manage the Company to be in line with the laws, its objectives, Articles of Association, the resolution adopted at the shareholders' meeting as well as the Principles of Good of Corporate Governance, the guideline of the SET and the SEC. This excludes the matters required the shareholders' resolution such as matters as stated by laws that required shareholders' resolution, the connected transactions and the acquisition or disposition of significant assets according to the regulations of the SET or any other laws, etc.

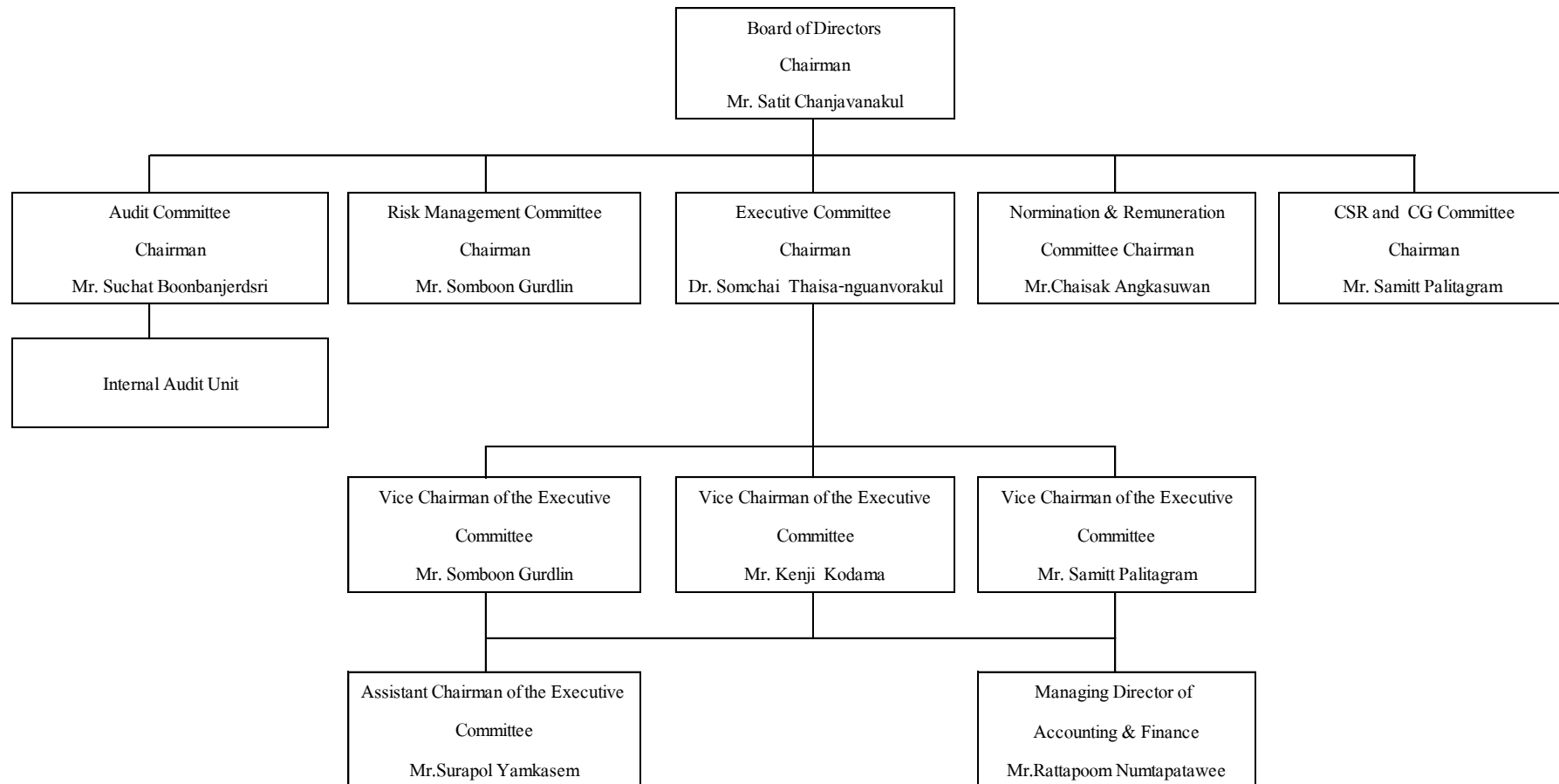
2. Approve the amendment of the Company's Articles of Association, capital increase, capital reduction, newly issued shares allotment and amendment of rights of the common share.
3. Approve the establishment of any companies or taking over any benefits in any other companies.
4. Approve the investment, borrowing, raising funds, applying for loan from commercial bank or receiving any financial support.
5. Approve the matters that may cause the mortgage or any other contingent liabilities to business operation, assets or the whole or important parts of assets, except the normal business matters.
6. Approve any loan or credit providing apart from the normal business.
7. Provide or not provide consent in the matter that may cause the whole or part of the Company's business to under any others control apart from the Board.
8. Approve any accusations or any compromises or agreements according to any other appeals apart from the normal business.
9. Appoint one director to assume the Chairman of the Board and may appoint the Deputy Chairman as the Board deem appropriate.
10. Approve the adjustment and amendment of the Company's authorized directors.
11. Appoint any directors to be the Executive Committee and appoint the Chairman of the Executive Committee as the Board deem appropriate.
12. Appoint the Remuneration Committee and Nomination Committee as the Board deem appropriate.
13. Appoint the Company's Secretary and the Secretary to the Board as the Board deem appropriate.
14. Approve the adjustment and amendment position and/or authority of Managing Director
15. Determine vision, business direction and strategy of the Company.
16. Approve major policies including objectives, financial goal, and business plan and ensure that the determined plan has been implemented as well as govern the management to operate effectively and efficiently according to the determined policy
17. Determine the guideline for the risk management covering all aspects and ensure that the managements have put in place the effective risk management system.
18. Approve the appropriate remuneration policy as proposed by the Remuneration Committee
19. Assess the performance of the Executive Committee, the Chairman of the Executive Committee and the executives.
20. Fairly oversee the benefits and rights of both major shareholders and minorities, including providing proper communication channels to each shareholder group and all stakeholders.
21. Consider carefully in regard to the connected transaction and determine the clear guideline for entering into any connected transaction and for the utmost benefit to the Company and the shareholders.
22. Ensure the accuracy, clearly, transparency and trustworthiness of the information to be disclosed.
23. Arrange for the Board of Directors' meeting at least quarterly or the Chairman of the board might call an extraordinary meeting if deem necessary. Agenda of the meeting has to be clearly specified in advance

with sufficient information and will be submitted with a written notice calling the meeting to all directors not less than 7 days prior to the date of the meeting in order to provide enough time set aside for directors to analyze the important information. Where it is necessary or urgent to preserve the rights or benefits of the Company, the meeting may be called by other methods and an earlier meeting date may be chosen. Moreover, the Board shall maintain the certified minutes of meeting and keep them for future reference and audit. All directors are encouraged to express their opinions independently with sufficient time upon the Chairman of the Board's consideration. At a meeting of the Board, at least one half (1/2) of the total number of directors present shall form a quorum.

24. Has responsibility to attend all shareholders' meetings.
25. Able to access and communicate independently with the Company's management and Secretary to the Board in order to request for additional information regarding business operation and any other information apart from the normal matters in the regular meeting every quarter.
26. Regularly arrange the meeting among the non-executive directors to discuss any matters in relation to the Company's business operation and interesting issues without management attending
27. Prohibited to engage in trading of the shares of the Company's group by using the material information that has not yet been disclosed to the public for personal or other interest. Furthermore, as stated in the Company's ethics, directors, executives and employees shall prevent from trading the shares of the Company's group one month prior to the public announcement of the financial statements.
28. Prohibited to operate any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a partner with unlimited liability in a limited partnership or become a director of any other private or public company operating business which has the same nature as and is in competition with the business of the Company, unless he or she notifies the shareholders' meeting prior to the resolution for his or her appointment.
29. Notify the Company without delay when such director has an interest in any contract which is made by the Company or the number of shares or debentures of the Company's group held by such director has been increased or decreased.
30. Devote for the Company and seek no any personal or other interest as well as not possess any actions that conflict or compete with the Company or subsidiaries. Director shall also promote all level of employees to hold high level of morality and virtue, with strongly concentration on internal control and audit in order to lessen the deception might arise and misusing of power, including the illegal actions.
31. Maintain the leadership and be a role model for the good performance.

8.2

Management Structure



As at December 31, 2016, the Company group comprised of 5 executives as follows:

No.	Name		Position
1	Dr. Somchai	Thaisa-nguanvorakul	Chairman of the Executive Committee
2	Mr. Samitt	Palitagram	Vice Chairman of Executive Committee and Managing Director
3	Mr. Somboon	Gurdlin	Vice Chairman of Executive Committee and Managing Director
4	Mr. Kenji	Kodama	Vice Chairman of Executive Committee and Co-Managing
5	Mr. Surapol	Yamkasem	Assistant Chairman of the Executive Committee
6	Mr. Rattapoom	Nuntapatawee	Managing Director – Accounting and Finance Department

Scope of duties and responsibilities of Managing Director

1. Operate or perform according to the policy, business plan and budget that have been approved by the Board of Directors.
2. Hire, appoint, transfer person at the number that appropriate and necessary to be the Company's executive or employee to perform in any position, including determine scope of duties and proper remuneration. Also be authorized to remove and lay off any employee as appropriate.
3. Determine commercial terms such as credit line, payment term, sales and purchase agreement and the change of commercial terms, etc.
4. Approve the payment for the project that be approved by the Board of Directors and any expenses/payments for the Company's business at the amount of not more than 300 million baht per time.
5. Consider investment for a range of projects including purchase and sales of assets and propose to the Board of Directors for approval.
6. Have the power to represent the Company to deal with external individual for any related business that is useful to the Company.
7. Approve the appointment of a range of advisors when necessary to the operation.
8. Perform any matters in relation to the Company's general operation.

The above authorization of the Managing Director has to be under laws, regulations, the Company's Articles of Association and shall not allow the Managing Director to approve the transaction which cause or may cause the potential conflict of interest with the Company or its subsidiaries. To enter into any connected transaction or the acquisition or disposition of assets of the Company or its subsidiaries according to the definition as determined by the SEC and the SET, the Company shall perform according to the rules and procedures as stated in the Notifications of such matters.

Legal Disputes

In the past 10 years, the Company's directors and executives has not been dismissed, discharged, or accused of any corruption or prosecution of bankruptcy or conviction of criminal case or dispute or undergoing lawsuit judgment.

8.3 The Secretary of the Company

The current secretary of the Company is Miss Rattaporn Leenawatta (Profile of the secretary of the Company, details of education and experience shown in attachment 1) and her duties and responsibilities are as follows:

1. Advise on legal and regulations which the Board of Directors has to recognize and perform accordingly and manage activities of the Board of Directors in order to enable the directors to efficiently and effectively perform their duties.
2. Monitor the Board of Directors, executives and all staff to perform according to the corporate governance policy and business ethics.
3. Oversee the disclosure of information and information memorandum as required according to the regulations and notifications of the SET and SEC.
4. Arrange shareholders' meeting and Board of Directors' meeting to be in line with laws, articles of association and other rules.
5. Prepare shareholders' meeting minutes and monitor the Company to perform according to the resolution of the shareholders' meeting.
6. Prepare and keep document such as director registration, invitation letters for Board of Directors' meetings, minute of Board of Directors' meetings, annual reports, invitation letters and minutes of the shareholders' meetings.
7. Keep and maintain report on the interest of the directors or executives.
8. Contact and communicate with general shareholders to inform the rights of shareholders and the Company's news and information.

Duties and responsibilities of the Chairman of the Executive Committee

The Chairman of the Executive Committee is responsible for managing the Company to be in line with the policy, target, budget and plan approved by the Board of Directors upon trustworthiness and due care basis and ensures that the interest of the Company and shareholders has been taken care properly. The duties and responsibilities of the Chairman of the Executive Committee include the followings matters:

1. Determine mission, objective, guideline and policy of the Company's group including administer overall operation, product and relationship with customers and report directly to the Board of Directors
2. Ensure the preparation and submission of business policy of the Company's group, including the business plan and budget, to the Board of Directors for approval, and report work progress according to the approved plan and budget to the Board of Directors every 3 months
3. Ensure the operation implementation in relation to the policy, plan, and budget approved by the Board

4. Be the authorized person to manage the Company's group according to its objectives, Articles of Association, policy, guideline, as well as the resolution adopted at the Board of Directors' meeting and/or the shareholders' meeting
5. Be the authorized person to order, contact, command, implement, and sign legal contracts, documents, orders, announcements, or any correspondence with government agencies, state enterprises, or other parties; and engage in any necessary and appropriate action that would facilitate the abovementioned duty
6. Assign power of attorney and/or delegate specific tasks to other persons, provided that such assignment and/or delegation comply with the power of attorney and/or rules, regulations, or directives of the Board and/or the Company

8.4 Remuneration of the Board of Directors and Executives

Remuneration of the Board of Directors

Remuneration of the Board of Directors is considered by comparing with other companies in the same industry listed in the SET as well as the appropriateness, experience, duty, scope of work and responsibility including contribution from each director.

In 2016, the Board of Directors received financial , which was meeting allowance as follows:

No.	Name	Remneration	Meeting Allowance(Baht)										Assigned company Vehicles	Toal
			BoD		AC		RC&NC		Risk		ESG			
1	Mr. Satit Chanjavanakul	1,200,000	⊙	120,000									333,000	1,653,000
2	Dr. Somchai Thaisa-nguanvorakul	-	○	60,000					⊙		⊙		-	60,000
3	Mr. Chaisak Ankasuwan	360,000	○	60,000	○	40,000	⊙						-	460,000
4	Mr. Wisan Wuttisaksin	360,000	○	60,000			○						-	420,000
5	Mr. Suchat Boonbanjersri	360,000	○	50,000	⊙	60,000							-	470,000
6	Mrs. Chanisa Chutipat	360,000	○	50,000	○	50,000							-	460,000
7	Pol.Gen.Maj. Nopsak Poovatanasedj	360,000	○	60,000			○						-	420,000
8	Mr. Surasak Khaoroptham	180,000	○	20,000									-	200,000
9	Mr. Somboon Gurdlin	-	○	60,000					○		○		-	60,000
10	Mr. Samitt Palitagram	-	○	60,000					○		○		-	60,000
	Total	3,180,000		600,000		150,000		-		-		-	333,000	4,263,000

BoD = Board of Directors

AC = Audit Committee

RC&NC = Remuneration & Normination Committee

Risk = Risk Management Committee

ESG = ESG Committee

⊙ = Chairman

○ = Director

Executives Remuneration

Remuneration of the executives will be considered based on performance of each person and the Company's operation result as well as the performance according to the pre-determined goal of each business unit. Besides, the Company shall explore and compare its remuneration to the leading companies which are in the same industry to obtain sufficient information for its remuneration determination. In 2016, the Company paid remunerations to 6 executives of the Company and its subsidiaries as follows:

Items	Million Baht
Salary	21.51
Assigned company vehicles	3.64
Provident Fund	1.51
Telephone expenses	0.31
Social Security	0.05
Others	0.37
Total	27.39

Shares holding of the Board of Director and executives

	Name	No. of Shares			
		December 1, 2015	During the year Trading the shares		November 21, 2016
			Buy	Sell	
1	Mr. Satit Chanjavanakul	-	-	-	-
	Spouse and Underage Children	-	-	-	-
2	Dr. Somchai Thaisa-nguanvorakul	11,257,212	223,500	-	11,480,722
	SNC Holding Company Limited	91,000,100	-	-	91,000,100
	Spouse and Underage Children	1,698,300	-	-	1,698,300
3	Mr. Somboon Gurdlin	7,949	-	-	7,949
	Spouse and Underage Children	-	-	-	-
4	Mr. Samitt Palitagram	433,690	-	-	433,690
	Spouse and Underage Children	-	-	-	-
5	Mr. Suchat Boonbanjerd Sri	517,000	-	-	517,000
	Spouse and Underage Children	-	-	-	-
6	Mrs. Chanisa Chutipat	-	-	-	-
	Spouse and Underage Children	-	-	-	-
7	Mr. Chaisak Ankasuwan	-	-	-	-
	Spouse and Underage Children	-	-	-	-
8	Mr. Wisan Wuttisaksin	-	-	-	-
	Spouse and Underage Children	-	-	-	-
9	Pol.Gen.Maj. Nopsak Poovatanasedj	-	-	-	-
	Spouse and Underage Children	-	-	-	-
10	Mr. Surasak Khaoroptham	-	-	-	-
	Spouse and Underage Children	-	-	-	-
11	Mr.Kenji Kodama	1,768,511	-	-	1,768,511
	Spouse and Underage Children	-	-	-	-
12	Mr.Surapol Yamkaseam	272,910	-	-	272,910
	Spouse and Underage Children	-	-	-	-
	Mr.Rattapoom Nuntapatawee	24,422	-	-	24,422
	Spouse and Underage Children	-	-	-	-

8.5 Personnel

Number of staffs

As at December 31, 2016, the staffs of the Company and subsidiaries can be classified by each department as follows:

Main Department	No. of staffs
Automobile air conditioner parts production	381
Cooling parts production	1,060
OEM for cooling machines	368
Other business lines production	85
Quality Control	153
Marketing	23
Human Resource	43
Information Technology	11
Research, development and maintenance	99
Transportation and Purchasing	43
Accounting and Finance	46
Warehouse	83
Others	78
Total	2,473

Employee Compensation

The Company considers the employee as its family member who deserves care without discrimination. The Company therefore has policy toward fair compensation and good welfare for its employees as well as maintenance of good and safe working environment. Also, the Company has appointed the Welfare Committee in accordance with the regulation issued by the Ministry of Labour; constituting of employer and employees and to be specifically in charge of employee welfare. This can create the motive for them to loyally work for the Company in order to establish sustainable growth and mutual benefit for the Company and the employee. This policy also applies to subsidiaries and affiliates.

Staff Remuneration

The expenses related to staffs of the Company and its subsidiaries are as follows:

Item	Unit : Million Baht			%
	2016	2015	Increase	
Salary and overtime	511	481	30	6%
Welfare	121	107	14	13%
Bonus	99	99	-	0%
Special Remuneration	77	90	(13)	-14%
Post employee benefit	14	10	4	40%
Provident Fund	14	11	3	27%
Employee benefits	2	12	(10)	-83%
Compensation expense for employees	31	-	31	-
Others	24	23	1	4%
Total	893	833	60	7%

Human Resource Development Policy

1. HR unit is responsible for new staff recruitment by announcing the position vacancy through various channels such as internet, notification at the society and communicate to all staffs. HR will convene the interview in order to get the staffs that possess qualifications according to the Job Description. After hiring new staff, HR will arrange for demonstration new staff before transporting to other units.
2. Apply Human Needs Theory of Maslow to be principal for human resource management in order to comply with various levels of the staffs which are officer level / low level management, middle level management and high level management.
3. Originate questionnaire for annual training requirement to allow staff to offer their preferred training course.
4. Operate QCC activities by indicating staff to join Action Plan activities at least 2 events per year in order to support team activities, to exchange idea and to employ benefit from this concept.
5. Daily Management & Policy Management by allowing all staff to be aware of their work target, work quality and accomplishment process by themselves, providing analysis system, reporting and evaluation as well as feedback information to workers.
6. Possess employee competency assessment SNC 9 Basic Need Skill Matrix which divided into 3 types: 1) Functional Competency 2) Core Competency 3) Work Permit. The Company will review the assessment once a year in order to issue work certification.
7. Provide employee evaluation system for remuneration and annual bonus consideration as well as arrange activities to support outstanding staff.

8. HRD unit has to assess training efficiency by evaluating both training and satisfaction of training course.
9. Develop staff to have multi skill and multifunction in order to increase staff capability to be ready for the change.
10. Develop future leader by developing leadership and adding new knowledge to strengthen management expertise and be prepared to be the leader for both existing and future businesses and offering internal and external training as well as providing fund for higher education.
11. Maintain staff who has good performance and high capability by preparing his career path such as work rotation, special assignment in order to provide opportunity for the staff to show his utmost competency.
12. The Company has established 4 Q policy which are

Quality of Product	Manufacture high quality products
Quality of Service	Provide high quality service
Quality of Environment	Focus on good environment
Quality of work life	Provide good work life

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors of SNC Former Public Company Limited confirms that the good corporate governance is the major factor to show the effective and transparent of the management system in order to build up the confidence and the assurance of the shareholders, investors, stakeholders and related parties and eventually bringing the success to the business, adding value and supporting the sustainable growth of the Company.

The Board of Directors has prepared code of conduct and business ethics so that the directors, executives and all employees realize and perform in relation to the good corporate governance as well as prepared good corporate governance manual which complied with the Principles of Good Corporate Governance for Listed Companies. The main ideas for the corporate governance are as follows:

1. Rights of Shareholders

The Board of Directors recognize the shareholders rights and avoid any actions that violate those rights including any action that can be considered in violation of the shareholders' rights to study the Company's information and attend the shareholders' meeting should be prohibited. Basic shareholder rights are rights to buy, sell or transfer shares, share in the profit of the Company, obtain relevant and adequate information on the Company in a timely manner and on a regular basis, participate and vote in the shareholders' meeting to elect or remove members of the board, appoint the external auditor and make decisions on any transactions that affect the company such as dividends payment, amendments to the company's articles of association or the company's bylaws, capital increases or decreases, and the approval of extraordinary transactions, etc.

Besides, each shareholder should be treated equally as defined in the Company's articles of association and related laws as follows:

- 1.1 Right to obtain information on the date, time, venue, and all agenda items with complete support data related to the matters required decision at the shareholders' meeting in advance for sufficient time and be on-time. The Company will also inform shareholders of the criteria and procedures governing the Company's shareholders meetings, process for attending the meeting, assigning a proxy, including the voting procedure. All information regarding shareholders meetings should be posted on the company's website before sending out the notice of the meetings so that shareholders can study all information prior to receiving the notice.
- 1.2 Right to attend the shareholders' meeting, express the opinions, ask questions, provide recommendations and participate in decision making for material changes. The Chairman of the meeting will allocate appropriate time and encourage the shareholders to express the opinions and ask questions related to the Company's operation. The Company encourages the shareholders to submit

their questions, proposed agenda as well as nomination of any qualified candidates to be considered as the Company's Board of Directors to the Company prior to the meeting. All directors will attend the shareholders' meeting to answer the shareholders in regard to the relevant matters.

2. Equitable Treatment of Shareholders

2.1 Shareholders' Meeting

The Board of Directors arranges the shareholders' meeting in the way that the shareholders are treated equally. The Company shall arrange for the shareholders' meeting at least once a year within 4 months after the fiscal year end. In case there is a special agenda that may affect or relate to shareholders' benefits or relate to any matters as stated by laws that required shareholders' resolution, the Company has to call for an extraordinary shareholders' meeting on a case by case basis.

2.1.1 Pre-shareholders' meeting

The Company shall provide equitable treatment to all shareholders by disclosing information in regard to shareholders' meeting both Thai and English on the Company's website, <http://www.sncformer.com>, 30 days prior to the meeting and submit such document to the shareholders more than 21 days prior to the meeting. Besides, the Company will announce in daily newspaper for 3 consecutive days before the meeting so that the shareholders can study in advance. Moreover, the Company will facilitate the shareholders to propose additional agenda and nominate qualified candidates to be appointed as the Board of Directors 3 months prior to the meeting. The Company has a pre-determined criteria for considering the additional agenda as proposed by the shareholders and determines procedure for the shareholders to nominate any candidates to be appointed as directors by proposed to the Nomination Committee with their qualifications and consents. Shareholders with management positions should not add any agenda items without notifying other shareholders in advance if not necessary, especially if it is an issue that will require shareholders to spend time to study relevant information before making their decisions. The Board of Directors also encourages the shareholders, who could not attend the meeting, to appoint their power of attorney to attend and vote for them. The Board of Directors will provide an option to shareholders by nominating independent director for their choice as their proxy and using the proxy form which the shareholders are able to specify their votes on each agenda.

2.1.2 Shareholders' meeting date

The Company will facilitate shareholders by providing staff to greet and assist each shareholder checking the document in order to attend the meeting. Also the Company will prepare stamp duty for shareholder who is the proxy grantor / holder. Before commence the meeting, the secretary of the meeting has to inform the quorum of the meeting, the vote count procedure. During the meeting, the Company will give the opportunity to all attendances for any inquiry or opinion expression and the Company shall completely and clearly answer to all questions. The Company shall convene the

meeting by each agenda in order without any additional agenda that is not specified in the invitation letter for shareholders' meeting. For the appointment of the Board of Directors agenda, the voting has to be for each director. The minutes of all meetings have to be recorded completely and accurately, also the Company shall record the meeting in video tape and disclose on the Company's website.

2.1.3 Post Shareholders' meeting

The Company shall submit the resolution of the shareholders' meeting to the SET and disclose on the Company's website within 14 days after the shareholders' meeting

According to developing and improving the Shareholder Meeting as consecutively held, the Company is, in this year, ranked "excellent" from the evaluation of quality in holding Shareholder Meeting in the Project of Quality Evaluation of Shareholder General Meeting in 2016 as held by Thai Investors Association.

2.2 Conflict of Interest Policy

The Company has set the "Code of Conduct" for all staffs to perform accordingly and to ensure that they acknowledge its operation policy and shall not perform against the policy and benefit. All staffs have to disclose all conflict of interest transactions according to the code of conduct with regard to the conflict of interest as follows:

2.2.1 Director and staff shall avoid any actions that will conflict with the Company's interest, not only by contacting with the Company's trading parties such as partners, customers, competitors or exploiting any opportunity or information received as be the director or staff of the Company for own benefit and should avoid to be in the business that compete with the Company or do other work except for the Company's work which will affect own duty.

2.2.2 Director and staff shall avoid holding the shares of the Company's competitors in which it might affect the director and staff to act or not to act according to their duties or affect to the performance of their duties. In case the director and staff hold such shares prior to be the Company's director and staff

2.2.3 or before the Company entered into this business or inherited, such director and staff have to inform his supervisor according to his ranking.

3. Roles of Stakeholders

The Board of Directors set the policy to treat all stakeholders such as customer, employee, trading partner, shareholder, payable and society by realizing their legal rights or any conditions of the agreements. The Company shall not enter into any actions that be considered in violation of the stakeholders' rights in order to operate smoothly and build up the sustainable security and provide benefit fairly to all parties.

Policy for Shareholders Responsibility

1. Perform duties with honesty and at the maximum capacity and equally treat to all shareholders.
2. Regularly report to shareholders in relation to the Company's operation with complete and accurate information.

3. Report to the shareholders concerning the Company's prospects for both positive and negative aspects with sufficient rationale
4. Realize the importance of the basic shareholder rights which are:
 - 4.1 Right to buy, sell or transfer shares
 - 4.2 Right to share the profit of the Company
 - 4.3 Right to obtain relevant and adequate information of the Company
 - 4.4 Right to participate and vote in the shareholders' meeting to elect or remove members of the Board, appoint the external auditor, and make decisions on any transactions that materially affect the Company
 - 4.5 Right to be informed the criteria and procedures governing shareholders' meeting
 - 4.6 Right to express the opinion and ask question in the shareholders' meeting

Policy on Employee Treatment

1. Provide appropriate and fair remuneration and welfare
 - Transportation arrangement covering employees' residences
 - on-site canteen offering clean food at reasonable price
 - financial aid from elementary through college education for employees' children
 - scholarship at various levels for public institutions
 - wedding allowance
 - maternity benefits
 - financial aid in the event of death
 - welfare in the event of death of family member
 - welfare for accommodation rental
 - provident fund which provide saving for employees
 - annual health check up
 - annual bonus
 - welfare for joint fund between employer and staff
2. Ensure and maintain working environment for life and asset safety of the employees.
3. Appoint, remove, reward or punish any employee by based on the appropriateness, knowledge and capability of such employee.
4. Consistently focus on staff development for knowledge, capability and skill and provide extensively opportunity for all staff.
5. Perform strictly according to the laws and regulations related to employee
6. Provide channel to staff to complain any matters that might be wrong action and set up the guideline to protect the staff or the informer of the wrong action

Policy on Customer Treatment

1. Deliver quality products per customer's request or higher than customer's expectation under the fair conditions.
2. Provide correct, sufficient and updated information related to the product and service to the customers so that they have sufficient information for decision making without misrepresentation of quality, quantity or any conditions of products and services.
3. Keep for all customers' confidential information and shall not illegally utilize such information for the interests of the Company or related parties.
4. Respond to customers' demand promptly and provide efficient system and channel for customer to complain about the quality of product and service.

Policy on Competitor Treatment

1. Encourage free and fair competition policy
2. Perform under the rules of fair competition.
3. Not unethically or inappropriately seek its partner's confidential information such as bribing the directors and staff of its competitors, etc.
4. Not destroy competitor's reputation by negative accusing

Policy on Trade Partner Treatment

1. Treat trade partner which recognized as its alliance and major success factor equally and consider for mutual benefit
2. Select trade partner transparently, systematically with standard as well as develop and maintain relationship sustainability with trade partner and contract partner
3. Trustworthiness with each other
4. Perform strictly under policy of partner treatment by selecting only standard partner and comparing price before order product and assess partner with international standard criteria

Policy on Creditor Treatment

1. Perform equitably and fairly to creditors and be based on fair benefit for both parties.
2. Perform according to the agreement or other conditions as agreed. If the Company could not meet any condition, the Company has to inform partner and/ or creditor in advance in order to find the solution together.
3. Under business negotiation, the Company shall avoid requesting, receiving or hiring for any dishonest benefits.
4. If there is any requesting, receiving or hiring for any dishonest benefits, the Company shall disclose to creditors and find out fair and rapid solution together.
5. Regularly report correct, complete and on-time financial statements to the creditors.

Policy on no violation of human rights of related parties

- 1 The Company shall not prevent or not offer privilege or treat unfairly to any person.

- 2 The Company shall not discriminate against any person because of his race, nationality, religion, gender, age, or education institution.
- 3 The Company considers right of employees with regard to body, asset and safety.
- 4 The Company provides freedom to employee to participate in politics under democracy.

Policy on no violation of intellectual property or copyright

- 1 The Company shall not violate intellectual property, patent and trademark of any person.
- 2 The Company's staff has duties to keep confidential of commercial information and business operating methodology of the Company, customers and partners.
- 3 The Company's staff has to employ computer for work not for other thing which is illegal, or against ethics, culture and tradition.
- 4 The Company's staff has to use legal software license and the Company do not allow for installation or utilization of illegal software license.

Corruption Policy

The improper giving of gift, asset or other benefit may cause supportive image or commitment which may affect the decision making in performing duty and the Company may loss its benefit eventually. Therefore, the Company does not allow such transaction. Thus, it has set up the policy of giving or accepting gift, asset or other benefit in its business ethics and be guideline to perform. In the previous year, the Company has operated various activities with regard to corruption as follows:

- No corruption transaction or morality violation
- No director resignation caused by the Company's corporate governance
- No negative reputation from failure of Board of Directors' duties in corporate governance

Policy for the Society and Community Responsibility

1. Be responsible for and assure that the environment and local tradition where the organization located shall be maintained.
2. Consistently arrange or participate in society, community and environment activities in order to improve the community and the quality of life by the Company's itself as well as cooperation with government and community.
3. Prevent accident and control waste at the lower level than the accepted standard.
4. Promptly and efficiently respond to the incident that affects the environment and community caused from the Company's operation providing full cooperation with government staff and related parties.
5. Encourage the Company's staff to have consciousness and responsibility for its society and environment under environment management (ISO 14001) as well as utilize resources efficiently.

4. Disclosure and Transparency

The Board of Directors shall ensure that all relevant information, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently through the SET's channel and the

Company's website. Such information will be consistently updated so that the investor and related party have sufficient and equal information for the decision.

The material information both financial and non-financial that have to be disclosed are as follows:

1. Annual statements (Form 56-1) and annual report
2. Corporate Governance policy and the result of the policy implementation
3. Policies on environmental and social issues and the implementation of such policies
4. A statement of the Board of Directors' responsibilities concerning the Company's financial reports presented alongside the auditor report of the Company's annual report
5. Disclosure of the roles and responsibilities of the Board of Directors and other committees, including the number of the meetings and attendances of each director
6. Disclosure of the remuneration of the Board of Directors and the executives

Besides, the Company has set up the Investor Relation unit to communicate and promote useful information to the shareholders, investors, analysts and general public through various channels including analyst meeting, conference call as well as answer questions through phone and the Company's website, etc.

In 2016, The company will provide investor relations activities follows.

1. Opportunity Day

The company joined the Opportunity Day to report operating results to investors, analysts and the media

In 2016 Opportunity Day 4 times.

No.	result	Date	Location
1	Yearly 2015	February 15, 2016	Stock Exchange of Thailand
2	Quarter 1/2016	May 12, 2016	Stock Exchange of Thailand
3	Quarter 2/2016	August 8, 2016	Stock Exchange of Thailand
4	Quarter 3/2016	November 11, 2016	Stock Exchange of Thailand





2. Analyst Meeting

Analyst meeting to provide information to analysts the opportunity to get to know. The inquiries and questions to Executives directly. In 2016 analyst meeting 4 times.

No.	result	Date	Location
1	Yearly 2015	March 16, 2016	Stock Exchange of Thailand
2	Quarter 1/2016	July 7, 2016	Stock Exchange of Thailand
3	Quarter 2/2016	September 30, 2016	Stock Exchange of Thailand
4	Quarter 3/2016	December 16, 2016	Stock Exchange of Thailand





3. Site visit

Site visit held to provide an opportunity for investors, shareholders or those interested can visit the company's businesses and operations. And to create a good relationship between them.

In 2016, Site visit 4 times.

No.	Date	สถานที่
1	February 20, 2016	Visit Rayong plant
2	May 14, 2016	Visit Samutprakarn plant
3	August 20, 2016	Visit Rayong plant
4	November 19, 2016	Visit Samutprakarn plant



5. Responsibilities of the Board of Directors

The Board of Directors plays an important role in corporate governance for the best interest of the company. The Board of Directors possesses leadership, vision, and independence in making decisions for the best interest of the company and all shareholders. The Board clearly separates its roles and responsibilities from those of management and monitors the Company's operations to ensure all activities are conducted in accordance with relevant laws and ethical standards. The Board of Directors also independently participates with the management in setting the Company's vision in order to determine the short-term and long-term plan, financial policy, risk management including the overall appearance. Besides, the Board governs the management to operate the Company effectively and efficiently in relation to the business plan such as establishment of the internal control system, performance assessment of the Company's group, etc. by considering the utmost benefit for its shareholders. The Board continuously has meeting to discuss the business direction and be the originator to support major actions such as human resources development policy, environmental development policy and culture of innovation establishment. The Board also realizes the importance of the attending the useful seminars including exchanging ideas with the management from other organizations in order to bring the knowledge to improve the Company's group. The Company shall inform general information to the directors who be appointed in the first time and be responsible for expenses for the directors who attend any useful seminar to improve their performance as the directors.

All directors are qualified person with competency and established experience from different areas. The Board of Directors is in charge with the duty to determine the Company's vision and mission and to give approval on business operation direction, policy, strategies and goal for the management as a scope for developing business plan, supporting plan and annual budgetary. KPI is used for monitoring its operation. In 2016, the Board took part in revising and approving vision, mission and strategies to ensure harmonized operation.

The Board monitors the implementation of strategies and operation results of the management and requires progress report of operation and results to be presented on monthly basis in the management meeting.

Corporate Governance Policy and Business Ethics

The Board of Directors has set the written corporate governance policy and business ethics, therefore, directors, executives and all staff shall realize the ethics standard which the Company using to operate the business. Besides, the Board of Directors shall constantly review the policy and performance according to the policy at least once a year as well as monitor the operation to operate according to the policy.

The Company has set the operation frame for corporate governance and business ethics for various aspects as follows:

1. The Company's directors, executives and all staff have to confidently and faithfully operate business in accordance with the Company's corporate governance policy and business ethics.

2. The Company's directors, executives and all staff shall convey the corporate governance policy and business ethics to operate and manage business at all levels.
3. The Company's directors, executives and all staff shall adhere to the fairness and equal treatment to all stakeholders and perform for the benefit of the Company at the utmost capability with loyalty, transparently and be able to examined.

The Company is aware that having a good policy without strict implementation is not good for the organization; therefore, the Company promotes the good corporate governance, as follows:

- Provide training on good corporate governance;
- The President takes part in disseminating the good corporate governance by being invited as expert to convey the policies of and experiences in good corporate governance in a variety of occasions.

Leadership, Vision and Mission

The Board of Directors supervises for the establishment of vision, mission, target, policy, direction, long-term strategy, plan, budget and the corporate governance policy. The Board of directors assigns the executives to propose and the Board of Directors shall express the opinion and discuss with executives to get the same opinion before approval consideration. The Board of Directors appoints the Chairman of the Executive Committee and Managing Director to be responsible for its strategy development and to implement such strategy. The Board of Directors also considers and clearly determines scopes, duties and responsibilities among the Board of Directors, subcommittees and the management.

Policy of its director to be director of other listed company

The Board of Directors has opinion that to ensure that the director can devote his time to govern the Company efficiently, such director should not be director of more than 3 listed companies and has to disclose details of appointment of each director in annual statement (Form 56-1) to notify shareholders. Such details can be able to see in SET website (www.set.or.th). At present, there is 1 director who are directors of other listed companies more than 3 companies. However, such appointment has no affect to their duties as the Company's directors. Policy of its director to be director of other company

To ensure the performance efficiency as the Company's director, the Board of Directors has set policy that its director can be director of other company not more than 5 companies and has to disclose details of appointment of each director in annual statement (Form 56-1) to notify shareholders. Such details can be able to see in SET website (www.set.or.th). At present, there are 5 directors who are directors of other companies more than 5 companies. However, such appointment has no affect to their duties as the Company's directors. There are 3 directors who are the directors of the Company's subsidiaries

Policy of its managing director to be director of other company

The Board of Directors has set the policy of its managing director to be director of other company which the managing director has to inform the Executive Committee for an approval prior to be director of other company and such company has not been operated in the same business as the Company or competed with the Company.

Board of Directors' structure

1. In order to balance operation power, the Company has separated position of Chairman of the Board of Director and Chairman of Executive Committee which such positions will not to be the same person. The Company's Chairman of the Board of Directors is an independent director and has no relationship with management.
2. The members of the Company's Board of Directors consisted of 9 persons, comprised of 3 executive directors, 6 non-executives director and 6 of them are independent directors according to the Company's Articles of Association which indicated that the Company shall maintain at least 5 directors at all time and the good corporate governance of which at least 1/2 of the entire Board of Directors have to be the independent directors.
3. The Company has clearly set term of service of directors to be in line with the principles of good corporate governance for listed companies and regulations of the SET as follows:

At every Annual General Meeting, one third of the directors who serving longest term shall retire from the office. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire. The directors who retire from the position may be re-elected from the shareholders' meeting. Term of service of each director is 3 years. In case any vacancy occurs for any reasons except for retirement as a result of the expiration of the director's term of service, the Board of Directors shall elect a person who possesses qualification and does not prohibit by law to be director and new director's term of service will be for the remaining term of service of such retired director. Such appointment has to be approved by the Board of Directors with the vote not less three quarters of the number of remaining directors.
4. The Company clearly determines the qualifications of the Audit Committee
5. The Board of Directors limits the number of years to be appointed as independent director for not more than 6 years. Currently, there are six independent directors who hold more than one year are, however, an independent director for a long time. No impact on independence and the performance.

Sub-Committee

1. Besides the Audit committee which is required by the regulations of the SET, the Company has arranged sub- committee for good corporate governance which are

Audit Committee

Audit Committee is responsible for correctness, accuracy and reliability of the Company's financial statements, sufficiency of internal control system, performance in accordance with the laws governing Securities and Exchange or laws concerning the business of the Company and providing opinion of the appropriateness of auditor and conflict of interest transaction.

Risk Management Committee

Risk Management Committee is responsible for determining strategy, controlling, supervising, monitoring and evaluating the risk management and also preparing warning system for all types of risk management to be at acceptable level and in accordance with the Company's risk management policy.

Remuneration and Nomination Committee

Remuneration Committee is responsible for setting the criteria independently and fairly for the appropriate and necessary remuneration, both financial and non-financial for the Board of Directors, Committees, Executive Committee and the management of the Company for each year. Is responsible for selection the candidates who will be appointed as the Board of Directors and the Company's management including arranging procedure those shareholders can participate in director selection and appointment and then presents the candidate to the Board. The Board will present to the shareholders' meeting for appointment.

ESG Committee

ESG Committee are responsible for monitoring and supervising the Company's business operation to be in accordance with corporate governance and corporate social and environment responsibility.

Executive Committee

Executive Committee is responsible for monitoring and supervising the Company to perform in accordance with its strategy and business trend as well as build up the same working system of the Company and its subsidiaries.

2. The majority of the committee members are the independent directors for the transparency and independently operation
3. The Chairman of the Board of Directors and the Chairman of the Executive Committee are not the Chairman or member of any committee for independent operation of each committee.
4. In order to ensure the performance of subcommittee to be efficient and achievable of its duties and responsibilities as assigned by the Board of Directors, the subcommittee should have meeting at least twice a year to consider, consult and manage any aspects to accomplish its own responsibility.

Scopes and duties of the Board of Directors and the Management

The Board of Directors has clearly divided duties and responsibilities between the Board of Directors and the management. The Board also regulates that the Chairman of the Board of Directors and the

Chairman of the Executive Committee have to be difference person and the scope, authorities and duties have to be separated clearly in order to balance between management and good corporate governance.

Development of directors and executives

The Board of Directors supports the training and knowledge providing to persons who related to the corporate governance system of the Company such as directors, audit committee, executives, the secretary of the Board of Directors, internal audit unit, SET contact person and the secretary of the Company, etc. in order to consistently improve the efficiency of performance and the work.

Currently, there are 8 of 9 directors attending training in the course in relation to the roles and functions of directors.

Orientation of new director

The Board of Directors has determined that all new directors have to attend the orientation in order to understand business as well as operation of the Company to be ready to perform duty as its director. Besides, the Company has policy to strengthen knowledge and new view points of all directors for corporate governance, industry condition, technology, new innovation in order to support their performance to be directors promptly and efficiently.

In 2016, No new director

Board Meetings

1. The Board of Directors shall set its meeting schedule in advance each year, the meeting must be held no less than six times. In 2016 meeting seven time and notify each director of the schedule so that each member of the board can manage time to attend the meetings. In case of emergency, the Company may call for an additional meeting

The Company determines the Schedule of 2017 Board of Directors Meeting in advance, as follows:

No. 1/2017 Wednesday, Feb 1, 2017	No. 4/2017 Wednesday, August 2, 2017
No. 2/2017 Thursday, March 30, 2017	No. 5/2017 Wednesday, November 1, 2017
No. 3/2017 Wednesday, May 3, 2017	No.6/2017 Wednesday, December 6, 2017

2. The minimum quorum of the committee to vote at the meeting. Must be present for at least 2 out of 3 of its members.
3. The Chairman of the Board and the Chairman of the Executive Committee should set the Board meeting agenda together and ensure that all important issues are already included. Each member of the Board should be free to propose an issue for a meeting agenda.
4. Meeting documents should be sent to each director in advance at least 7 day of the meeting date. The document should be concise, with all relevant information. Any confidential issues should be brought to discuss during the meeting.

5. The Chairman of the Board should appropriately allocate the meeting time for complete management's presentation and comprehensive directors' discussion. The Chairman should encourage careful consideration in the meeting.
6. The Board should have access to additional information, under a prearranged condition, via the managing director, the company secretary or the executive designated as a contact person.
7. Non-executive directors should be able to meet, as necessary, among themselves without management team in order for them to debate their concerns. The meeting outcome should be notified to the Managing

Director, in 2016 the non-executive directors No issues with management. It was not held.

In 2016, Board Meetings is following

No.	Name	Position	Meeting year 2016				
			Board of Directors	Audit Committee	Remuneration and Nomination Committee	Risk Management Committee	ESG Committee
1	Mr. Satit Chanjavanakul	Chairman of the Board of Directors	7/7	-	-	-	-
2	Dr. Somchai Thaisa-nguanvorakul	Chairman of Executive Committee	7/7	-	-	-	-
3	Mr. Chaisak Ankasuwan	Independent Director	7/7	4/4	2/2	-	-
4	Mr. Wisan Wuttisaksin	Independent Director	7/7	-	2/2	-	-
5	Mr. Suchat Boonbanjerd Sri	Independent Director	6/7	3/4	-	-	-
6	Mrs. Chanisa Chutipat	Independent Director	6/7	4/4	-	-	-
7	Pol.Gen.Maj. Nopsak Poovatanasedj	Independent Director	7/7	-	2/2	-	-
8	Mr. Surasak Khaoroptham	Director	2/3	-	-	-	-
9	Mr. Somboon Gurdin	Director	7/7	-	-	11/11	5/5
10	Mr. Samitt Palitagram	Director	7/7	-	-	11/11	5/5

Board Self –Assessment

The Committee has managed to have self-assessment by the committees and also individual assessment and performance evaluation for CEO. The procedures for those assessments include the following:

4. Selection Committee and Remuneration Committee review the assessment form to ensure its completeness and compliance with the criteria and requirements.
5. The Committee evaluates performance on yearly basis.
6. The Secretary summarizes the assessment and reports to the Board.
7. The Committee causes to have improvement of working system to achieve more effectiveness.

Board of Directors Assessment

Board of Directors assessment aims to employ the assessment to improve the Board's performance. The assessment criteria are as follows:

- | | | |
|---|---|---------------------|
| 4 | = | Excellent Operation |
| 3 | = | Good Operation |

2	=	Fair Operation
1	=	Minimal Operation
0	=	No Operation

The Board of Directors conducts the Board self assessment annually to discuss and consider the performance and problem for further improvement. The topics of the self assessment are clearly defined in order to be benchmark for performance comparing.

The Board Self-Assessment comprises of 6 topics which are structure and qualification of the Board, scope, duty and responsibility of the Board, the Board's meeting, the Board's duty, the relationship with the management and the development of the directors and executives.

The summary outcome of the overall Board Self-assessment of 6 topics was shown that most of the operations were excellent and proper.

Sub-Committee Assessment

The Board of Directors has set Sub-Committee Assessment annually in addition to the assessment of the entire Board of Directors. The assessment criteria in 2016 are as follows:

4	=	Excellent Operation
3	=	Good Operation
2	=	Fair Operation
1	=	Minimal Operation
0	=	No Operation

The summary outcome

- Audit Committee was shown that most of the operations were excellent and proper
- Remuneration and Nomination Committee was shown that most of the operations were excellent and proper
- Risk Management Committee was shown that most of the operations were excellent and proper
- ESG Committee was shown that most of the operations were excellent and proper

Individual Assessment

Besides, the Board of Directors has set the individual assessment annually in addition to the assessment of the entire Board of Directors. The assessment criteria in 2016 are as follows:

4	=	Excellent Operation
3	=	Good Operation
2	=	Fair Operation

1 = Minimal Operation

0 = No Operation

The result of the assessment in 2016, each director is qualified and has performed duties and responsibilities excellently and properly in accordance with director guideline.

Chairman of Executive Committee Assessment (CEO)

The Board of Directors will assess performance of Chairman of Executive Committee annually by comparing to target achievement at the Company level and capability at the individual level.

Risk Management

The Board of Director determines the risk management policy for the organization by assigning the management to implement and report to the Board of Directors regularly. The Board of Directors shall review the risk management system and assess the effectiveness of risk management at least twice a year and whenever there is a change in risk level and shall focus on early warning signs and unusual transactions.

In 2016, the Board of Directors analyzed and assessed the risk of each business unit with the related departments and set the measurement to manage/control the risk of each unit. Such risk management plan was brought to discuss in the meeting of the Board of Directors and the progress report of the performance according to the plan would be considered regularly. The details of the major risk and risk management are shown in section risk factors.

Policy on the Report of Director's Conflict of Interest

The director and top executive are required to report any conflict of interest whether due to personal interest or other related party's interest in the management of the Company or its subsidiary at the time he has taken his position for the first time and on quarterly basis. The Company's secretary shall submit copy of such report to the Chairman of the Board and Chairman of the Audit Committee within 7 days from the date the Company has receive such report. This regulation is in accordance with the provision of the Securities and Exchange Act B.E. 2535 and for the purpose of audit and prevention of conflict of interest.

9.2 Sub-committee

The Company has set up 5 sub-committees which are Audit Committee, Risk Management Committee, Remuneration and Nomination Committee, ESG Committee and Executive Committee and clearly set up the scope of duties and responsibilities of each committee.

9.2.1 Audit Committee

The members of the Company's Audit Committee are as follows:

No.	Name	Position	Qualifications
1	Mr. Suchat Boonbanjerd Sri	Chairman of the Audit Committee	Independent Director with accounting and finance knowledge
2.	Mrs. Chanisa Chutipat	Audit Committee	Independent Director with accounting and finance knowledge
3.	Mr. Chaisak Ankasuwan	Audit Committee	Independent Director

Scope of duties and responsibilities of the Audit Committee

1. Ensure that the Company maintains accurate and sufficient financial statements.
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, determine the independence of the internal audit unit and approve the appointment, transfer and dismissal of the head of internal audit unit or any other unit in charge of the internal audit.
3. Ensure that the Company performs in accordance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
4. Consider, select and nominate an independent person to be the Company's auditor and propose such person's remuneration, as well as attend a non-management meeting with an auditor at least once a year.
5. Consider the connected transactions, or the transactions that may lead to conflict of interest according to the notifications and regulation stipulated by the SET and ensure that such transaction is reasonableness and for the utmost benefit of the Company.
6. Prepare the report of the audit committee and disclose in the Company's annual report, such report has to be signed by the chairman of the audit committee and consisted of at least the following information:
 - an opinion on the accuracy, completeness and creditability of the Company's financial report
 - 6.1 an opinion on the adequacy of the Company's internal control system
 - 6.2 an opinion on the compliance with the law governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company
 - 6.3 an opinion on the appropriateness of an auditor
 - 6.4 an opinion on the transactions that may lead to conflict of interest
 - 6.5 the number of the audit committee's meetings and the attendance of such meetings by each committee member
 - 6.6 an opinion or overview observation from the audit committee which perform in accordance with the charter

6.7 other transactions that the shareholders and general investor should be known based on its scope of duties and responsibilities assigned by the Company's board of directors

7. Perform any matters as assigned by the Board of Directors with the approval from the Audit Committee

In 2016, there were meetings of audit committee with external auditor and accounting function for the quarterly review of the Company's financial statements and annual audit of the financial statement and were reported to the Board of directors subsequently.

9.2.2 Risk Management Committee

The members of the Company's Risk Management Committee are as follows:

No.	Name	Position	Qualifications
1	Mr. Somboon Gurdlin	Chairman of Risk Management Committee	Director
2	Mr. Samitt Palitagram	Risk Management Committee	Director

Scope of duties and responsibilities of the Risk Management Committee

1. Determine policy and operation guideline for all types of risk management of the Company.
2. Set up the risk management structure, determine risk management strategy and prepare warning system for all types of risk in order to manage the risk at the acceptable level and in accordance with the Company's risk management policy.
3. Control, supervise, monitor and evaluate the performance to review and develop the efficiency of risk system as well as analyze and evaluate risk factors both internal and external that might occur and the effect to the Company's business operation.
4. Perform any matters as assigned by the Board of Directors

9.2.3 Remuneration and Nomination Committee

The members of the Company's Remuneration and Nomination Committee are as follows:

No.	Name	Position	Qualifications
1	Mr. Chaisak Ankasuwan	Chairman of the Remuneration and Nomination Committee	Independent Director
2	Mr. Wisan Wuttisaksin	Remuneration and Nomination Committee	Independent Director
3	Pol.Gen.Maj. Nopsak Poovatanasedj	Remuneration and Nomination Committee	Independent Director

The term of office of the Remuneration and Nomination Committee is 3 years.

Scope of duties and responsibilities of Remuneration and Nomination Committee

1. Consider the remuneration scheme guideline in terms of financial remuneration and other remuneration for the Board of Directors and propose to the shareholders' meeting for an approval.
2. Consider the remuneration scheme guideline in terms of financial remuneration and other remuneration for other committee including Executive Committee and executives and propose to the Board of Directors for an approval.
3. Ensure that the system for appropriate remuneration payment for executive be put in place in order to motivate for both short-term and long-term.
4. Report directly to the Board of Directors and has responsibility to provide any explanation regarding the remuneration of the Board of Directors in the shareholders' meeting.
5. Report the remuneration scheme policy of the Board of Directors and disclose in the annual report.
6. Perform any matters as assigned by the Board of Directors.
7. Formulate selection criteria for qualified candidate to be the Board of Directors as well as select the qualified candidate, present to the Board of Directors for proposing to the shareholders' meeting for appointment further.
8. Formulate selection criteria for qualified candidate to be the executive as well as select the qualified candidate and propose to the Board of Directors for an approval.
9. Consider and determine knowledge and capability of director for nomination based on skill lacking of the member of Board of Director.

9.2.4 ESG Committee

The members of ESG Committee are as follows:

No.	Name	Position	Qualifications
1	Mr. Samitt Palitagram	ESG Committee	Director
2	Mr. Somboon Gurdlin	ESG Committee	Director

Scope of duties and responsibilities of ESG Committee

1. Propose policy related to corporate governance and corporate social and environment responsibility to the Board of Directors.
2. Monitor and supervise the Company's operation in accordance with the corporate governance of governing agencies such as the Stock Exchange of Thailand, Securities and Exchange Commission, etc. with social and environment responsibility.
3. Regularly consider and review policy related to corporate governance and corporate social and environment responsibility according to the international practice and related agencies.

4. Recommend supervision of Code of Conduct and Code of Best Practices of executives.
5. Support good corporate governance culture and be part of social and environment activities in order to sustain the development and make it understandable in all levels and has result from the operation.
6. Perform any matters as assigned by the Board of Directors.

9.2.5 Executive Committee

the members of the Company's Executive Committee are as follows

No.	Name	Position
1	Dr. Somchai Thaisa-nguanvorakul	Chairman of Executive Committee
2	Mr. Samitt Palitagram	Vice Chairman of Executive Committee
3	Mr. Somboon Gurdlin	Vice Chairman of Executive Committee

Scope of duties and responsibilities of Executive Committee

Duties and responsibilities of Executive Committee

1. Provide advices and recommendations to the Chairman of the Executive Committee on major matters concerning corporate strategy, business direction, investment, budget, resources allocation for the Company and its subsidiaries and build up the same working system for all companies under the group.
2. Prioritize the decisions that have been made by the Board of Directors to ensure the effective implementation.
3. Carefully review the meeting agendas prior to presentation to the Board of Directors.
4. Approve any financial transactions in the amount of not more than Baht 300 million including any expenses occurring upon normal business operation, investment, capital expenditure or fixed assets, borrowing, lending, debenture issuance, cash management in form of depository, borrowing, procurement for foreign exchange and interest rate risk management, including providing any collateral to back the loans or credit.
5. Prioritize the human resources and financial resources allocation for the Company and its subsidiaries.
6. Monitor the performance of the Company and ensure that it has been in line with the approved business plan.
7. Establish business administration standard, human resource management, information management, and the organizational structure for the Company and its subsidiaries.
8. Clearly specify the human resources management policy.
9. Clearly specify the risk management policy.
10. Prohibit directors, executives and employees to engage in trading of the shares of the Company and its subsidiaries by using material information that has not yet been disclosed to the public for personal or other interest. Furthermore, according to the Company's code of ethics, directors, management and employees shall prevent from trading the shares of the Company and its subsidiaries one month prior to the public announcement of financial statements

Duties and responsibilities of the Chairman of the Executive Committee

The Chairman of the Executive Committee is responsible for managing the Company to be in line with the policy, target, budget and plan approved by the Board of Directors upon trustworthiness and due care basis and ensures that the interest of the Company and shareholders has been taken care properly. The duties and responsibilities of the Chairman of the Executive Committee include the followings matters:

1. Determine mission, objective, guideline and policy of the Company's group including administer overall operation, product and relationship with customers and report directly to the Board of Directors
2. Ensure the preparation and submission of business policy of the Company's group, including the business plan and budget, to the Board of Directors for approval, and report work progress according to the approved plan and budget to the Board of Directors every 3 months
3. Ensure the operation implementation in relation to the policy, plan, and budget approved by the Board
4. Be the authorized person to manage the Company's group according to its objectives, Articles of Association, policy, guideline, as well as the resolution adopted at the Board of Directors' meeting and/or the shareholders' meeting
5. Be the authorized person to order, contact, command, implement, and sign legal contracts, documents, orders, announcements, or any correspondence with government agencies, state enterprises, or other parties; and engage in any necessary and appropriate action that would facilitate the abovementioned duty
6. Assign power of attorney and/or delegate specific tasks to other persons, provided that such assignment and/or delegation comply with the power of attorney and/or rules, regulations, or directives of the Board and/or the Company

The Managing Director is assigned to be able to approve any expenses or any payment at the amount of not more than 100 million baht per time. Any expenses or payments at the amount of more than 100 million baht have to be approved by the Executive Committee. Besides, the Company's authorized directors are Dr. Somchai Thaisa-nguanvorakul jointly with Mr. Samitt Palitagram or Mr. Somboon Gurdlin, one of the directors totaling 2 persons are authorized to sign on behalf of the Company with the Company's seal affixed.

The above authorities of the Chairman of the Executive Committee cannot be made if there is any conflict of interest resulting from the Chairman of the Executive Committee exercising of his authority.

9.3 Director and High-Level Executive Nomination

The Board of Directors has appointed Nomination Committee and Remuneration Committee to nominate, select and propose qualified person to be Chairman of the Board of Directors, Director, Sub-Committee, and Chairman of Executive Committee, High-Level Executive and Company Secretary as well as consider the appropriate remuneration in accordance with duties and responsibilities. With regard to director nomination, if there is a vacancy on the Board of Directors for any reason, the Nomination and Remuneration Committee will nominate qualified person and propose to the Board of Directors for an approval. In case of

the appointment of new director or to replace director who is retired from office, the Nomination and Remuneration Committee will nominate qualified person and propose to the Board of Directors for consideration and propose to the shareholders' meeting for consideration further. Besides, the Company provides opportunity to shareholders to vote for each director appointment. The Board of Directors will propose director one by one for shareholders to vote, therefore, the shareholders can vote for their preferred director. With regard to Audit Committee nomination, the Nomination and Remuneration Committee shall nominate, select qualified person in accordance with qualifications of independent director as specified by the Board of Directors which in line with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) to be its independent director. Besides, the Board of Directors has appointed sub-committees to lessen Board of Directors' burden with regard to examination or consideration of important matters to the Company. Sub-committees comprise of Executive Committee, Audit Committee, Risk Management Committee, ESG Committee and Nomination and Remuneration Committee. The appointment to be member of sub-committee has to pass the nomination and selection by the Nomination and Remuneration Committee and propose to the Board of Directors for consideration further.

To fill up vacant director position, the Committee needs to consider basic qualifications as follows:

1. Hold qualifications and do not have any prohibited characteristics provided in the law relating to public company limited and also show no characteristics that may not deserve confidence from the shareholders in performing his/her duty in managerial position as announced by the Securities and Exchange Commission.
2. Hold knowledge, skill, experiences and other required expertise deemed appropriate by the Committee.
3. Can fully devote him/herself to the Company's business especially for decision making on critical issue and always do any act for the best interest of the Company.

Competency sought by the Company is based on missing skills required by the Committee by using Skill Matrix. By selecting person to take the position of director, it is required to consider basic qualifications as follows:

4. Hold qualifications and do not have prohibited characteristics as provided in the law relating to public company limited.
5. Shall not present anything suggesting inappropriateness to get confidence from the shareholder in company management as per the announcement of the Securities and Exchange Commission.
6. Hold knowledge, skill, experience or others as deemed appropriate by the Board
7. Can fully devote oneself for the Company's business especially in making a significant decision and acting for the interest of the Company.
8. Knowledge and ability of the candidate is considered based on such necessary skills lack of by the existing Board by applying Skill Matrix and to be in line with the Company's business's strategies.

Policy on Board Diversity

The Board determines qualification of director candidate based on the principle of board diversity by seeking for certain skills lack of by the existing Board of Directors including professional, specialty and gender etc.

No.	Name	Board					Skill Matrix										
		BoD	AC	RC &NC	Risk	ESG	Business / Management	Direct the industry	Indirect the industry	Strategic planning	Law	BOI	Accounting	Finance - Investment management	Airport	Import -Export	MIS
1	Mr. Satit Chanjavanakul	⊙					✧		✧	✧		✧	✧	✧			
2	Dr. Somchai Thaisa-nguanvorakul	○					✧	✧		✧	✧		✧	✧			
3	Mr. Chaisak Ankasuwan	○	○	⊙			✧			✧					✧		
4	Mr. Wisan Wuttisaksin	○		○			✧		✧		✧					✧	
5	Pol.Gen.Maj. Nopsak Poovatanasedj	○	○				✧		✧	✧							
6	Mr. Suchat Boonbanjerdri	○		○			✧		✧	✧			✧	✧			
7	Mrs. Chanisa Chutipat	○	⊙				✧		✧	✧			✧	✧			
8	Mr. Somboon Gurdlin	○			⊙	○	✧	✧		✧	✧						
9	Mr. Samitt Palitagram	○			○	⊙	✧	✧		✧							

⊙ = Chairman

○ = Director

BoD = Board of director

AC = Audit Committee

RC&NC = Remuneration & Nomination Committee

Risk = Risk Management Committee

ESG = ESG Committee

Succession Plan for High-Level Executive

The Company realizes the necessity and importance of the succession of high-level executive. If there is a vacancy of executive, the Company will appoint the Nomination and Remuneration Committee to nominate, select and propose qualified person to be director and high-level executive. The Company also prepares succession plan for high-level executive by selecting person to perform duty of such position and develop that person to be ready for that position in the future in order to ensure investor, shareholder and staff that the operation of the Company can be passing on promptly.

The Company has set forth the guideline for work continuation as follows:

1. CEO/Managing Director

When CEO/MD has been vacant or the person holding such position cannot perform his/her functions, the Company shall appoint the executive of similar or vice position to temporarily hold that position until completion of the selection and recruitment process to get qualified person to act in that position.

2. Executive committee

When executive position has been vacant or the person holding such position cannot perform his/her functions, the Company shall:

1. Evaluate its manpower adequacy to meet short and long term strategies.
2. Develop plan for personnel preparation through personnel development and selection plan.
3. Develop plan for selection and training in advance.

Select, evaluate work results and performance of individual employee for the purpose of promotion

9.4 Corporate Governance of subsidiaries and associates

Directors of subsidiaries and associates together with the management operate such entities. The person appointed to be director of subsidiary or associate has duties to perform for the utmost benefit of such subsidiary or associate (not for the Company)

In case of subsidiary, the person appointed by the Company has to supervise such subsidiary to have regulations with regard to connected transaction in accordance with the Company. Document filing and accounting record can be examined by the Company and be able to collect to prepare for consolidated financial statements in time.

9.5 Control of Inside Information

To monitor the exploiting the inside information, the Company has set the strict measurement especially for inside information which has not been published or information which will affect the Company's business operation or share price. Details of the policy are as follows:

1. Directors and staff shall avoid using inside information or disclosing information for personal interest for trading the Company's shares.
2. Directors and management has to report the trading of the Company's shares to the secretary of the Company promptly in order to prepare shares holding report to SEC. Directors and management has to report the change of shares holding in the Board of Directors' meeting quarterly in order to prevent the shares trading using inside information and accusation of inappropriate shares trading by inside personnel.
3. Inside persons shall prevent the trading of the Company's shares one month prior to the disclosure of financial statements or the Company's status, including other material information and should wait at least 24 hours after the public disclosure to be able to trade the Company's shares.

Besides, the Company has set the penalty in the Company's regulation for any breaches in using the inside information for person interest ranging from warning to dismissing.

9.6 Audit Fee**1. Audit Fee of 2016**

The Company and its subsidiaries, Associates, Jointly-controlled entity paid the audit fees the latest accounting period at the total amount of THB 4,210,000 (Four million two hundred ten thousand baht) comprising of:

1) Paid to KPMG Phoomchai Audit amount of THB 3,980,000	
SNC Former Public Company Limited	750,000 Baht
<u>Direct subsidiaries</u>	
SNC Pyongsan Evolution Company Limited	340,000 Baht
SNC Cooling Supply Company Limited	400,000 Baht
Immortal Part Company Limited	450,000 Baht
Toptech Diamond Tool Company Limited	220,000 Baht
Paradise Plastic Company Limited	180,000 Baht
SNC Creativity Anthology Company Limited	260,000 Baht
SNC Fukui Holy Insulation Company Limited	130,000 Baht
SNC Atlantic Heat Pump Company Limited	140,000 Baht
Meisou SNC Precision Company Limited	130,000 Baht
International Techno Pipe Company Limited	50,000 Baht
Odin Power Company Limited	50,000 Baht
<u>Indirect subsidiaries</u>	
Ultimate Part Company Limited	220,000 Baht
Infinity Company Limited	220,000 Baht
<u>Associates</u>	
Fuso Industries Company Limited	180,000 Baht
<u>Jointly-controlled</u>	
SSM Automation Company Limited	260,000 Baht
2) Paid to EY audit of THB 230,000	
<u>Associates</u>	
SNC Atlantic Water Heater Asia Company Limited	230,000 Baht

2. Non-Audit Fee

The Company and its subsidiaries have not received any other services from the office of the auditor or person or entity that related the auditor and the office of the auditor* during the latest accounting period.

* Person or entity that related to the auditor and the office of the auditor includes:

1. Spouse and children under support of the auditor
2. Juristic person that has control over the office of auditor, juristic person that is under control of the office of auditor and juristic person that is under the same control of the office of auditor both direct and indirect control
3. Juristic person that is significantly controlled by the office of auditor
4. Partner or equivalent of the office of auditor
5. Spouse and children under support of person in (4)
6. Juristic person that the auditor, person in (1), (4) or (5) has significant control power over both direct and indirect control

10. Anti-corruption

SNC Former Public Company Limited (the “Company”) is committed to carrying out its business with integrity, transparency and in accordance with corporate governance. The Company shall not tolerate bribery and corruption in any form and realizes that corruption and bribery is serious threat to fair competition and may result in damage to economic and social development.

The Company has ratified and signed in the Declaration of the Thai Private Sector Collective Action Coalition against Corruption on 30 May 2015 and has been approved by Private Sector Collective Action Coalition Against Corruption Council: CAC for its standpoint against corruption on 16 October 2015.



Approve policy, regulation and guideline for anti-corruption**Objective**

1. To communicate the Company's standpoint against corruption and bribery in whatever form.
2. To determine regulation and guideline for preventing the Company from violating anti-corruption and bribery law
3. To determine procedures for auditing and monitoring to ensure that the directors, management and staff are following this policy.
4. To encourage the directors, management and staff to monitor and report any suspicious act of bribery or corruption via safe channel

Scope

1. This policy applies to all directors, management and staffs.
2. The Company expects business agent and intermediate (if any) related to or acting on behalf of the Company to observe this policy.

Definition Any message or phrase used in this policy shall carry following definition:

1. Corruption means abuse of power in one's capacity to gain personal benefit and shall also include offering or taking bribe.
2. Offering or taking bribe means the offer, promise, giving, receiving or demanding for benefit as incentive for any person to do any unlawful or immoral thing or anything ruining trust or to induce such person to do or not to do any act in his/her capacity whether lawfully or unlawfully.
3. Unlawful payments whatever called shall be considered a form of bribery.
4. Corruption and bribery may be done in many forms including:
 1. Political contributions
 2. Charitable contributions and sponsorships
 3. Facilitation payments
 4. Gifts and hospitality

Duty and Responsibility

1. The Company's Board of Directors is responsible for approving anti-corruption policy
2. The Audit Committee is responsible for auditing appropriateness of such policy and related measures.
3. The management is to ensure that they and their subordinates have recognized and understood this policy through training on regular basis.

4. Staff as well as the management and directors have to carry out their function in accordance with this policy and any question or violation thereof should be referred to their supervisor or reported via the channel provided.

Policy and Guideline contain following items:

1. General provision
2. Political activity support
3. Charitable donation and sponsorship
4. Facilitation payments, bribery and all other illegal payments
5. Gifts and hospitality
6. Business related party
7. Risk assessment
8. Control
9. Procurement
10. Trading, investment
11. Borrowing and lending money
12. Finance and Accounting
13. Data Storage and Maintenance
14. Human resource
15. Training and communication
16. Complaint on corruption
17. Channel for taking complaint on corruption
18. Preventive measures and confidentiality
19. Investigation procedures
20. Policy violation and penalty
21. Related policy
22. Following up and audit

Principle and Procedure for Corruption Risk Assessment

1. Risk assessment is the basis for standard measures against corruption that all directors, executives and staff should be familiar with as to how business operation is exposed to the risk of corruption and bribery in order to properly eradicate such risk.
2. The management has to assess risk of corruption and bribery on regular basis (at least once a year) and also to review existing measures for risk management whether they are adequate for control the risk at acceptable level or not.

Anti-corruption activity

1. On 24 December 2016, middle management and top management gave a vow of Anti-corruption.

**Commitment**

We, SNC staff would hereby like to give a promise that:

1. We shall observe the Company's regulations, laws, code of conduct and good traditions.
2. We shall actively fight against and prevent drug and corruption in our company for better quality of life for all.
2. Rubber stamp logo stamp on anti-corruption for PO to order all copies.



3. Logo anti-corruption The staff on the right sleeve



4. reciting pledge anti-corruption Front row Monday morning



5. Install anti-corruption policy Advocates Forum. Employees know



6. Orientation for new employees every time the anti-corruption policy



7. Stickers anti-corruption in the meeting room.



Channel for whistle blowing or complaint notification

To allow the shareholders and stakeholders to share their view and to make any complaint directly to the Board of Directors if they may be treated unfairly or suffer any act done by the Company. In addition, all employees are responsible for reporting to their manager any incident or practice suspicious of illegality or violation of the Company's good corporate governance. The Company provides channels for complaint notification for employees as follows:

1. Via an email of Chairman of the Board of Directors, satit.ck@gmail.com or
2. Via an email of Chairman of the Executive Committee, somchai@sncformer.com or
3. Via an email of Chairman of the Audit Committee, bsuchat@yahoo.com or
4. Via the Company's website at <http://www.sncformer.com> (Complaint Notification) or
5. Via the phone at 02-108-0360-66 (Public Relations/Company Secretary)
6. Via the Red complaint notification box (located at the headquarters building)

The Company also allows the third person and the general public to lodge their complaint when they have encountered with director's, executive's or employee's practice which is not appropriate or in violation to the Company's code of conduct to the Audit Committee. The Company is committed to entertaining all complaints in fair and transparent manner with care and impartiality to all related parties. The complaint will be processed in timely fashion under confidentiality practice while whistleblower shall be properly protected. Email may be sent to the Chairman of the Audit Committee at bsuchat@yahoo.com

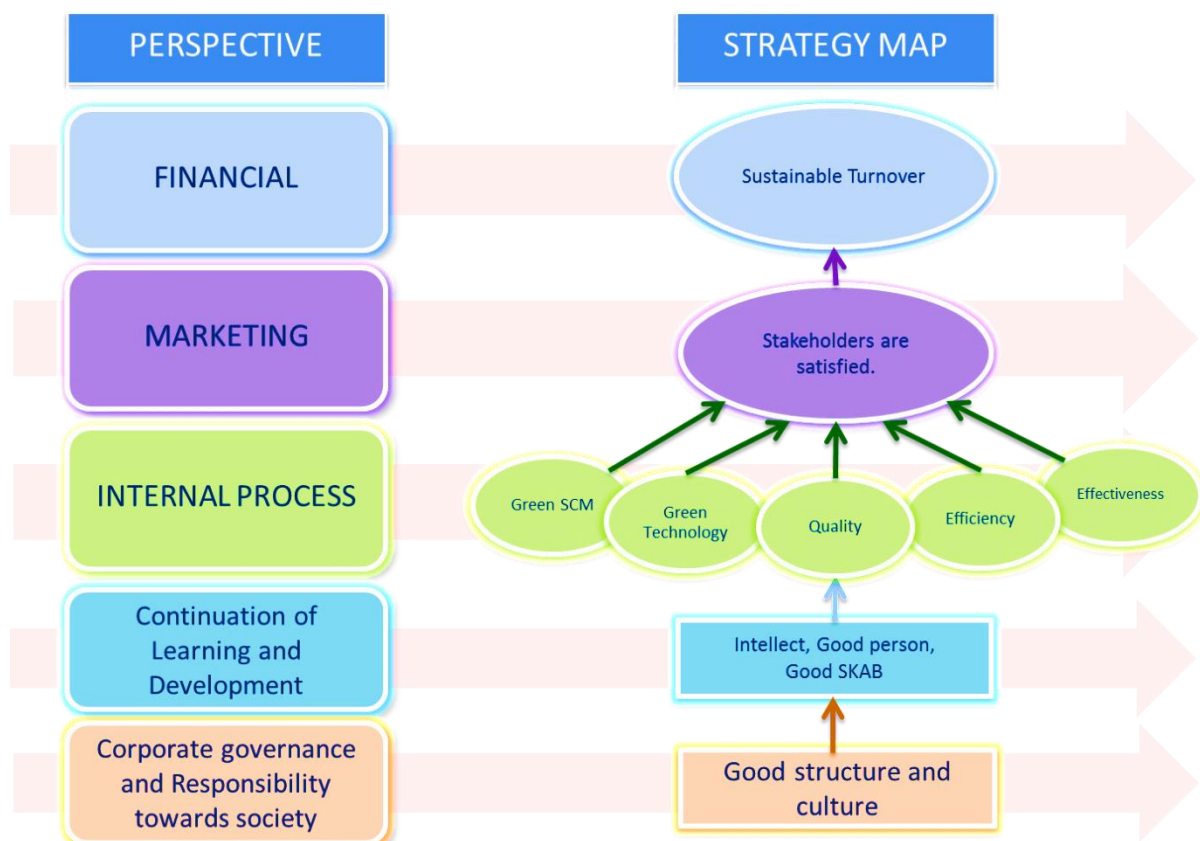
In 2016, there was none of complaint from stakeholders with respect to violation of good corporate governance, rules and regulations or legal requirements.

10. RESPONSIBILITY TOWARDS SOCIETY FOR SUSTAINABILITY DEVELOPMENT

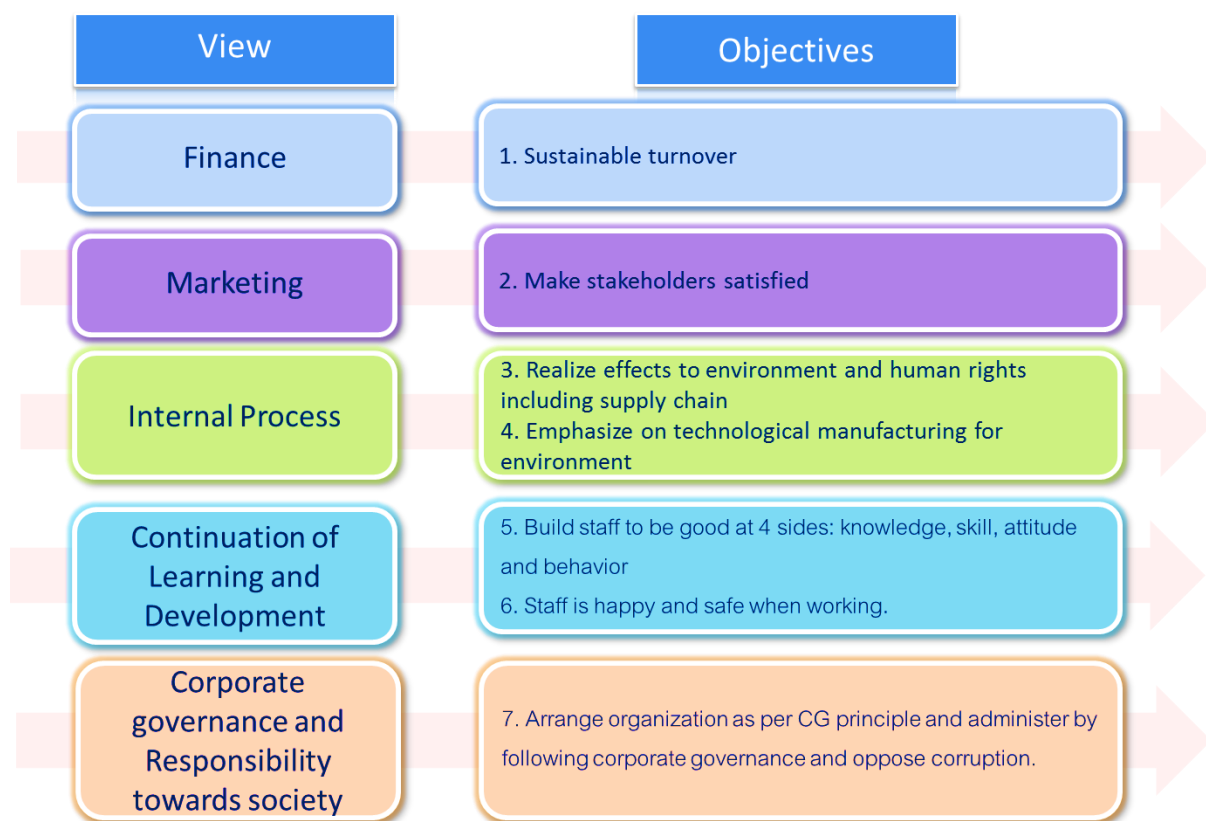
Because of a challenge in running business today, our company keeps going to adapt with the high competitive environment. We are so engrossed in our vision to be a super store and aim for running business as per the mission to respond to the diversity and quickness of customer demand. However, we are responsible for the society and the impact on all stakeholders in order to grow and are able to compete to become a sustainability organization.



KEY STRATEGIES TO BE SUSTAINABILITY ORGANIZATION



Our company formulates the strategies and objectives through the Balance Score Card to connect work performance and activities to our business goal for sustainability development as follows:



POLICY OF SUSTAINABILITY DEVELOPMENT

Be a prominent sustainability organization which runs business honestly for the stakeholders. Managing organization is above board and responsible for society. Invent eco-friendly products and determine to be a good example of human resource development in order that humans can develop the society as per the philosophy “SNC develops humans and humans develop society”.

WAY TO SUSTAINABILITY

In the year of 2016 our company drove the business to the objective of getting a good turnover together with following the specified way to sustainability. As our company has been running our business by following such way, we were passed the criteria of ESG assessment from Thaipat Institute and **received the certificate of ESG 100 for the year of 2016 for the second year and was approved by SET to be listed in “Sustainability stock” (Thailand Sustainability Investment or THSI) for the year of 2016.** This is proof of our determination to carry out as planned.



Plan \ Year	2014	2015	2016-2017
Environment	Cultivate consciousness, Obey laws, Prevent pollution	Reduce use of energy, Improve manufacturing process to be eco-friendly, Research and develop eco-friendly products	Create business invention with the customers and partners to invent new eco-friendly products
Social	Develop personnel by business competency, Develop youth, Carry out business by	Initiate stakeholders development project, Community meeting, Share	Carry out business with stakeholders and community supportively
Governance	Manage the organization under the corporate governance, Create organizational culture, Be honest, Oppose corruption	Support partners to operate business well and do not violate the rights of stakeholders and human rights	Be a prominent organization and an example of good organization

REGULATIONS OF COORDINATION WITH STAKEHOLDERS

Stakeholders are absolutely important to the sustainability of the company. For doing a business with the stakeholders supportively, our company outlines the coordination with stakeholders and considers the key issues as follows:

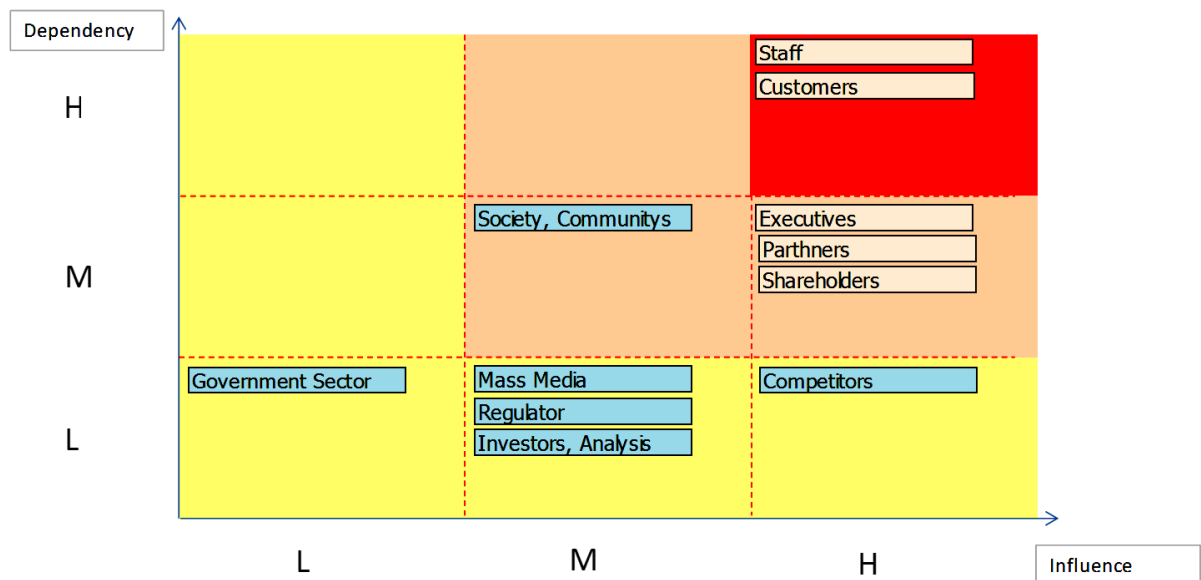
Stakeholders	How to coordinate	Expectation	Regulations
Community	- Listen to opinions and claims	- Do a business without affecting the quality of life	- Carry out projects for communities and support occupations, education and others as

Stakeholders	How to coordinate	Expectation	Regulations
	<ul style="list-style-type: none"> - Participate in communities as the company's working plans 	<ul style="list-style-type: none"> - of communities, environment and society - Support community activities. 	<ul style="list-style-type: none"> - per chances - Take care of the environment
Staff	<ul style="list-style-type: none"> - Have a meeting (morning talk) between executives and staff on Mondays morning or the first day of working after long holidays - Activities - Company 	<ul style="list-style-type: none"> - Good remuneration - Progress on jobs. Be able to improve knowledge and skills to tally with jobs - Good quality of working life 	<ul style="list-style-type: none"> - Pay appropriate remuneration and benefits. - Promote staff to a higher position tallying with their knowledge and capabilities - Give an opportunity to the staff to participate in managing benefits and quality of working life such as participating in the committee of benefits, occupational health and safety
Shareholder Investor	<ul style="list-style-type: none"> - Annual general meeting - Annual report - Quarterly meeting between investors and executives - Participating in road shows 	<ul style="list-style-type: none"> - Sustainable turnover. - Well organize. - Reveal enough information for deciding on investing 	<ul style="list-style-type: none"> - Interact with shareholders as per the business ethics including respecting the rights of shareholders to receive necessary information which is true according to the regulations of The Stock Exchange of Thailand (SET) and The Securities and Exchange Commission, Thailand (SEC)
Customers	<ul style="list-style-type: none"> - Communication as per work plans - Meet customers each week /month - Customers come to meet as per agendas - Customer satisfaction surveys 	<ul style="list-style-type: none"> - Good-quality products are delivered on time and with reasonable price 	<ul style="list-style-type: none"> - Develop products and services to respond to the diversity of demand including carrying out business trustworthily and supportively
Partners	<ul style="list-style-type: none"> - Communication through e-media and telephone - Meeting with partners as per the company's plans 	<ul style="list-style-type: none"> - Fair and transparent selection - Acceptable conditions of payment 	<ul style="list-style-type: none"> - Give precedence to "partners" as an alliance by interacting with the partners fairly and equally to make trust, develop and keep good relationship - Consider mutual benefits - Make opportunities to exchange knowledge and expertise - Take part in and support creative activities of partners continuously
Competitors	Business operation	Act under the rules of good competition	<ul style="list-style-type: none"> - Promote policy of freedom and fairness of commercial completion and - Do not find out the competitors' secret

Stakeholders	How to coordinate	Expectation	Regulations
			<p>information with the tricky or not appropriate ways such as pay bribes to the committee and staff of the competitors</p> <ul style="list-style-type: none"> - Do not damage the competitors by accusing bad things.
Government sector	<ul style="list-style-type: none"> - Send reports to government sector - Take part in activities and projects of government sector 	Obey the relevant laws	<ul style="list-style-type: none"> - Obey the laws and report overall operation strictly - Pay taxes and other expenses as per the rules and regulations of the government
Mass media	<ul style="list-style-type: none"> - Quarterly activity of the investors meet the executives - Company visit - Interviews 	Reveal information and news transparently, accurately and quickly	<ul style="list-style-type: none"> - Interact with every branch of mass media fairly and equally

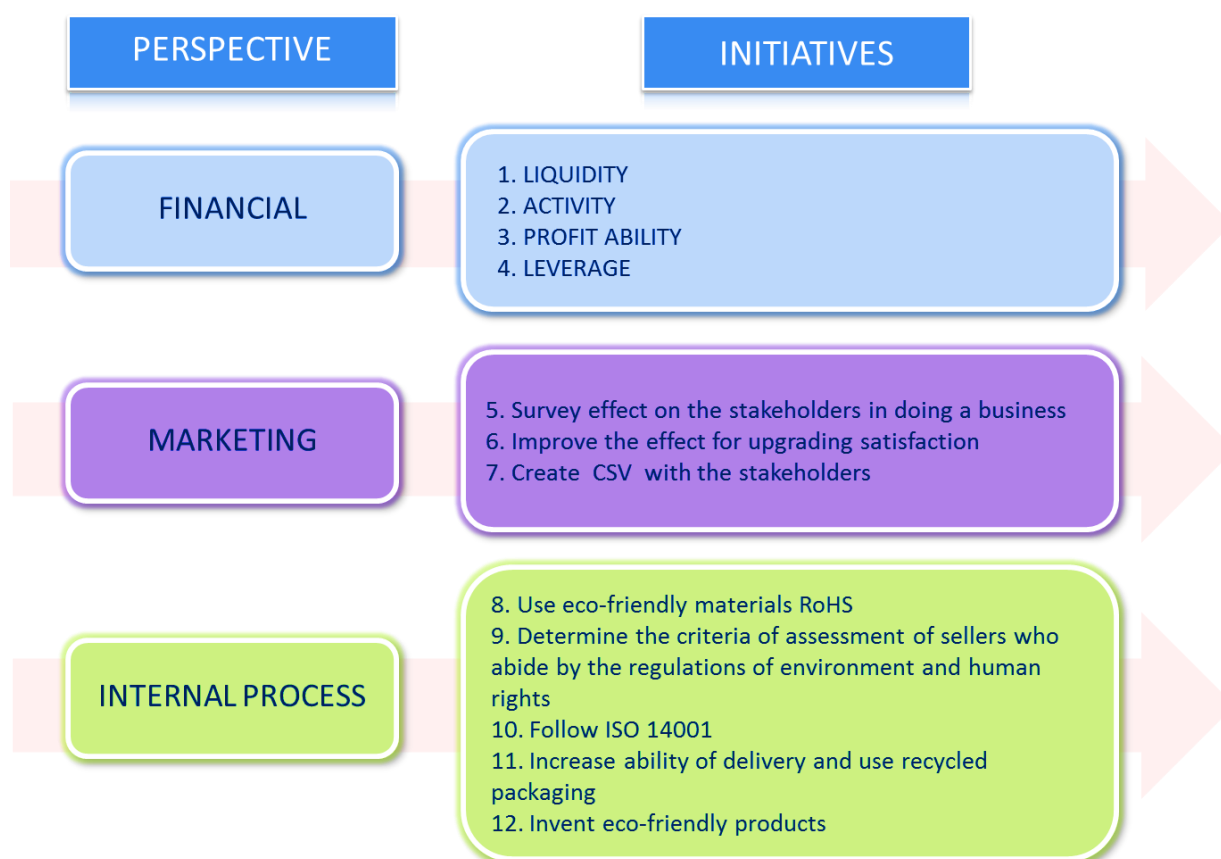
CONSIDERATION OF STAKEHOLDERS FROM KEY ISSUES

For responding to the stakeholders and the impact on operation of responsibility for society according to the specified way, our company determines the key issues as follows:



Stakeholders	Influence (อิทธิพลต่อเรา)			Dependency (เราพึ่งพาเขา)		
	Low	Medium	High	Low	Medium	High
Executives			●		●	
Staff			●			●
Partners			●		●	
Customers			●			●
Shareholders			●		●	
Society, Community		●			●	
Competitors			●	●		
Mass Media		●		●		
Regulator		●		●		
Government Sector	●			●		
Investors, Analysis		●		●		

INITIATIVE OF OPERATION





DIMENSION OF SOCIETY AND COMMUNITY

STAFF

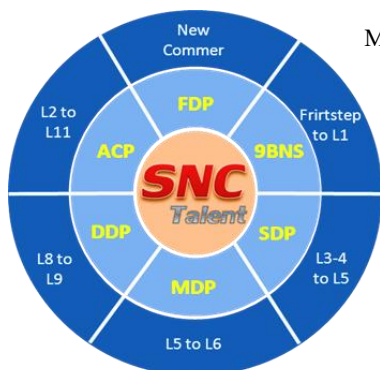
CONCEPTS OF HUMAN RESOURCE MANAGEMENT



"Human" is the most precious resource of the organization. Our company emphasizes on building human resources by specifying 3 concepts: New Talent Build, Culture Build and Social Happiness Build in order that our staff will be skillful and grow with the organization on the base of good morality of the organizational culture and be happy to work. This will establish relationships between staff and organization. Moreover, they will dedicate themselves to work for the company's success.

NEW TALENT BUILD

The company planned the way of human resource development in order to make sure that all staff will have enough capability to develop themselves and organization by outlining FDP and 9BNs curriculums for the new staff and SDP,

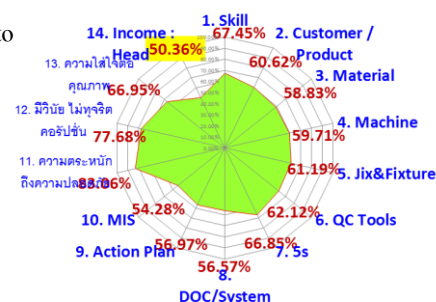


MDP and DDP curriculums for job development of 3 levels of the staff: Top, Middle and First Line. Furthermore, we also conduct a survey to find out necessity of training for upgrading ACP capability. All is determined to be the annual developing plan and training.

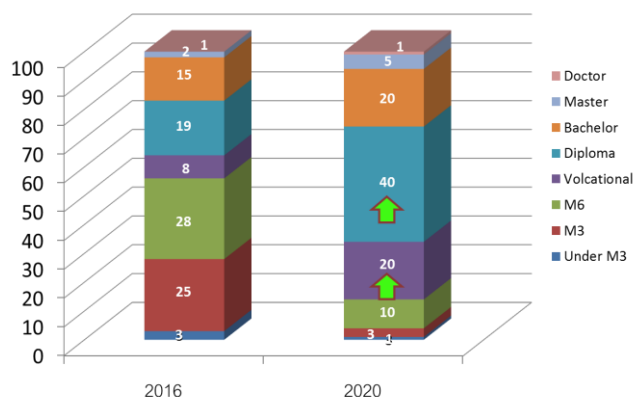
Code	Program	Attendee
FDP	Foundation Program	New Comer
9BNs	9 Basic Needs	First Step to L1
SDP	Supervisor Development Program	L4 to L5
MDP	Mini MD Development Program	L5 to L6
DDP	Director Development Program	L8 to L9
ACP	Advance Competency Program	L2 - L11

Competency Measuring System by Radar Chart

In order to reflect the competency level of the staff and let the staff know their gaps to develop themselves honestly. Our company therefore uses the Radar Chart to measure knowledge, skills, competency, attitudes and behavior by evaluating 2 times per year and after the assessment our company will train our staff to have higher competency which will affect their own efficiency of earning an income.



EDUCATION DEVELOPMENT PROJECT



Our company foresees technological impact which will take an important role in the business in the future. We aim to upgrade our staff's education to make them become high competent employees in order to be ready for the robotic technology and automatic manufacturing in the future. We established SNC –KMUTT Project and SNC Model Project.



SNC-KMUTT Project

Today our company has sent the staff and the students from the institutes who were passed the examination to study Bachelor's degree in technology without any costs and conditions for 83 persons. There are 62 graduated staffs and students. The staffs and students who are sent to study after graduating they will have an opportunity to become a middle executive.



SNC Model Project

Cooperate with Thai-Austrian Technical College to send our staff and their children who lack an opportunity to study M.3 and M.6 to study for vocational certificate and high vocational certificate without any costs and conditions. Now it is in the process of registration and choosing the staff who are interested. We approve good persons. Our goal is 3 generations with 300 staff who will be educated within 2019.

Training Project which connects organizational strategies with staff development

INTERNAL COMPANY TRAINING COURSE	CONNECTING ORGANIZATIONAL STRATEGIES				
	FINANCE	CUSTOMER	INTERNAL PROCESS	CONTINUOUS LEARNING	CORPORATE GOVERNANCE
1. New staffs development (Foundation Program)	★	★	★	★	★
2. Opposing corruption and being responsible for society	★	★	★	★	★
3. Practitioner Development Program 9 Basic Needs	★	★	★	★	★
4. Supervisory Development Program	★	★	★	★	★
5. MINI MD Development Program	★	★	★	★	★
6. Director Development Program	★	★	★	★	★
7. System of quality management standards (ISO 9001, ISO14001, TS16949)	★	★	★	★	★
8. Safety in work	★	★	★	★	★
9. Upgrade competency for work (Advanced Competency Program) such as English for communication, Management Principle	★	★	★	★	★

Statistics of Training

Description	2016
Quantity of training courses	221
Total staffs	2,075
Percentile of trained staffs	89%
Training hours per person	7
Organizational sales turnover (million Baht)	7,468
Expenses of training (million Baht)	1.9
Expenses of training per organizational sales turnover	0.03%

In 2016 our company and 14 affiliated companies trained 89% of all staffs and the average of training hours was 7 hours per person per year.



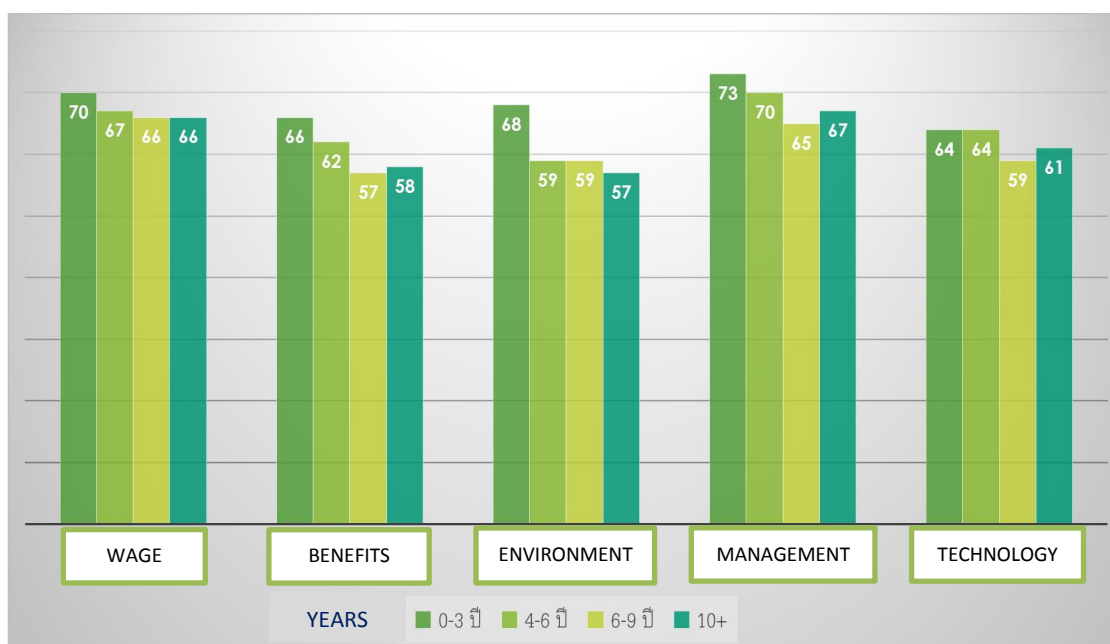
5 SOR Activity

Cultivate 5 SOR Activity in the organization through the action plan activity to develop quality of the products and services and our staff's quality of life. We keep going in 2017.

BUILD HAPPINESS

Our company emphasizes on every staffs in the organization, we therefore provide the assessment at least once a year to bring the results to improve the quality of working life. In 2016 the results of satisfaction was in the levels of middle – good. Moreover, our company has a plan to carry out as per the way of Happy Work Place for happiness of everyone in the organization.

RESULTS OF SATISFACTION SURVEY FOR THE YEAR OF 2016 (AVERAGE OF AFFILIATED COMPANIES DIVIDED FROM WORK EXPERIENCE)



EXAMPLES OF QUALITY OF LIFE DEVELOPMENT AS PER THE WAY OF HAPPY WORK PLACE
(PHOTOS OF WORK PERFORMANCE)



- Plan of adding relaxing corners, green areas and other activities
- Plan of adding relaxing corners and green areas for IP SSMA INJECTION



- Provided exercise area for the staff at the garden Page F9-F10
Improved the canteen and built a new canteen (completed in October 2016)



- Do activities on Children's Day with Makhamku Municipality
- Reforest for royal glorifying in June at Khaojomhae area
- Improve the libraries, health rooms and computers of Nikom 3 School and Nikom 9 School



- Merit Making 2016

QUALITY OF LIFE IMPROVEMENT PLAN (Green tick refers to completed operation)

Activity QWL plan			
Category	Y2016	Y2017	Y2018
Happy Body (Healthy) good mental and physical health			
Annual sports day	✓	✓	✓
Exercise corner, Sport area	✓		
Stop smoking campaign		✓	
Happy Soul (Peace of mind) believe in religion			
Provide an opportunity for the staff to make merit on religious days at the temple in the community nearby	✓	✓	✓
Annual merit making, Listen to sermon on New Year's Day	✓	✓	✓
Happy Relax(Relax) be calm in way of life			
TV and free-WiFi zones during lunch break	✓		
Relaxing corners for doing activities: chess/checkers	✓		
Happy Heart (Generous) be generous and sympathetic			
Blood donation	✓	✓	✓
Visit patients (the staff who is ill)	✓	✓	✓
Happy Brain (Learn) always learn and develop oneself			
Staff training: Walk rally / Team building	✓	✓	✓
Find News on the Internet		✓	✓
Happy Money (No debt) save money and stay out of debt			
Debt reduction project			
Training of savings and spending money plan	✓	✓	✓
Happy Family (Good family) warm and strong family			
Offer scholarships to staff's children	✓	✓	✓
Provide areas for pumping breast milk and refrigerator		✓	
Happy Society (Good society) be harmonious and generous to the society where living and working			
Volunteering	✓	✓	✓

Interaction with employees and human rights

Our company always realizes that all staff is colleagues and the valuable resource to drive the organization to achieve success. We therefore take care of and interact with our staff fairly as follows:

- Respect rights in work as per the human rights.
- Provide remuneration and benefits appropriately and fairly by realizing the principle of attracting the staff to work fully and suitably with their duties and responsibilities tallying with business operation and being in the compatible level.
- Take care of working environment to be safe for lives and property of the staff.
- Appoint and move the staff including giving prizes and doing punishment honestly and based on knowledge, competency and appropriateness of the staff.
- Obey laws and other relevant regulations of the staff strictly.
- Give precedence to the staff's knowledge, competency and skills development by always giving opportunities thoroughly.

Respect human rights

Our company takes a stand on human rights for all staff to abide by together. All staff must do not do anything or provoke to violate the human rights strictly by setting the policy and the ways as follows:

- The company keeps the individual information of staff as a secret. We do not send or spread the individual information to strangers. The individual information can be open or transferred when receiving permission by the owners.
- A person can refer to prestige of human or use the rights and freedom as much as they do not violate other rights and freedom.
- The company interacts with all staff fairly without thinking of races, nationalities, languages, religions, genders, ages and education.
- The staff must respect each other and behave themselves to suit their duties as per the company regulations and custom and tradition without damaging company's image.

HEALTHCARE AND SAFETY IN WORK

Set the policy and plans for the management of safety, healthcare and environment in work including designing equipment, device, regulations and safety handbook. Our company trains our staff to know, understand and receive enough news of safety and we set the safety to be listed in the training course for new staff.

Summary report of accidents when working

Unit	TIMES AND LEVELS OF ACCIDENTS WHEN WORKING												Total	
	No absence		Not over 3 days leave		Over 3 days leave		Dismembered/Disabled		Die		Damaged property			
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Samutprakan	7	28	9	3	13	9	0	0	0	0	0	2	29	42
Chonburi	16	0	5	0	1	0	1	0	0	0	2	0	25	0
Rayong	25	44	9	2	4	3	2	0	0	0	0	3	40	52
Total	48	72	23	5	18	12	3	0	0	0	2	5	94	94

Remark: In 2016 the factory in Chonburi moved to Rayong.

Fire drill for the year of 2016



Health Check-up for the year of 2016



COOPERATE WITH COMMUNITY TO MAKE THEM BECOME INDEPENDENT SUSTAINABILITY COMMUNITY

School in Factory Project We have cooperated with the vocational colleges to develop the students as per the bilateral system continuously since 2010 .Until now there are 6,292 students who trained here and there are 112 persons who come to work for our company.

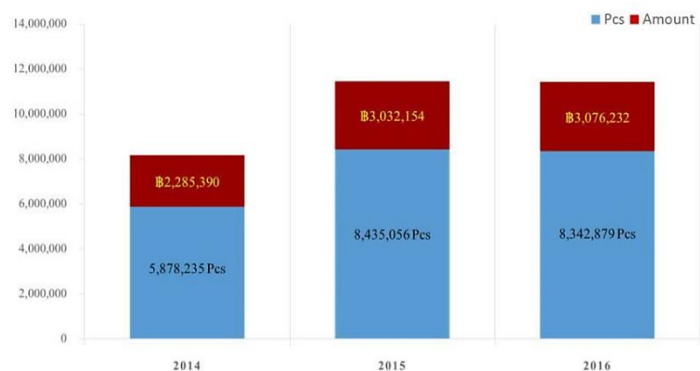
ที่	สถานศึกษา	ปวส.												ป.ตรี			รวมสุทธิ
		ปี53	ปี54	ปี55	ปี56	ปี57	ปี58	ปี59	ปี57	ปี58	ปี59	ปี57	ปี58	ปี59	ปี57	ปี58	ปี59
1	วิทยาลัยเทคนิคมหาสารคาม	327	251	271	261	248	294	265	293	232	292	189	113	21	56	25	3,138
2	วิทยาลัยเทคนิคร้อยเอ็ด	256	161	213	199	134	126	156	84		57	32	8	7	13	3	1,449
3	วิทยาลัยอาชีวศึกษาสารคาม													1	3		4
4	วิทยาลัยอาชีวร้อยเอ็ด													6		3	6
5	วิทยาลัยเทคนิคกาฬสินธุ์				250												250
6	วิทยาลัยเทคนิคยโสธร			202	82	74											358
7	วิทยาลัยเทคนิคเดชอุดม	18					12										30
8	วิทยาลัยเทคนิคนครราชสีมา				17								37				54
9	วิทยาลัยเทคนิคศีร์ษะเกษ				17												17
10	วิทยาลัยเทคนิคสุรินทร์				19								11				30
11	วิทยาลัยเทคนิคสุวรรณภูมิ		49														49
12	วิทยาลัยเทคนิคหนองบัวลำภู				37								27				64
13	วิทยาลัยเทคนิคอำนาจเจริญ		18	20													38
14	วิทยาลัยสารพัดช่างกาฬสินธุ์				25												25
15	วิทยาลัยสารพัดช่างอุบล		10														10
16	วิทยาลัยการอาชีพห้วยผึ้ง		48														48
17	วิทยาลัยการอาชีพวาปีปทุม				17	24							4				45
18	วิทยาลัยการอาชีพร้อยเอ็ด		100														100
19	วิทยาลัยการอาชีพ โพนทอง		10														10
20	วิทยาลัยการอาชีพพนมไพร		5														5
21	วิทยาลัยการอาชีพชุมแพ		105	40	56												201
นักศึกษาอาชีวศึกษาเข้าร่วมโครงการมาแล้วทั้งสิ้น 6,292 คน																	
24	วิทยาลัยการอาชีพกระนวน		119		20		32										171
รวมทั้งสิ้น		601	975	764	1073	480	464	421	377	232	349	221	200	35	72	31	6,292

Occupations Development

WAGES OF SAMUTPRAKAN CENTRAL PRISON FOR THE YEAR 2014 - 2016

Project of Prisoners

Our company has carrying out this project for 3 years in cooperating with Department of Corrections to develop occupations for the prisoners in order that after they leave the prison they will be able to be independent.



DO GOOD THINGS FOR COMMUNITY

Our company aims at the importance of supportive living together and we provide activities for the community every year.



Community Development Activities for the year 2016

1. Protect Green Area Project at Khaojomhae in Rayong province
2. Library Improvement Project at Choomchonsangtoneng3 School in Rayong province.
3. Blood Donation Project at SPEC Factory in Rayong province.
4. Educating safety of community near factory project at Watladwai School in Samutprakarn province.
5. Build Garbage Bank Building Project at Sulaobangkrasri School in Samutprakarn province.
6. Sports Equipment Support Project at Watladwai in Samutprakarn province.

EXPENSES FOR SOCIAL ACTIVITIES

EXPENSES FOR SOCIAL ACTIVITIES	2016
KMUTT SCHOLARSHIP	2,400,000
SCHOLARSHIP FOR CHILDREN	
SPEC	428,000
CL	211,000
IMP	348,000
B2	21,400
COMMUNITY DEVELOPMENT ACTIVITIES	
Rayong	68,700
Samutprakan	94,330
DEPARTMENT OF CORRECTIONS PROJ	3,076,232
Net Total	6,647,662
% OF COMPARING WITH NET PROFITS	1.65

DIMENSION OF ENVIRONMENT

Our company realizes duty and responsibility for environment as follows:

- Take responsibility to take care of environment, custom and tradition of the location where our company is located.
- Always do activities to make community and environment of location where our company is located better. We do them by ourselves and cooperate with government and community.
- Prevent accidents and control draining sewage to be under the level of the accepted standard.
- Respond quickly and efficiently to events which have an impact on environment and community due to our company's operation by fully cooperating with the government officers and the relevant units.
- Instruct our staffs to realize and be responsible for society and environment inside the environmental managing system (ISO 14001).

Efficiently use resources



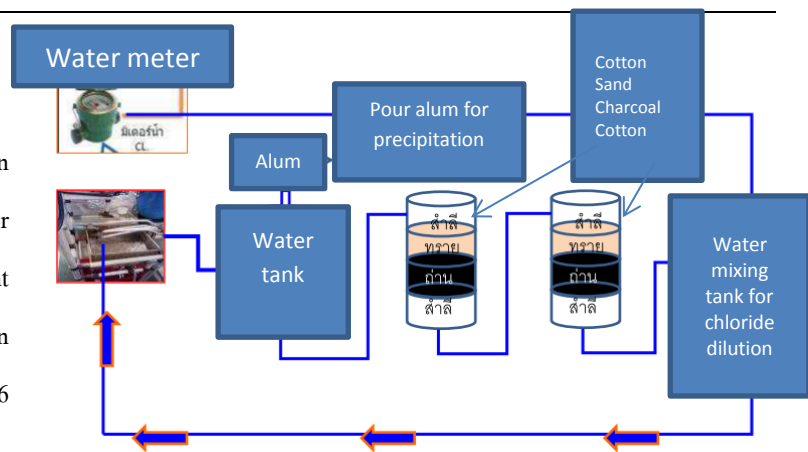
Build reservoirs in case lack of water

Due to lack of water in the area of the factory in Rayong during the dry season, in order to reduce risks of problems with manufacturing which affect the customers and staff's consumption, our company therefore built our

own reservoirs at the factory in Rayong and installed water production system for use in the enterprise and help the community during drought.

Use of Recycled Water

At the cooling factory in Samutprakan we bring the sewage water from the brazing process to the treatment process for use in the toilet system. This can save water costs approximately 16,810.56 Baht per month.



BUSINESS INVENTION FOR SOCIETY



Solar Roof Top Project

For creating a competitive advantage, our company installed the Solar Rooftop System at the factory in Rayong to generate our own power which can reduce cost of production and CO2 emissions by up to about 2,000 tCO2 per year.

- Solar roof of 3.43 MW is under installation. The investment net is 96 MB. (160-64=96)
subsidize

Improve manufacturing process to be eco-friendly by replacing Brazing with Caulking which is used for automotive parts manufacturing to decrease problems as follows:

1. Deficient staff and burden of providing skilled staff.
2. Problem of the quality of Brazing because it needs a high skill.
3. Defects of products due to too much heat.
4. Productivity is not enough to support customers.
5. Reduce pollution from Brazing at 100%.



IMPROVING R32 AIR CONDITIONERS

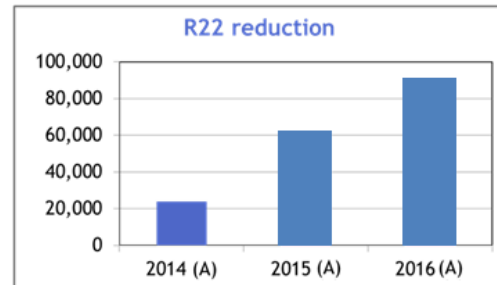
As our company has run a business of air conditioners for long time, we therefore are trusted by our customers to create the eco-friendly products which have been manufactured and sold from 2014 until now. Our company will keep inventing eco-friendly products for our society.



Wall Mounted - FCU



Condensing Unit



STAFF DEVELOPMENT IN TECHNOLOGY PROJECT

In 2016 our company selected the staffs who have the technological capability to propose the technological development in order to create new invention in the future for the sustainability of the company. In 2017 the research and development department will drive this project conscientiously.



TAKING CARE OF ECOSYSTEM

Our company instructed all staff to realize the impacts on environment since they were trained in the new staff training course which has the key topic - “Environmental Management” in order that our staffs will know and realize the actions which have an impact on environment.

SNC

การจัดการด้านสิ่งแวดล้อม




SNC

1. มลพิษทางน้ำ (Water Pollution)

หมายถึง สภาวะที่น้ำมีคุณภาพเปลี่ยนไปจากธรรมชาติเดิม จนมีสภาพที่แอ่ง และส่งผลต่อการดำรงชีวิตของมนุษย์และสิ่งมีชีวิตในน้ำ

แหล่งกำเนิดน้ำเสีย จากการอุปโภค บริโภค ตาม บ้านเรือน จากกิจกรรมต่างๆ ของสถานประกอบการ ต่างๆ เช่น โรงงานอุตสาหกรรม โรงแรม ร้านอาหาร การทำเกษตร ฯลฯ



การปนเปื้อนสู่สิ่งแวดล้อมและผลกระทบ

น้ำเสียที่มีการฝังเชื้อปน เช่น สาร ตะกั่ว สารหนู จะส่งผลต่อ สัตว์น้ำและคนได้ทั้งทางตรงและทางอ้อม เช่น บริโภคพืชผัก



SNC

2. มลพิษทางอากาศ (Air Pollution)

หมายถึง ภาวะอากาศที่มีสารเจือปนอยู่ในปริมาณที่สูงกว่าระดับปกติ เป็นเวลานานพอที่จะทำให้เกิดอันตรายแก่มนุษย์ สัตว์ พืช ธรรมชาติ

แหล่งกำเนิดอากาศเสีย จากท่อไอเสียของยานพาหนะต่างๆ จาก เครื่องจักร/อุปกรณ์ หรือกิจกรรมต่างๆ ในโรงงานอุตสาหกรรม





การปนเปื้อนสู่สิ่งแวดล้อมและผลกระทบ

ไอเสียของรถยนต์ เครื่องจักรกล ควันจากการเผาไหม้ จะ มีผลต่อสุขภาพและทัศนวิสัยต่าง ๆ



SNC

3. มลพิษทางเสียง (Noise Pollution)

หมายถึง สภาวะที่มีเสียงดังเกินปกติ จนก่อให้เกิดความรำคาญหรือเกิดอันตราย ต่อระบบการได้ยินของมนุษย์และสัตว์

แหล่งกำเนิดเสียงดังจาก โรงงานอุตสาหกรรม ตู้เชื่อมรถ สถานี บริการ และ ยานพาหนะ เช่น รถ เครื่องบิน เครื่องดนตรี เสียงจะถนน ก่อสร้าง ฯลฯ




ผลกระทบจากมลพิษทางเสียง

สูญเสียการได้ยินแบบชั่วคราว หรือถาวร เกิดการเปลี่ยนแปลงการทำงาน ของร่างกาย ควบคุมการพูดหรือฟัง ทำให้การสื่อสารความหมายไม่ตรงกัน

ช่วงเวลาที่เกินเกณฑ์ได้เกิน 20 - 20000 เฮิรตซ์ การสูญเสียการได้ยิน จะเริ่มที่ความถี่ 4000 เฮิรตซ์



11. Internal Control and Risk Management

11.1 Opinion of Board of Directors with regard to internal control system

The Board of Directors realizes the importance of the effectiveness assessment of the Company's internal control in order to ensure that the Company's financial statements including information used for decision making are correct, complete and reliable. Three members of the Audit Committee oversee and control the Company's internal control system to perform according to the assigned policy, code of practice and as the plan assigned by the Board of Directors as well as in line with regulations of the SET and the SEC.

In 2016, the Board of Directors assessed the adequacy of the Company's internal control system by asking the management, examining the information and document prepared by the management, and filled in the internal control system assessment form. The assessment of the internal control system comprises of 5 components which are Organization and Environment, Risk Management, Control of Management's Operation, Information Technology and Data Communication, and Monitoring System. The Board views that the Company has an adequate internal control system for the present condition. For other components of the internal control system, the Board believes that the Company has adequate internal control as well. The Company also has an adequate and appropriate internal control system for entering into any connected transaction with major shareholders, directors, executives or other related parties and preventing the Company's assets from misuse or using without enough authority by the executives.

In regard to the subsidiaries' internal control, the Company has ruled its subsidiaries to set up their internal control systems to comply with the Company's system. The Company consistently monitors their operations and from the past assessments shown that the subsidiaries have adequate internal control system over 5 components, same as the Company.

The summary of the assessment of the adequacy of the Company's internal control system are as follows:

Control Environment

The Company has set clear and measurable target by considering the situation and possibility in the way that be able to achieve such target. The Company reasonably determines the staff's remuneration annually based on each staff performance without any incentive or inappropriate remuneration that might lead the staff for any fraud or illegal action.

Besides, the Company sets its organization structure by clearly dividing authority and duty and also prepares the Code of Ethics which covering principles for business operation in writing. In setting up its policy and operation plan, the Company realizes the fair treatment for its trading partner according to the good corporate governance.

Risk Assessment

The Company shall assess its risk for both internal and external risk factors, analyze for the event that might cause such risk and present to the Board of Directors' meeting quarterly. Besides, the Company sets the measurement for monitoring the event that cause such risk and the measurement for risk reduction. The Company informs to all related staff to acknowledge and perform according to the risk management measurement. The Company also regularly monitors each business unit for its performance in relation to the determined risk management plan through the meeting of the executives and the Board of Directors.

Control Activities

The Company clearly sets the scope of authority and duty and approved credit line for each level of executives. The Company also set policy for entering into the transaction with major shareholders, directors, executives or related persons by arranging the Audit Committee to provide opinion regarding the necessity and reasonableness of the transaction as well as the legal department to audit and give recommendation for the Company's operation in relation to the related laws, internal control policy and regulations of the SET.

Information and Communication

To arrange the Board of Directors' meeting, the Company will submit relevant information with the invitation letter including the details of the issues that will be proposed at the meeting so that the Board of Directors shall have sufficient information for the decision. The Board of Directors will receive the invitation letter average 7 days prior to the meeting and the minute of the meeting will be prepared by specifying comment and resolution of the meeting so that the shareholders will be able to review the appropriateness of the Board of Directors' performance later.

Monitoring Activities

The Company set up the internal control department to audit the staff performance of each business unit according to the internal control system, and the internal control staff will report the audit result directly to the Board of Directors and the Audit Committee. Any material error discovered has to be reported for considering the correction under appropriate timeframe.

11.2 Opinion of Audit Committee with regard to internal control

The Audit Committee performs according to the scope of duties and responsibilities as assigned by the Board of Directors. In 2016, there were 4 meetings to meet with the management, auditor and internal audit as appropriate which the summary of major matters are as follows:

1. Review the quarterly and year 2016 financial statements with the management and auditor to ensure that the financial statements of the Company and its subsidiaries were prepared correctly according to the

generally accepted accounting principles, disclosed sufficient and reliable information, provided notes and acknowledged the guideline to solve problem for the benefit of the Company.

2. Ensure the appropriateness and effectiveness of the Company's internal control and internal audit system and determine the independence of Internal Audit Unit as well as approve the appointment, transfer or dismissal of Internal Audit Unit.
3. Ensure the Company to operate according to the Securities and Securities Exchange Law, notifications of the SET and other laws that related to the Company's business.
4. Consider selecting / nominating an independence person to be the Company's auditor and propose the remuneration of such person as well as attend non-management meeting with the auditor.
5. Review the connected transaction or transaction that might cause the conflict of interest to comply with laws and notifications of the SET to ensure the reasonableness and utmost benefit for the Company.
6. Reviewed the Self-evaluation tool for countering bribery which has been developed by the Collective Action Coalition Against Corruption Committee (CAC). The company has received the certificate of membership of the CAC since 16 October 2015.

The Audit Committee followed up the operation of year 2016 according to the scope of duties and responsibilities as assigned and viewed that the Company prepared the financial statements correctly in all material respects according to the generally accepted accounting principles and disclosed sufficient related transactions or conflict of interest transactions. The Company possessed the proper internal control system and risk management that fit with its business situation and operated according to the laws, regulation of the SET and related laws.

11.3 Head of Internal Audit and Head of Compliance

1. Mr. Pornchai Sirikijpanichkul, a manager of Internal Audit Department (details in Attachment 3) is the head of internal audit unit. Audit Committee viewed that Mr. Pornchai Sirikijpanichkul possesses proper qualifications to perform such duty with effectiveness since he has knowledge, capability and direct experience with regard to internal audit. He is able to communicate and advise to all units to support their operations for more effectiveness. The appointment, dismissal and transfer of the head of internal audit unit have to be approved by the Audit Committee.

2. Ms. Rattaporn Leenawat the company Secretary. Is the head of compliance unit

12. Connected Transaction

12.1 Nature of Connected Transaction

During 2016, the Company entered into transactions with subsidiaries which were sales and purchase of product and raw material among each other in accordance with production line of each company. Such transactions were according to normal commercial condition and criteria as agreed on normal business. The other connected transactions were short term and long term loans among companies in the group.

Connected transactions of the Company and its subsidiaries completely disclosed in notes to consolidated financial statements for the year ended December 31, 2016. Section 5

In 2016 had transactions with the related parties are as follows.

Connected Persons	Mr. Somchai Thaisa-nguanvorakul
Related party and relationship	Mr. Somchai Thaisa-nguanvorakul Chairman of the Executive Committee of SNC held 38% shares of SNC and held 100% shares of Odin Power Co., Ltd. The related party had no conflict of interest.
Transaction	SNC purchasing the ordinary shares of Odin Power Co., Ltd., from Mr. Somchai Thaisa-nguanvorakul of 49,500 shares, with a par value of Baht 100 each, totaling Baht 4,950,000. The shareholding was 55% of total shares.
Opinion of the Board	The Board of Directors has considered that this transaction will reasonably provide benefit to the company.

12.2 Connected Transaction Approval Measurement or Procedure

The Company sets its connected transaction approval measurement or procedure according to the regulations of the SEC and the SET. If there is any connected transaction between the Company or its subsidiaries and any related parties with a conflict of interest or any transaction that might cause conflict of interest, such transaction has to be approved by the Company's Board of Directors and the Audit Committee has to consider the reasonableness to enter to that transaction by considering the utmost benefit of the Company. In case the Audit Committee has no expertise to consider such connected transaction, the Company will appoint an independent expert or auditor to provide the opinion. Such opinion will be used to support the decision of the Board of Directors or the shareholders, as the case may be. The price setting and conditions of the transaction have to be under normal course of the business as the price has to be fair or comparable to the market price. Besides, the connected persons will not be able to participate on the approval procedure of such transaction.

The Company will disclose its connected transaction in the notes of the financial statement which audited by the Company's auditor.

12.3 Policy or Trend of Future Connected Transaction

If the Company will enter into any connected transaction in the future, the Company will follow the connected transaction approval procedure as specified in clause 12.2. The future connected transactions will be business transactions which based on commercial terms and conditions as agreed under normal course of business, no benefit transferring among the Company, related parties and shareholders. The price setting policy between the Company and its related parties will be the normal price as charged to unrelated person or entity. The price of the products which have to be bought from its subsidiaries will be their selling prices, cost plus margin which is also comparable to market price.

The disclosure of its connected transaction will be in accordance with the rules and regulations of the SEC and the SET as well as the accounting standard pertaining to the disclosure of information of related persons of business as provided by the Institute of Certified Accountants and Auditors of Thailand

13. Key Financial Information

Summary Table of financial statements of the Company and its subsidiaries

Statement of Financial Position	As at December 31, 2016		As at December 31, 2015		As at December 31, 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
Current Assets						
Cash and cash equivalents	404.85	7.76%	378.19	7.25%	348.95	8.43%
Trade and other accounts receivable- net	1,236.13	23.68%	1,016.53	19.47%	1,170.13	28.27%
Short-term loans to related parties	16.63	0.32%	92.63	1.77%	86.00	2.08%
Inventories	424.38	8.13%	281.33	5.39%	280.81	6.79%
Other current assets	131.73	2.52%	65.33	1.25%	46.23	1.12%
Total current assets	2,213.72	42.41%	1,834.01	35.14%	1,932.12	46.69%
Non-current assets						
Investment in associates and joint venture	46.26	0.89%	79.10	1.52%	75.53	1.83%
Investment properties	182.31	3.49%	210.97	4.04%	134.80	3.26%
Property, Plant and equipment	2,686.93	51.48%	1,918.57	36.76%	1,921.37	46.43%
Intangible assets	45.31	0.87%	51.19	0.98%	55.09	1.33%
Deferred tax assets	10.39	0.20%	8.81	0.17%	8.20	0.20%
Other non-current assets	34.93	0.67%	35.96	0.69%	38.56	0.93%
Total non-current assets	3,006.13	57.59%	2,304.60	44.15%	2,233.55	53.97%
Total assets	5,219.85	100.00%	4,138.61	79.29%	4,165.67	100.65%
<u>Liabilities and equity</u>						
Current liabilities						
Short-term loans from financial institutions	535.00	10.25%	20.00	0.38%	70.00	1.69%
Trade and other accounts payable	1,363.63	26.12%	1,229.26	23.55%	1,381.79	33.39%
Current portion of deferred income	25.49	0.49%	-	0.00%	-	0.00%
Current portion of accounts payable -acquisition of assts	53.21	1.02%	81.39	1.56%	35.76	0.86%
Current portion of long-term loans	114.23	2.19%	56.03	1.07%	35.61	0.86%
Income tax payable	3.19	0.06%	4.88	0.09%	2.79	0.07%
Other current liabilities	32.50	0.62%	19.06	0.37%	15.34	0.37%
Total current liabilities	2,127.25	40.75%	1,410.62	27.02%	1,541.29	37.24%
Non-current liabilities						
Account payable- acquisition of assets	10.02	0.19%	9.75	0.19%	9.86	0.24%
Deferred income	15.75	0.30%	-	0.00%	-	0.00%
Long-term loans	256.11	4.91%	183.83	3.52%	242.25	5.85%
Employee benefit obligations	62.44	1.20%	65.33	1.25%	49.51	1.20%
Other non-current liabilities	3.76	0.07%	-	0.00%	-	0.00%
Deferred tax liabilities	13.70	0.26%	8.98	0.17%	8.76	0.21%
Total non-current liabilities	361.78	6.93%	267.89	5.13%	310.38	7.50%
Total liabilities	2,489.03	47.68%	1,678.51	32.16%	1,851.67	44.74%

Statement of Financial Position	As at December 31, 2016		As at December 31, 2015		As at December 31, 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Equity						
Issued and fully paid-up capital	287.78	6.95%	287.78	7.53%	287.78	7.53%
Premium on ordinary shares	1,213.60	29.32%	1,213.60	31.76%	1,213.60	31.76%
Retained earnings						
Appropriated						
Legal reserve	71.32	1.37%	71.27	1.37%	67.79	1.64%
Unappropriated	942.79	18.06%	806.15	15.44%	647.28	15.64%
Other components of shareholders' equity	-	0.00%	-6.02	-0.12%	-	0.00%
Equity attributable to owner of the Company	2,515.49	48.19%	2,372.78	45.46%	2,216.45	53.56%
Equity attributable to owner of the Company-Net	2,515.49	48.19%	2,372.78	45.46%	2,216.45	53.56%
Non-controlling interests	215.33	4.13%	87.32	1.67%	94.52	2.28%
Total equity	2,730.82	52.32%	2,460.10	47.13%	2,310.97	55.84%
Total liabilities and equity	5,219.85	100.00%	4,138.61	79.29%	4,162.64	100.58%

Statement of comprehensive income	Year 2016		Year 2015		Year 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sales and services	7,468.16	100.00%	8,140.25	100.00%	7,404.79	90.97%
Cost of sales and services	-6,503.39	-87.08%	-7,274.58	-89.37%	-6,583.18	-80.87%
Gross Profit	964.77	12.92%	865.67	10.63%	821.61	10.09%
Interest income	4.17	0.06%	6.07	0.07%	4.30	0.05%
Other income	48.30	0.65%	36.92	0.45%	34.12	0.42%
Gain on previously-held equity interest prior to change of status to subsidiary	6.57	0.09%	0.00	0.00%	0.00	0.00%
Selling expenses	-81.85	-1.10%	-77.95	-0.96%	-71.27	-0.88%
Administrative expenses	-406.05	-5.44%	-288.16	-3.54%	-274.49	-3.37%
Director and management benefit expenses	-87.10	-1.17%	-91.06	-1.12%	-82.25	-1.01%
Finance costs	-23.05	-0.31%	-17.40	-0.21%	-16.63	-0.20%
Shares of loss of associates and jointly-controlled entity	-1.02	-0.01%	3.56	0.04%	-11.01	-0.14%
Profit before tax	424.74	5.69%	437.65	5.38%	404.38	4.97%
Income tax expense	-27.38	-0.37%	-26.92	-0.33%	-27.76	-0.34%
Net profit for the year	397.36	5.32%	410.73	5.05%	376.62	4.63%
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Defined benefit plan actuarial losses	-	0.00%	-7.58	-0.09%	-	-
Income tax on other comprehensive income	-	0.00%	1.52	0.02%	-	-
Other comprehensive income income for the year, net of income tax	0.00	0.00%	-6.06	-0.07%	-	-
Total comprehensive income for the year	397.36	5.32%	404.67	4.97%	-	-

Part 3 of the financial position and results of operations

Statement of comprehensive income	Year 2016		Year 2015		Year 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit (loss) attributable to :						
Owners of the Company	401.65	5.38%	409.86	5.49%	377.36	4.64%
None controlling interests	-4.29	-0.06%	0.87	0.01%	-0.74	-0.01%
Profit for the year	397.36	5.32%	410.73	5.50%	376.62	4.63%
Totla comprehensive income attributable to :						
Owners of the Company	401.65	5.38%	403.84	5.41%	377.36	4.64%
None controlling interests	-4.29	-0.06%	0.83	0.01%	-0.74	-0.01%
Total comprehensive income for the year	397.36	5.32%	404.67	5.42%	376.62	4.63%
Earnings per share						
Basic earings per share (in Baht)	1.40		1.42		1.31	

Summary table of cash flow statements of the Company and its subsidiaries

(Unit: Million Baht)

Cash Flow Statements	2016	2015	2014
Cash flows from operating activities			
Profit for the year	397.36	410.73	376.62
Adjustment for			
Depreciation	295.86	272.13	257.08
Depreciation of investment properties	3.56	2.69	1.96
Amortisation of intangible assets	8.41	9.00	7.44
Allowance for decline in value of inventories	3.07	-2.32	-0.16
Impairment loss on assets	0.69	0.17	-0.21
Unrealised (gain) loss on exchange	-0.55	1.50	-3.91
Interest income	-4.16	-6.07	-4.30
Employee benefits obligations	1.72	11.53	10.75
Finance costs	23.05	17.40	16.63
Bad debts and doubtful debts	-	0.04	2.00
Gain on preciously-held equity interest prior to change of status to subsidiary	-6.57	-	-
Gain on sale of assets classified as held for sale	-	-	-5.22
Gain (loss) on disposal of property, plant and equipment	8.48	0.41	0.74
Gain (loss) on sales of intangible assets	-	-	-0.02
Share of loss of associates and jointly-controlled entity, net of income tax	1.02	-3.57	11.02
Income tax expense	27.38	26.92	27.76
Change in operating assets and liabilities			
Trade and other accounts receivable	-144.83	154.17	-215.58
Inventories	-119.84	1.80	-33.36
Other current assets	-62.45	-19.10	-0.29
Other non-current assets	1.03	2.60	4.51
Trade and other accounts payable	26.91	-154.63	233.37
Employee benefits paid	-6.68	-3.30	-0.60
Other current liabilities	7.26	3.72	3.18
Other non-current liabilities	-13.00	-	-
Cash generated from operating activities	447.72	725.82	689.41
Income tax paid	-30.11	-23.76	-22.31
Net cash flows from operating activities	417.61	702.06	667.10

Summary table of cash flow statements of the Company and its subsidiaries (Continued)

(Unit: Million Baht)

Cash Flow Statements	2016	2015	2014
Cash flows from investing activities			
Interest received	4.17	6.07	4.30
Sale of assets classified as held for sale	-	-	13.40
Purchase of investment properties	-	-66.79	-11.38
Purchase of property, plant and equipment	-775.59	-237.09	-509.76
Sale of property, plant and equipment	6.99	0.62	7.17
Purchase of intangible assets	-2.89	-5.10	-8.52
Sale of intangible assets	0.45	-	0.19
Proceeds from loans to related parties	-	30.00	30.00
Loans to related parties	-	-36.62	-49.00
Investments in investment decreased (increase)	7.45	-	-
Purchase of shares in jointventure	-6.00	0.00	-30.00
Net cash flows from (used in) investing activities	-765.42	-308.91	-553.60
Cash flows from financing activities			
Interest paid	-23.05	-17.40	-16.63
Proceeds from loans from financial institutions	2,231.59	1,745.00	2,036.30
Repayment of loans from financial institutions	-1,665.07	-1,832.99	-1,976.20
Repayment of finance lease liabilities	-	-3.03	-8.76
Dividends to owners of the Company	-259.00	-247.46	-201.44
Acquisition of non-controlling interests	90.00	-8.03	29.70
Net cash used in financing activities	374.47	-363.91	-137.03
Net increase (decrease) in cash and cash equivalents	26.66	29.24	-23.53
Cash and cash equivalents at 1 January	378.19	348.95	372.48
Cash and cash equivalents at 31 December	404.85	378.19	348.95

Key financial ratios which reflected financial status and performance of the Company and its subsidiaries

Financial Ratios	2016	2015	2014
<u>Liquidity Ratio</u>			
Current Ratio (Times)	1.04	1.30	1.25
Quick Ratio (Times)	0.84	1.10	1.06
<u>Activity Ratio</u>			
Accounts Receivable Turnover (Times)	7.12	7.47	6.98
Collection Period (Days)	51.26	48.87	52.31
Inventory Turnover (Times)	18.43	25.88	24.93
Inventory Turnover Period (Days)	19.80	14.10	14.64
Accounts Payable Turnover (Times)	5.03	5.61	5.23
Payment Period (Days)	72.56	65.03	69.79
Cash Cycle (Days)	-1.50	-2.06	-2.84
<u>Debt Ratio</u>			
Debt to Equity Ratio (Times)	0.91	0.68	0.80
Interest-Bearing Debt to Equity Ratio (Times)	0.33	0.11	0.15
Interest Coverage Ratio (Times)	19.43	26.15	25.31
<u>Profitability Ratio</u>			
Gross Profit Margin (%)	12.92	10.63	11.10
Net Profit Margin (%)	5.38	5.04	5.10
Earnings per share (Baht)	1.40	1.42	1.31
Return on Assets (%)	9.57	10.96	10.54
Return on Equity (%)	16.43	17.86	17.73
Dividend Payout Ratio (%)	64.48	63.38	50.33

14. Management Discussion and Analysis

14.1 Analysis of operation result

Sales were Baht 7,468 million (2015: Baht 8,140 million), decreased Baht 672 million or 8% resulting from:

1. Sales of OEM/ODM business of Baht 3,118 million (2015: Baht 4,048 million), decreased Baht 930 million or 23% due to:

1.1 Air-conditioners' order decreased due to enough stock on hand.

1.2 Heat pump for water heater decreased because of 2015, the customer needed more safety stock.

2. Sales of component parts for electrical appliance of Baht 2,998 million (2015: Baht 3,034 million), decreased Baht 36 million or 1% due to :

2.1 copper prices reduced from \$6,074 to \$4,806 per ton.

2.2 More competition.

3. Sales of component parts for automobile of Baht 1,152 million (2015: Baht 906 million), increased Baht 246 million or 27% due to :

3.1 Sale of SSM Automation Co., Ltd. (SSMA) Baht 176 million. SSMA has become subsidiary in the 3q16.

3.2 SNC's customers had more export to China and USA.

4. Other sales of Baht 200 million (2015: Baht 152 million), increased Baht 48 million or 32% due to :

4.1 Sale of aluminum condenser and pipe hose at SCAN increased.

4.2 Sale of mould parts at MSPC increased.

Cost of goods sold of Baht 6,503 million or 87% of sales (2015: Baht 7,231 million or 89%). Cost of goods sold decreased 2% because the proportion of OEM business was lower than previous year. Normally the percentage of cost of goods sold of OEM is higher than the parts.

Selling expense was Baht 82 million or 1.1% of sales (2015: Baht 78 million or 1%) Selling expense increased 0.1%.

Administrative expense was Baht 406 million (2015: Baht 332 million). Expense increased Baht 74 million due to (1) the reclassification of production expenses which was still not fully utilized Baht 48 million in accordance with Thai Accounting Standards (2) Net compensation expense for employees Baht 24 million (3) Administrative expense of SSMA which has become subsidiary. (4) No management bonus reserved in 2016.

Directors and management remuneration of Baht 87 million or 1.2% of sales (2015: Baht 91 million or 1.2%) decrease Baht 4 million because of no management bonus reserved in 2016.

Net profit after tax was Baht 402 million or 5.4% of sales (2015: Baht 410 million or 5.0%) decreased Baht 8 million or 2%. EPS was Baht 1.40 per share (2015: Baht 1.42 per share).

14.2 Financial status of the Company

Assets

Total Assets

On December 31, 2016 there were the total assets of 5,220 million baht (Year 2015: 4,139 million baht) increasing 1,081 million baht. It is calculated as 26%. There are the important changes as follows: were as follows:

- Asset in SSM Automation Co., Ltd. (SSMA) is 460 million baht because it changed its status from a joint venture company to a subsidiary company.
- Lands, buildings and equipment increased 770 million baht from investment: 1) Injection molding plant and assembly plant in Rayong for 390 million baht 2) Solar Rooftop Installation Project for 100 million baht 3) Water Reservoir Project for 55 million baht.
- Trade and other receivables increased 220 million baht from money transfer in advance to invest in Yala Fah Saard Co., Ltd. for 145 million baht. The average period of collecting debts for the year 2016 equals to 51 days (Year 2015: 49 days) .

Liabilities

On December 31, 2016 there were the total debts of 2,489 million baht (Year 2015: 1,679 million baht) increased 810 million baht. It is calculated as 48% containing

- Increase of short-term loan from the financial institution for 515 million baht and long-term loan from the financial institution for 150 million baht in order to invest in (1) Injection molding plant and assembly plant in Rayong for 390 million baht (2) Odin Power Co., Ltd. for 110 million baht (3) Solar Rooftop Installation Project for 100 million baht 4) Water Reservoir Project for 55 million Baht.
- Debt to equity ratio (D/E) was 0.91 times (2015:0.68 times) fluctuated by the decrease of account payable.
- Interest bearing debt to equity ratio (D(int) /E) was 0.34 times (2015 : 0.11 time)

Shareholders' equity

As at December 31, 2016, the shareholders' equity was 2,731 million baht (2015: 2,460 million baht) increased by 271 million baht from the previous year due to the net profit of year 2015 of 402 million baht. The Company allotted the interim dividend payment for the year 2016 at 0.50 baht per share for 287,777,339 common shares; the total amount was 143.89 million baht and allotted the dividend payment for year end which was the last period at 0.40 baht per share for 287,777,339 common shares, the total amount will be 115.11 million baht. The dividend payment for the last period will be paid on April 28, 2017. The Company's total dividend payment is 0.90 baht per share, representing 50% of net profit (Policy: dividend payment not less than 50% of net profit). The returns on equity was 16.43% (2013: 17.86%)

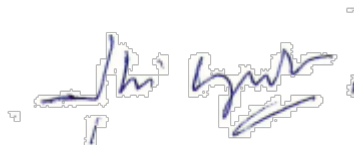
Audit Committee Report

SNC Former Public Company Limited has appointed the audit committee which comprises of Mr. Suchat Boonbanjerd Sri as the Chairman of the Audit Committee, Mr. Wisan Wuttisaksin and Mrs. Chanisa Chutipat as the member of Audit Committee.

The Audit Committee performs according to the scope of duties and responsibilities as assigned by the Board of Directors. In 2016, there were 4 meetings and every Audit Committee attended all meetings to consider and review the following major matters:

1. Review the quarterly and year 2016 financial statements with the management and auditor to ensure that the financial statements of the Company and its subsidiaries were prepared correctly according to the generally accepted accounting principles, disclosed sufficient and reliable information, provided notes and acknowledged the guideline to solve problem for the benefit of the Company.
2. Ensure the appropriateness and effectiveness of the Company's internal control and internal audit system and determine the independence of Internal Audit Unit as well as approve the appointment, transfer or dismissal of Internal Audit Unit.
3. Ensure the Company to operate according to the Securities and Securities Exchange Law, notifications of the SET and other laws that related to the Company's business.
4. Consider selecting / nominating an independence person to be the Company's auditor and propose the remuneration of such person as well as attend non-management meeting with the auditor.
5. Review the connected transaction or transaction that might cause the conflict of interest to comply with laws and notifications of the SET to ensure the reasonableness and utmost benefit for the Company.

The Audit Committee followed up the operation of year 2016 according to the scope of duties and responsibilities as assigned and viewed that the Company prepared the financial statements correctly in all material respects according to the generally accepted accounting principles and disclosed sufficient related transactions or conflict of interest transactions. The Company possessed the proper internal control system and risk management that fit with its business situation and operated according to the laws, regulation of the SET and related laws.



(Mr. Suchat Boonbanjerd Sri)
chairman of the Audit Committee

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and financial information stated in the Annual Report. The financial statements are prepared in accordance with generally accepted accounting principles in Thailand by employing the appropriate accounting policy and performing on a regular basis with thoroughly consideration and best estimation including the disclosure of sufficient information in the notes of the financial statements to ensure the transparency and benefit to shareholders and general investors.

The Board of Directors provides, preserves the appropriateness and efficiency of the risk management system and internal control to ensure that accounting information is correct, complete and sufficient to maintain the Company's assets and protect the Company from any fraud or material improper operation.

The Board of Directors appointed the Audit Committee who are independent directors to oversee and responsible for the quality of financial statements and internal control system. The opinion of the Audit Committee regarding this issue is disclosed in this Annual Report under the section of the Audit Committee Report.

The Board of Directors views that the internal control system of the Company and its subsidiaries is at the satisfactory level and can assure the reliability of the consolidated financial statements of the Company and its subsidiaries as at December 31, 2015.



Mr. Satit Chanjavanakul
Chairman of the Board of Directors



Dr. Somchai Thaisa-nguanvorakul
Chairman of Executive Committee

Nomination and Remuneration Committee Report

SNC Former Public Company Limited has set up Nomination and Remuneration Committee consisting of 3 independent members as follows:

- | | |
|--------------------------------------|---------------------------|
| 1) Mr. Chaisak Angsuwan | Chairman of the Committee |
| 2) Mr. Wisan Wutthisaksilp | member of the Committee |
| 3) Pol. Maj. Dr. Noppasak Phuwanaset | member of the Committee |

Nomination and Remuneration Committee has performed its function under the scope of duties and responsibilities assigned by the Company's Board of Directors. During 2016, Nomination and Remuneration Committee had 2 meetings all of which were attended by all members of the Committee and their subject matter can be concluded as follows:

- 1) Determine criteria for selecting qualified person to fill the position of the Company's director and find and propose to the Board of Directors such qualified person before nominating to the shareholders' meeting for appointment.
- 2) Determine amount and pattern of remuneration, both monetary and non-monetary, for the committee and subcommittee and propose to the shareholders' meeting for approval.
- 3) Determine criteria for selecting qualified person to take a position of executive and find such qualified person and nominate to the Board of Directors for approval.
- 4) Determine amount and pattern of remuneration, both monetary and non-monetary, for executive and proposed to the Board of Directors for approval.
- 5) Promote and allow minor shareholder to propose in advance an agenda and name of person to substitute a director whose term of office has expired between 15 September 2015 and 15 December 2015.



(Mr. Chaisak Angsuwan)

Chairman of Nomination and Remuneration Committee

Risk Management Committee Report

SNC Former Public Company Limited has set up Risk Management Committee consisting of 2 members, namely, Mr. Somboon Gurdlin, Chairman of the Committee and Mr. Samitt Palittagram, member of the Committee.

Risk Management Committee has performed its function under the scope of duties and responsibilities assigned by the Company's Board of Directors. During 2016, Risk Management Committee had 11 meetings all of which were attended by all members of the Committee and their subject matter can be concluded as follows:

1. Determine policy and operation framework for management of all kinds of risk possibly exposed by the Company.
2. Design the structure of risk management, determine strategies used for risk management and set forth warning system of all kinds of risk to the extent that risk is controlled in tolerable range and in accordance with the Company's risk management policy.
3. Supervise, monitor and evaluate the operation in order to review and develop efficient risk management system as well as management to have analysis and assessment of potential risk factor that may affect the Company's operation either from the external or internal source.
4. Establish communication and understanding with risk management sub-committee.
5. Evaluation situation from time to time to ensure that risk management is adequate and suitable and implemented continually to achieve the required targets and to optimize benefit for the company, shareholders and other stakeholders.



(Mr. Somboon Gurdlin)

Chairman of Risk Management Committee

CG and CSR Committee Report

SNC Former Public Company Limited has set up CG and CSR Committee consisting of 2 members, namely, Mr. Samitt Palittagram, Chairman of the Committee and Mr. Somboon Kerdlin, member of the Committee.

The CG and CSR Committee has performed its function under the scope of duties and responsibilities assigned by the Company's Board of Directors. During 2016, CG and CSR Committee had 8 meetings all of which were attended by all members of the Committee and their subject matter can be concluded as follows:

1. Review the policy on corporate governance and corporate social responsibility on regular basis to ensure that they meet international standards and requirements prescribed by relevant authorities.
2. Supervise the Company's operation to ensure that it meets corporate governance guideline given by regulatory body such as the Stock Exchange of Thailand, the Office of Securities and Exchange Commission etc. with social and environmental responsibility.
3. Apply to the Company's operation corporate governance guideline for listed company given by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand which are in line with OECD Principles of Corporate Governance particularly concerning right of shareholder, impartial shareholder treatment, stakeholders' right, information disclosure and transparency and accountability of the Board of Directors.
4. Give suggestion on the code of business conduct for the Company's operation and rules for the executive.
5. Promote at all levels understanding of and organizational culture on corporate governance and participation in CSR activity for sustainable development.



(Mr. Samitt Palittagram)

Chairman of CG and CSR Committee

SNC Former Public Company Limited
Minutes of the Annual General Meeting of Shareholders No. 22/2016
On April 1, 2016
At Meeting Room of Head Office of SNC Former Public Company limited

The meeting started at 14.00 hrs.

Mr. Satit Chanjavanakul, Chairman of the Board of Directors, acted as the chairman of the meeting.

Mr. Anaratch Chaithanapinyo, secretary of the meeting, informed the meeting that the total number of shares and total number of voting shares were as follows:

shares registered with voting rights	287,777,339	Shares
voting shareholders	<u>4,060</u>	Shareholders

	<u>At the start of the meeting</u>	<u>At the adjournment of the meeting</u>
Shareholders attending the meeting	82 shareholders	98 shareholders
In person	52 shareholders	68 shareholders
By proxy	30 shareholders	30 shareholders
Total no. of shares	171,057,864 shares	172,973,464 shares
% of total no. of shares sold	59.44	60.11

Number of shares registered more than 1/3 of total number, thus forming a quorum according to Section 103 of Public Company Act B.E. 2535 and the Articles of Association of the Company.

Mr. Satit Chanjavanakul, Chairman of the Board of Directors, called the meeting.

The secretary of the meeting introduced the board of directors, executives and auditor as follows:

- | | | |
|----|----------------------------------|---|
| 1. | Mr. Satit Chanjavanakul | Chairman of the Board of Directors, Independence Director |
| 2. | Dr. Somchai Thaisa-nguanvorakul | Chairman of Executive Committee |
| 3. | Mr. Chaisak Ankasuwan | Independence Director |
| 4. | Mr. Suchart Boonbanjerd Sri | Independence Director |
| 5. | Mr. Wisan Wuttisaksin | Independence Director |
| 6. | Pol.Gen.Maj.Nopsak Poovatanasedj | Independence Director |
| 7. | Mr. Surasak Khaoroptham | Director |
| 8. | Mr. Somboon Gurdlin | Director |
| 9. | Mr. Samitt Palitagram | Director |
| | Mr. Rattapoom Nantapatawee | Managing Director – Accounting and Finance |
| | Miss Vipavan Pattavanvivek | Auditor |
| | Mr. Anaratch Chaithanapinyo | Secretary of the meeting |

Absent:

1. Mrs. Chanisa Chutipat Independence Director

The secretary of the meeting informed the meeting that the Company allowed any shareholders to propose agenda or nominate any qualified candidates to be considered as the Company's board of directors via the Company's website since September 15, 2015 – December 15, 2015. However, there was no shareholder proposed agenda or nominated any qualified candidates to be considered as the Company's board of directors. Besides, The resolution of the meeting will be in accordance with the Company's Articles of Association "Section 34", a resolution of the shareholder meeting shall require the majority vote of the shareholders who attend the meeting and cast their votes, by counting one share equal to one vote. In case of a tie vote, the chairman of the meeting shall have a casting vote. To vote for each agenda, please tick the mark ✓ in

☐ for approval, disapproval or abstention in the voting card provided in advance. Timing for voting will be 1 minute, there will be officers to collect and accumulate the voting cards. The vote will be counted for disapproval and abstention, the remaining will be approval and will announce in the meeting afterward.

Agenda 1 Acknowledgement of minutes of the Annual General Meeting of Shareholders No. 21/2015

Objective and reason For the acknowledgment of shareholders for the minutes of Annual General Meeting of Shareholders No. 21/2015 held on March 27, 2015.

Opinion of the Board The Board found it appropriate to propose to the Annual General Meeting of Shareholders to acknowledge such minutes of the meeting.

Resolution Minutes of the Meeting of Shareholders No. 21/2015

Agenda 2 Acknowledgement of operation result of 2015

Objective and reason For the acknowledgement of shareholders for the operation result of 2015

Mr. Samitt Palitagram Vice Chairman of Executive Committee, reported the operation result of 2015. The sales revenues 8,140 million baht, increased Baht 735 million or 10% resulting from

1. Sales of OEM/ODM business increased Baht 895 million due to the new model of window type and split type air-conditioner increased and Additional Heat Pump for water heater.

2. Sales of component parts of electric appliance decreased Baht 160 million due to low demand of the electrical appliance.

3. Sales of component parts for automobile use of Baht 907 million decreased Baht 24 million because of the low domestic demand.

Net profit after tax was Baht 410 million or 5.04% of sales (2014: Baht 377 million or 5.09%) increased Baht 33 million or 9% EPS was Baht 1.42 per share (2014: Baht 1.31 per share).

Opinion of the Board The Board found it appropriate to propose to the shareholders' meeting for the acknowledgement of operation result.

Resolution The meeting was informed of the operation.

Agenda 3 Consideration and approval of financial statements of 2015

Mr. Rattapoon Nantapatawee, Managing Director, Accounting and Finance Department, was the person who explained in the meeting.

Objective and reason According to the Public Limited Company Act, the Board of Directors has to ensure the preparation of the financial statements at the end of each fiscal year which were audited by certified auditor and propose to the annual general shareholders' meeting for the approval. The financial statements for year 2015 showed in the Annual Report which submitted to the shareholders in advance.

As no further questions or comments from shareholders, the secretary of the meeting asked for voting and meeting votes as follows:

Approval	171,717,563	Votes
Disapproval	-	Votes
Abstention	6,001	Votes

Resolution The meeting unanimously approved financial statements of 2015.

Agenda 4 Consideration and approval of dividend payment for year 2015

Mr. Samitt Palitagram, Vice Chairman of Executive Committee, was the person who clarified in the meeting.

Objective and reason As there was profit from its operation, the Company found it appropriate to allocate for dividend payment. According to the Public Limited Company Act, the dividend payment has to be proposed to shareholders' meeting for an approval. The information for past dividend payment comparison is as follows:

Dividend	Year 2015	Year 2014
Net profit (Baht)	409,861,953	377,363,470
Number of shares	287,777,339	287,777,339
Dividend per share		
- Interim dividend (Baht/share)	0.50	0.30
- Final dividend (Baht/share)	0.40	0.36
Total dividend payment (Baht)	258,999,605	189,933,044
Dividend payout	63.19%	50.33%

Opinion of the Board The Board found it appropriate to propose to shareholders' meeting to consider and approve the dividend allocation for year 2015 for year-end period which was the last period at 0.40 Baht per share. The dividend will be paid on April 29, 2016. After including the interim dividend payment at 0.50 baht per share, the total dividend equal to 0.90 baht per share. The Company already allocated for legal reserve for 10% of its registered capital.

As no further questions or comments from shareholders, the secretary of the meeting asked for voting and the meeting voted as follows:

Approval	171,717,563	Votes
Disapproval	6,000	Votes
Abstention	1	Votes

Resolution The meeting unanimously approved the dividend. for year 2015 as proposed.

Agenda 5 Consideration of election of directors to replace those directors who are retired from office by rotation

Pol.Gen.Maj.Nopsak Poovatanasedj Director of the Remuneration and Nomination Committee, was the person who explained in the meeting.

Objective and reason In order to allow the shareholders' meeting to elect directors to replace those directors who are retired from office by rotation for one third (1/3) of total directors.

According to the Company's Articles of Association, Section 16, stated that at every Annual General Meeting of shareholders, one third of total directors shall retire from the office.. At present, there were 10 directors. Therefore, one third of directors who were retired from office by rotation were 4 directors which the names of 4 directors to retire from the office by rotation in 2016 were:

1. Dr. Somchai Thaisa-nguanvorakul
2. Mr. Chaisak Ankasuwan
3. Mr. Wisan Wuttisaksin
4. Mr. Suchat Boonbanjersri

Opinion of Board The Board considered based on qualification, experience and appropriateness with the Company's business operation as well as examined independency and expertise of the directors who will retire from the office and found that those 4 directors can perform their duties as directors to support present and future of the Company and the Board. Therefore, the Board found it appropriate to propose to the shareholders' meeting to elect those 4 directors to re-elect as the Company's board for another term.

Director of Nomination Committee asked 4 directors to temporarily leave the meeting room.

As no further questions or comments from shareholders, the secretary of the meeting asked for voting to re-elect the directors who retire from the office by rotation for another term.

(1) Dr. Somchai	Thaisa-nguanvorakul	
Approval	172,772,263	Votes
Disapproval	183,800	Votes
Abstention	7,301	Votes
(2) Mr. Chaisak	Ankasuwan	
Approval	172,956,063	Votes
Disapproval	-	Votes

Abstention	7,301	Votes
(3) Mr. Wisan Wuttisaksin		
Approval	165,679,863	Votes
Disapproval	7,276,200	Votes
Abstention	7,301	Votes
(4) Mr. Suchat Boonbanjerd Sri		
Approval	172,947,463	Votes
Disapproval	8,600	Votes
Abstention	7,301	Votes

Resolution The meeting unanimously re-elected 4 directors to be the Company's Board of Directors for another term

Agenda 6 Consideration and determination of directors' remuneration

Mr. Chaisak Ankasuwan the Chairman of the Remuneration and Nomination Committee, was the person who

Details	Year 2016		
	Chairman of the Board	Director	Total

clarified in the meeting.

Objective and reason Public Limited Company Act requires that the shareholders' meeting has to approve the directors' remuneration every year.

Details of Directors' remuneration for the 2016 are as follows:

1. Remneration	100,000 Baht/mount	30,000 Baht/ person/mount	3,360,000
2. Meeting allowance of the Board of Directors	20,000 Baht/ person/mount	10,000 Baht/ person/mount	660,000
3. Meeting allowance of the Audit Committee	20,000 Baht/ person/mount	10,000 Baht/ person/mount	160,000
4. Meeting allowance of the Nomination Committee and Remuneration Committee	20,000 Baht/ person/mount	10,000 Baht/ person/mount	80,000
5. Meeting allowance of the CG & CSR	None	None	-
6. Meeting allowance of the Risk Management Committee	None	None	-
7. Assigned company Vehicles	25,500 Baht/mount	None	306,000
8. Other remunerations	None	None	-
Total			4,566,000

Remark

- 1) Monthly remuneration Non-executive directors do not receive compensation.
- 2) Remuneration other –None- i.e. bonus, pension, share of a business, warrant, fuel cost, accident insurance, life insurance, health insurance, medical fee myself and family, credit card and club members.

Opinion of Board The Board considered based on opinion of the remuneration committee and found it appropriate to propose to the shareholders' meeting to authorize the Board of Directors to have power to determine the directors' remuneration for year 2016 at the amount of not more than 4,566,000 baht which is at the comparable level of other listed companies in the same industry.

As no further questions or comments from shareholders, the secretary of the meeting asked for voting and the meeting voted as follows:

Approval	172,947,663	Votes
Disapproval	-	Votes
Abstention	15,801	Votes

Resolution With the majority vote, the meeting passed the resolution to authorize the Board of Directors to have power to determine the directors' remuneration as proposed.

Agenda 7 Consideration and appointment of the auditor and determination of the audit fee

Mr. Suchat Boonbanjerd Sri , Chairman of the Audit Committee, was the person who explained in the meeting.

Objective and reason Public Limited Company Act requires that the shareholders' meeting has to approve the appointment of the auditor and determination of the audit fee every year

The Board considered and found it appropriate to propose to the shareholders' meeting to appoint Miss Wipawan Patawanwiwek CPA No. 4795 and/or Mr. Veerachai Rattanacharaskul CPA No. 4323 and/or Miss Orawan Sirirattanawong CPA No. 3757 from KPMG Phoomchai Audit Company Limited to be the auditor of the Company, its

subsidiaries and associates for year 2016. The auditor is independent and has no conflict of interest with the Company, its subsidiaries and its associates. The audit fee for year 2016 has set to be not more than 3,750,000 baht (Audit fee for 2015: 3,570,000 baht) The details of the audit fee are as follows:

	2016			2015
	Annual.	Quarter.	Grand Total	
1 SNC Former Public Company Limited	480,000	270,000	750,000	800,000
2 Immortal Parts Company Limited	300,000	150,000	450,000	450,000
3 SNC Cooling Supply Company Limited	250,000	150,000	400,000	400,000
4 SNC Pyongsan Evolution Company Limited	250,000	90,000	340,000	340,000
5 SSM Automation Company Limited	200,000	60,000	260,000	260,000
6 Toptech Diamond Tools Company Limited	160,000	60,000	220,000	220,000
7 Ultimate Parts Company Limited	160,000	60,000	220,000	220,000
8 Infinity Parts Company Limited	160,000	60,000	220,000	220,000
9 Paradise Plastic Company Limited	150,000	30,000	180,000	180,000
10 SNC Creativity Anthology Company Limited	200,000	60,000	260,000	130,000
11 SNC Atlantic Heat Pump Company Limited	110,000	30,000	140,000	100,000
12 SNC Fukui Holy Insulation Company Limited	100,000	30,000	130,000	100,000
13 Meisou SNC Precision Company Limited	100,000	30,000	130,000	100,000
14 International Techno Pipe Company Limited	50,000	-	50,000	50,000
	2,670,000	1,080,000	3,750,000	3,750,000

Opinion of the Board The Board found it appropriate to propose to the shareholders' meeting to appoint auditor from KPMG Phoomchai Audit Company Limited to be the auditor of the Company, subsidiaries and associates. The Audit fee has set to setting the audit within the limits 3,750, 000 baht for years, 2016 as mentioned above

Khun Orawn Unarat asked for the reason why the amount of the audit fee charged to SNC Creativity Anthology Co., Ltd. (SCAN) for the year 2016 was increased for 100% compared to that of the year 2015

Mr. Suchart Boonbuncherdsi In 2016, SCAN had more transactions, the audit fee increased accordingly.

Dr.Somchai Thaisa-nguanvorakul added that we will move our plant from Laem Chabang to Rayong to enjoy tax incentives resulted from the loss incurred by SCAN and therefore, number of transactions increased significantly leading to larger amount of audit fee. However, this amount of audit fee was already negotiated by the Audit Committee.

As no further questions or comments from shareholders, the secretary of the meeting asked for voting and the meeting voted as follows:

Approval	172,948,563	Votes
Disapproval	-	Votes
Abstention	14,901	Votes

Resolution With the majority vote. Approval of the appointment of auditors from KPMG PHOOMCHAI Audit Limited as auditors for the year 2016 by the auditor's remuneration shall not exceed 3,750,000 Baht.

Agenda 8 Consideration of other matters

Mr. Suphat Phonphiphatphong

1. Since the Company has been accredited by CAC to become a member of the Collective Action Coalition against Corruption, if the Company have a plan to extend this campaign to its trading partners.
2. According to the annual report Form 56-1, the Company's income target was set forth to be 10% growth, if the Company could achieve that target and to what extent.
3. Whether the Company has been affected by electric vehicle industry and relocation of production base of certain electric appliance manufacturers.

Dr.Somchai Thaisa-nguanvorakul

1. The Company has launched anti-corruption campaign to its trading partners e.g. the Company's documents to be sent to its trading partners bear the stamp "Anti-Corruption". The Company also welcomes any interested party to give the trace to corruption and if it discovers that any trading partner has conducted corrupted practice, the Company shall cancel the transaction immediately.
2. The 10% target is highly possible. In the 3rd quarter of 2016, the Company will relocate its plant from Laem Chabang to Rayong and it needs to pay compensation to its employee according to the labour law. This will affect its profit amount. However, by moving to Rayong, better business opportunity can be anticipated as all our up-stream production and assembly lines are over there while resources will be more effectively and economically shared. The overall picture of 2016 should be better than that of 2015.
3. The Company will manufacture products of better quality than present as a result of implementation of automatic system, economy of scale and reasonable pricing, application of mini MD to seek and maintain order from both automobile and electric appliance industry. I believe that in the future, the minimum wage rate in CLMV countries will reach the same level as the same situation as what happened in China. Relocation of production base of automobile industry will be more difficult as supply chain for their industry in Thailand is a very extensive network.

Mr. Satit Chanjavanakul The major part of car produced in Thailand is for commercial purpose. Electric vehicles will partly replace high price cars only. However, oil price has been in low price for a while, replacement by electric vehicle would not occur soon and even so, all kinds of vehicle need air conditioning system and parts, our business would therefore not be seriously affected in the long term.

Mr. Wanchak Kitthanamongkolchai asked about businesses of SNC Creativity and Thology Co., Ltd.

1. Presently, the Company earns from selling aluminum condenser only to Sharp, if there is possibility that it can expand its customer base.
2. The Company adopts technologies for manufacturing aluminum condenser from Keihin who sells automobile air conditioner to HONDA, is it possible for the Company to expand its customer base?
3. In 2015, the Company suffered loss for an amount of 84 million baht, to what extent the said amount will increase or decrease in 2016.

Dr.Somchai Thaisa-nguanvorakul

1. Income from aluminum condenser started with Sharp only and then expanded to Fujitsu. There is possibility that the customer base will be expanded as the Company expects that use of aluminum condenser will be an alternate to copper condenser.

2. In this 2016, the Company will have new executive member to join SNC. He used to work for our client, the major air conditioner manufacturer. We expect that he would help us to increase number of customer and sale amount. More recently, the Company has received orders for 2-3 new items from our customers in automobile sector.

3. In 2016, SCAN's loss will be certainly decreased as our client has significantly gained confidence in our product and production process which will ultimately result in more production and larger sales volume.

Mr. Thongchai Phromlikitkul Whether the return to the shareholders in 2016 will be at very high rate as the same as those of the past years.

Dr.Somchai Thaisa-nguanvorakul Over the past couples of years, the Company has invested in certain new businesses and the fund has been therefore allocated to such new investment. However, the Company has already reserved the amount of fund for dividend allocation at the rate higher than that of the return of investment in the bond.

Khun Kunlaya Phakakrong In respect of the agenda for acknowledging the operation results, the Company is asked to present its operation results in the manner applied in opportunity day in order to enable those shareholders missing an opportunity to personally listen to the presentation to access to the same kind of information.

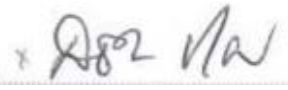
Mr. Samitt Palitagram The above recommendation is acknowledged for further consideration.


No further questions or comments from shareholders.


The Chairman of the Board of Directors declared the meeting closed.

The meeting was adjourned at 15.25 hrs. (1hr 25 minutes)

Certified for the correctness of the minutes

Sign..........Chairman of the meeting
(Mr. Satit Chanjavanakul)

Sign..........Note-taker of the meeting
(Miss Kesarin Dechpan)

Sign..........Director
(Dr. Somchai Thaisa-nguanvorakul) (Mr.Samitt Palitagram)

**SNC Former Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2016
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of SNC Former Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of SNC Former Public Company Limited and its subsidiaries (the "Group") and of SNC Former Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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



Key Audit Matters

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

Valuation of investments in subsidiaries	
Refer to Note 11 to the separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>In prior years the Group has expanded its activities through formation of new businesses in a subsidiary and joint venture. Certain of the new businesses contain a risk that they may not operate in line with initial expectations and forecasts, indicating that the investments may be impaired.</p> <p>As at 31 December 2016, the total carrying value of the investments in subsidiaries in the separate financial statements are Baht 1,105 million. Two subsidiaries with that indicator has its carrying value of Baht 400 million and Baht 85 million.</p> <p>As at 31 December 2016, the Management performed an impairment assessment which took into consideration the ongoing performance of two subsidiaries and the forecasted future cash flows to determine the “value in use” compared to its carrying value, to ascertain whether the carrying value was impaired. The management’s assessment of the “value in use” is judgemental in nature because its forecasted results based on current economic situation while future economic outcomes is uncertain. As a result, this is an area focus for my audit.</p>	<p>My audit procedures included detailed evaluation of the budgeting procedures (upon which forecasts are based) and testing of the principles of the discounted future cash flow models. I tested the accuracy of the calculation derived from each forecast model and I assessed key inputs in the calculations such as revenue growth, gross profit margins, overhead growth, discount rate and terminal growth rate applied to the forecasted cash flows in the model.</p> <p>I further obtained data used to analyses market demand and the budget plan of such investees and compare to market industry trend.</p> <p>I considered the action plans in place and evaluated the reasonableness of those plans, where possible, I assessed the historical accuracy of forecasts by comparing the actual results for the year with the original forecasts.</p>

Other Information

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

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



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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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.

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
7 February 2017

SNC Former Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
Current assets					
Cash and cash equivalents	6	404,851,017	378,190,677	54,411,760	82,967,849
Trade and other accounts receivable	7	1,236,134,484	1,016,525,218	207,478,935	549,663,984
Short-term loans to related parties	5	16,624,999	92,625,000	982,985,512	633,002,384
Inventories	8	424,379,790	281,325,532	33,477,942	90,754,177
Other current assets	9	131,732,957	65,330,318	9,219,500	9,569,248
Total current assets		2,213,723,247	1,833,996,745	1,287,573,649	1,365,957,642
Non-current assets					
Investments in associates and joint venture	10	46,261,717	79,100,914	42,050,000	121,050,000
Investments in subsidiaries	11	-	-	1,105,469,541	710,469,541
Investment properties	12	182,308,241	210,969,205	85,443,391	-
Property, plant and equipment	13	2,686,934,629	1,918,566,253	331,777,909	708,919,789
Intangible assets	14	45,308,922	51,193,623	1,725,760	6,383,267
Deferred tax assets	15	10,390,625	8,809,630	4,952,237	4,693,137
Other non-current assets	16	34,926,987	35,963,226	29,879,148	32,122,420
Total non-current assets		3,006,131,121	2,304,602,851	1,601,297,986	1,583,638,154
Total assets		5,219,854,368	4,138,599,596	2,888,871,635	2,949,595,796

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

SNC Former Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2016	2015	2016	2015
(in Baht)					
Current liabilities					
Short-term loans from financial institutions	17	535,000,000	20,000,000	455,000,000	-
Trade and other accounts payable	18	1,363,630,183	1,229,264,826	123,635,805	575,725,576
Current portion of deferred income		25,487,447	-	-	-
Current portion of accounts payable					
- acquisition of assets		53,211,824	81,385,224	469,678	3,799,631
Current portion of long-term loans	17	114,234,000	56,034,000	26,040,000	26,040,000
Short-term loans from related parties	5, 17	-	-	215,122,616	84,085,945
Income tax payable		3,189,606	4,878,719	493,157	-
Other current liabilities		32,502,890	19,057,685	12,630,857	8,377,035
Total current liabilities		2,127,255,950	1,410,620,454	833,392,113	698,028,187
Non-current liabilities					
Accounts payable - acquisition of assets		10,024,987	9,748,743	-	-
Deferred income		15,746,625	-	-	-
Long-term loans	17	256,108,109	183,832,280	25,080,000	51,120,000
Employee benefit obligations	19	62,440,442	65,329,543	20,742,830	25,363,424
Deferred tax liabilities	15	13,702,077	8,976,410	-	-
Other non-current liabilities		3,755,676	-	-	-
Total non-current liabilities		361,777,916	267,886,976	45,822,830	76,483,424
Total liabilities		2,489,033,866	1,678,507,430	879,214,943	774,511,611

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

SNC Former Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity	Note	2016	2015	2016	2015
<i>(in Baht)</i>					
Equity					
Share capital:					
Authorised share capital	20	<u>287,777,339</u>	<u>287,777,339</u>	<u>287,777,339</u>	<u>287,777,339</u>
Issued and paid-up share capital	20	<u>287,777,339</u>	<u>287,777,339</u>	<u>287,777,339</u>	<u>287,777,339</u>
Premium on ordinary shares		1,213,596,360	1,213,596,360	1,213,596,360	1,213,596,360
Retained earnings					
Appropriated					
Legal reserve	21	71,322,824	71,265,324	30,140,324	30,140,324
Unappropriated		<u>942,788,146</u>	<u>800,129,505</u>	<u>478,142,669</u>	<u>643,570,162</u>
Equity attributable to owners					
of the Company		2,515,484,669	2,372,768,528	2,009,656,692	2,175,084,185
Non-controlling interests		<u>215,335,833</u>	<u>87,323,638</u>	<u>-</u>	<u>-</u>
Total equity		<u>2,730,820,502</u>	<u>2,460,092,166</u>	<u>2,009,656,692</u>	<u>2,175,084,185</u>
Total liabilities and equity		<u>5,219,854,368</u>	<u>4,138,599,596</u>	<u>2,888,871,635</u>	<u>2,949,595,796</u>

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

SNC Former Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Continuing operations					
Revenue from sales of goods and rendering of services	28	7,468,159,358	8,140,248,291	3,025,236,933	4,392,631,954
Cost of sales and rendering of services	8	(6,503,394,429)	(7,231,119,005)	(2,825,905,164)	(4,220,326,147)
Gross profit		964,764,929	909,129,286	199,331,769	172,305,807
Interest income		4,168,307	6,068,952	34,186,656	21,298,872
Other income		48,295,918	36,920,776	25,620,027	8,985,973
Dividend income from subsidiaries	11	-	-	-	515,000,000
Gain on previously-held equity interest prior to change of status to subsidiary	4	6,570,841	-	-	-
Selling expenses	23	(81,845,440)	(77,898,386)	(29,068,903)	(31,969,878)
Administrative expenses	24	(406,046,775)	(331,677,927)	(93,839,491)	(76,428,403)
Directors and management benefit expenses	5	(87,102,094)	(91,059,269)	(7,988,670)	(8,207,027)
Finance costs	26	(23,050,194)	(17,403,840)	(16,872,203)	(19,901,530)
Share of profit (loss) of investments in associates and joint venture	10	(1,021,527)	3,569,877	-	-
Profit before income tax		424,733,965	437,649,469	111,369,185	581,083,814
Income tax expense	15	(27,375,173)	(26,917,621)	(17,800,923)	(11,089,296)
Profit for the year		397,358,792	410,731,848	93,568,262	569,994,518
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial losses	19	-	(7,580,997)	-	(280,699)
Income tax on other comprehensive income	15	-	1,516,199	-	56,140
Other comprehensive income for the year, net of income tax		-	(6,064,798)	-	(224,559)
Total comprehensive income for the year		397,358,792	404,667,050	93,568,262	569,769,959

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

SNC Former Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Profit (loss) attributable to:					
Owners of the Company		401,654,396	409,861,953	93,568,262	569,994,518
Non-controlling interests		(4,295,604)	869,895	-	-
Profit for the year		397,358,792	410,731,848	93,568,262	569,994,518
Total comprehensive income attributable to:					
Owners of the Company		401,654,396	403,839,869	93,568,262	569,769,959
Non-controlling interests		(4,295,604)	827,181	-	-
Total comprehensive income for the year		397,358,792	404,667,050	93,568,262	569,769,959
Earnings per share					
Basic earnings per share (in Baht)	29	1.40	1.42	0.33	1.98

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

SNC Former Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements								
			Retained earnings					
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Equity attributable to owners of the Company	Non- controlling interests	Total equity
Year ended 31 December 2015								
Balance at 1 January 2015		287,777,339	1,213,596,360	67,796,813	647,281,354	2,216,451,866	94,521,595	2,310,973,461
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Dividends to owners of the Company	30	-	-	-	(247,455,514)	(247,455,514)	-	(247,455,514)
Total contributions by and distributions to owners of the Company		-	-	-	(247,455,514)	(247,455,514)	-	(247,455,514)
Change in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	11	-	-	-	(67,693)	(67,693)	(8,025,138)	(8,092,831)
Total transactions with owners, recorded directly in equity		-	-	-	(247,523,207)	(247,523,207)	(8,025,138)	(255,548,345)
Comprehensive income for the year								
Profit or loss		-	-	-	409,861,953	409,861,953	869,895	410,731,848
Other comprehensive income		-	-	-	(6,022,084)	(6,022,084)	(42,714)	(6,064,798)
Total comprehensive income for the year		-	-	-	403,839,869	403,839,869	827,181	404,667,050
Appropriated for legal reserve		-	-	3,468,511	(3,468,511)	-	-	-
Balance at 31 December 2015		287,777,339	1,213,596,360	71,265,324	800,129,505	2,372,768,528	87,323,638	2,460,092,166

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

SNC Former Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements								
			Retained earnings					
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Year ended 31 December 2016								
Balance at 1 January 2016		287,777,339	1,213,596,360	71,265,324	800,129,505	2,372,768,528	87,323,638	2,460,092,166
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Dividends to owners of the Company	30	-	-	-	(258,995,755)	(258,995,755)	-	(258,995,755)
Total contributions by and distributions to owners of the Company		-	-	-	(258,995,755)	(258,995,755)	-	(258,995,755)
Change in ownership interests in subsidiaries								
Acquisition of non-controlling interests with a change in control	4, 11	-	-	57,500	-	57,500	132,307,799	132,365,299
Total transactions with owners, recorded directly in equity		-	-	57,500	(258,995,755)	(258,938,255)	132,307,799	(126,630,456)
Comprehensive income for the year								
Profit or loss		-	-	-	401,654,396	401,654,396	(4,295,604)	397,358,792
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	401,654,396	401,654,396	(4,295,604)	397,358,792
Appropriated for legal reserve		-	-	-	-	-	-	-
Balance at 31 December 2016		287,777,339	1,213,596,360	71,322,824	942,788,146	2,515,484,669	215,335,833	2,730,820,502

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

SNC Former Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements

			Retained earnings		
		Issued and	Premium on	Legal	Total
	<i>Note</i>	paid-up	ordinary shares	reserve	equity
		share capital		(in Baht)	
				Unappropriated	
Year ended 31 December 2015					
Balance at 1 January 2015		287,777,339	1,213,596,360	30,140,324	321,255,717
					1,852,769,740
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners of the Company</i>					
Dividends to owners of the Company	30	-	-	-	(247,455,514)
					(247,455,514)
<i>Total contributions by and distributions to owners of the Company</i>					
		-	-	-	(247,455,514)
					(247,455,514)
Comprehensive income for the year					
Profit or loss		-	-	-	569,994,518
					569,994,518
Other comprehensive income		-	-	-	(224,559)
					(224,559)
Total comprehensive income for the year		-	-	-	569,769,959
					569,769,959
Balance at 31 December 2015		287,777,339	1,213,596,360	30,140,324	643,570,162
					2,175,084,185

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

SNC Former Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements

			Retained earnings		
	Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve (in Baht)	Unappropriated Total equity
Year ended 31 December 2016					
Balance at 1 January 2016		287,777,339	1,213,596,360	30,140,324	643,570,162
					2,175,084,185
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners of the Company</i>					
Dividends to owners of the Company	30	-	-	-	(258,995,755)
					(258,995,755)
<i>Total contributions by and distributions to owners of the Company</i>		-	-	-	(258,995,755)
					(258,995,755)
Comprehensive income for the year					
Profit or loss		-	-	-	93,568,262
Other comprehensive income		-	-	-	-
					93,568,262
Total comprehensive income for the year		-	-	-	93,568,262
					93,568,262
Balance at 31 December 2016		287,777,339	1,213,596,360	30,140,324	478,142,669
					2,009,656,692

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

SNC Former Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2016	2015	2016	2015
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	397,358,792	410,731,848	93,568,262	569,994,518
<i>Adjustments for</i>				
Depreciation	295,855,999	272,127,290	83,248,217	113,687,548
Depreciation of investment properties	3,564,039	2,689,863	2,005,513	-
Amortisation of intangible assets	8,412,345	9,000,222	1,069,032	1,279,964
Allowance for decline in value of inventories (reversal)	3,074,308	(2,318,227)	1,027,114	1,316,317
Impairment loss on assets (reversal)	689,229	174,075	1,189,229	(325,925)
Unrealised (gain) loss on exchange	(545,469)	1,499,557	(18,558)	67,615
Interest income	(4,168,307)	(6,068,952)	(34,186,656)	(21,298,872)
Employee benefit obligations (reversal)	1,720,218	11,534,879	(4,557,996)	7,205,739
Finance costs	23,050,194	17,403,840	16,872,203	19,901,530
Bad debts and doubtful debts	-	35,789	-	35,789
Gain on preciously-held equity interest prior to change of status to subsidiary	(6,570,841)	-	-	-
(Gain) loss on disposal of property, plant and equipment	8,478,814	412,304	26,124,481	(9,173)
Dividend income from subsidiaries	-	-	-	(515,000,000)
Share of (profit) loss of investments in associates and joint venture, net of income tax	1,021,527	(3,569,877)	-	-
Income tax expense	27,375,173	26,917,621	17,800,923	11,089,296
	759,316,021	740,570,232	204,141,764	187,944,346

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

SNC Former Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2016	2015	2016	2015
	(in Baht)			
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivable	-144,826,217	154,168,543	342,185,049	188,569,938
Inventories	-119,840,216	1,801,634	56,249,121	22,594,557
Other current assets	-62,453,434	-19,097,597	349,748	1,051,512
Other non-current assets	1,036,239	2,595,465	2,243,272	-5,196,914
Trade and other accounts payable	26,910,052	-154,630,681	-452,071,213	-218,424,858
Employee benefits paid	(6,679,344)	(3,300,000)	(62,598)	(3,300,000)
Other current liabilities	7,267,652	3,722,635	4,253,822	1,489,484
Other non-current liabilities	-13,005,062	-	-	-
Cash generated from operating activities	447,725,691	725,830,231	157,288,965	174,728,065
Income tax paid	-30,113,541	-23,773,080	-17,566,866	-11,878,141
Net cash from operating activities	417,612,150	702,057,151	139,722,099	162,849,924
<i>Cash flows from investing activities</i>				
Interest received	4,168,307	6,068,952	34,186,656	21,298,872
Dividend received	-	-	-	515,000,000
Purchase of investment properties	-	(66,785,714)	-	-
Purchase of property, plant and equipment	(775,594,978)	(237,087,215)	(20,031,164)	(54,932,876)
Sale of property, plant and equipment	6,992,618	620,634	195,832,260	42,352,144
Purchase of intangible assets	(2,890,127)	(5,102,175)	(25,800)	(1,422,705)
Sale of intangible assets	450,608	-	3,614,275	-
Proceeds from loans to related parties	-	30,000,000	821,877,384	379,377,384
Loans to related parties	-	(36,625,000)	(1,171,860,512)	(661,502,384)
Cash received from capital reduction of subsidiary	-	-	-	4,680,000
Cash received from acquisition of a subsidiary	7,451,882	-	-	-
Purchase of shares in joint venture	(6,000,000)	-	(6,000,000)	-
Net cash from (used in) investing activities	(765,421,690)	(308,910,518)	(142,406,901)	244,850,435

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

SNC Former Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Cash flows from financing activities</i>				
Interest paid	(23,050,194)	(17,403,840)	(16,872,203)	(19,901,530)
Proceeds from loans from financial institutions	2,231,594,109	1,745,000,000	1,861,000,000	1,725,000,000
Repayment of loans from financial institutions	(1,665,078,280)	(1,832,986,631)	(1,432,040,000)	(1,809,840,000)
Repayment of finance lease liabilities	-	(3,033,997)	-	-
Proceeds from short-term loans from related parties	-	-	404,745,232	483,622,616
Repayment of short-term loans from related parties	-	-	(273,708,561)	(510,122,616)
Dividends to owners of the Company	(258,995,755)	(247,455,514)	(258,995,755)	(247,455,514)
Purchase of shares in subsidiaries	-	-	(310,000,000)	(14,840,900)
Acquisition of non-controlling interests	90,000,000	(8,025,138)	-	-
Net cash from (used in) financing activities	374,469,880	(363,905,120)	(25,871,287)	(393,537,944)
Net increase (decrease) in cash and cash equivalents	26,660,340	29,241,513	(28,556,089)	14,162,415
Cash and cash equivalents at 1 January	378,190,677	348,949,164	82,967,849	68,805,434
Cash and cash equivalents at 31 December	404,851,017	378,190,677	54,411,760	82,967,849
<i>Non-cash transactions</i>				
Liabilities from construction of plant and purchase of equipment	47,045,536	51,887,555	1,100,191	2,314,901
Transfer property, plant and equipment to investment properties, net	25,096,924	12,072,834	87,448,904	-

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

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 7 February 2017.

1 General information

SNC Former Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 333/3 Moo 6, Bangphriang sub district, Bang bo district, Samutprakarn. The Company has 1 branch in Samutprakarn and 1 branch in Chonburi.

The Company was listed on the Stock Exchange of Thailand in October 2004.

The Company’s major shareholder was SNC Holding Company Limited (31.62% shareholding), incorporated in Thailand.

The principal businesses of the Company and its subsidiaries are engaged in the manufacturing of component parts for cooling machines, component parts for air conditioners for automobile, contract manufacturing and assembly of air conditioners for household use, manufacturing tools and equipment that are made for metal, steel, tungsten and carbide, manufacturing of heat pump for water heat pump and manufacturing of insulation copper price kit used for the installation of cooling machine and foam pipe insulation.

Details of the Company’s subsidiaries, associates and joint venture as at 31 December 2016 and 2015 are given in notes 5, 10 and 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 34.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Item</i>	<i>Measurement base</i>
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (m)

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(c) Functional and presentation currency

The financial statements are prepared in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgement

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Note 10 Classification of the joint arrangement

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment to the amount recognised in the financial statements is included in the following notes:

Note 4 Acquisition of a subsidiary: fair value measure on a provisional basis
Note 11 Key assumptions used in discounted cash flow projections
Note 15 Recognition of deferred tax assets: availability of future taxable profit against which
 tax losses carried forward can be used
Note 19 Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

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When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 acquisition of a subsidiary
- Note 12 investment properties

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

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Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or addition assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Step acquisition

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

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The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint venture are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Forward exchange contracts

Forward exchange contracts are used to manage exposure to foreign exchange arising from operating activities. Forward exchange contracts are not used for trading purposes. However, forward exchange contracts that do not qualify for hedge accounting are accounted for as trading instruments.

The Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to the functional currency at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains/losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

(d) Cash and cash equivalents

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Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

(g) Investments

Investments in subsidiaries, associates and joint venture

Investments in subsidiaries, associates and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint venture in the consolidated financial statements are accounted for using the equity method.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the FIFO method applied to the carrying value of the total holding of the investment.

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment properties	20 and 30 years
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No depreciation is provided on freehold land which is classified as investment properties.

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Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, its book value at the date of reclassification becomes its cost for subsequent accounting.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at book value.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5, 10, 20 and 30	years
Buildings	20 and 30	years
Building improvement	5	years
Machinery, tool and equipment	5, 10, 15, 18 and 20	years
Office equipment	5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows: □

Software licenses	5 and 10	years
Production licenses	10	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely

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independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash

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flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(p) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(q) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable

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to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(r) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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(t) Segment reporting

Segment results that are reported to the Group's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Acquisition of a subsidiary

On 16 March 2016, a joint venture, SSM Automation Co., Ltd. registered additional ordinary shares of 60,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 6 million, increasing its ownership from 49% to 51%. As an increasing its ownership to 51%, the Company did not obtained control of SSM Automation Co., Ltd., as the conditions stipulated in the joint venture agreement remained unchanged. Consequently on 1 July 2016, the Group has entered into shareholders agreement with former joint venture party and the joint venture agreement has been terminated on such date. The management has considered the conditions stipulated in such shareholders agreement that the Group obtained a controlling interest of SSM Automation Co., Ltd. resulted in the change of status from joint venture to subsidiary. The fair value of the previously-held equity interest in investment in joint venture prior to change of status from joint venture to subsidiary are as follow:

	<i>Note</i>	<i>(in thousand Baht)</i>
Fair value of previously-held equity interest in joint venture prior to change of status to subsidiary		44,388
Less carrying amount of investment at equity method	10	<u>(37,817)</u>
Gain on previously-held equity interest prior to change of status to subsidiary		<u>6,571</u>

For the period from 1 July 2016 to 31 December 2016, SSM Automation Co., Ltd. contributed revenue of Baht 264 million and loss of Baht 2 million to the Group's results. If the acquisition had occurred on 1 January 2016, management estimates that consolidated revenue would have been Baht 519 million and loss for the year ended 31 December 2016 would have been Baht 5 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2016.

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

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Identifiable assets acquired and liabilities assumed

		Carrying amounts	Fair value adjustments	Recognised values
	<i>Note</i>		<i>(in thousand Baht)</i>	
Cash and cash equivalents		7,452	-	7,452
Trade and other accounts receivable		74,206	-	74,206
Inventories		25,808	480	26,288
Other current assets		3,891	-	3,891
Building improvement and equipment	13	304,557	22,450	327,007
Intangible assets	14	88	-	88
Short-term loans from financial institutions		(40,000)	-	(40,000)
Trade and other accounts payable		(107,423)	-	(107,423)
Current portion of deferred income		(31,474)	-	(31,474)
Current portion of accounts payable - acquisition of assets		(19,417)	-	(19,417)
Current portion of long-term loans from financial institution		(28,920)	-	(28,920)
Short-term loans from related parties	5	(76,000)	-	(76,000)
Other current liabilities		(191)	-	(191)
Deferred income		(28,851)	-	(28,851)
Long-term loans from financial institution		(10,040)	-	(10,040)
Employee benefit obligations	19	(2,070)	-	(2,070)
Deferred tax liabilities	15	-	(4,194)	(4,194)
Other non-current liabilities		(3,656)	-	(3,656)
Total identifiable net assets		67,960	18,736	86,696
Interest in acquired business (%)				51.2
Net identifiable assets acquired and liabilities assumed				44,388

The following fair values have been determined on a provisional basis:

- The fair value of inventory has been determined by net reliable value.
- The fair value of building improvement and equipment has been determined provisionally by independent valuation.

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above determined fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries, associates and joint venture are described in notes 10 and 11.

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Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Directors and management	Thai, Japanese and Korean	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
SAS Innovation Co., Ltd.	Thailand	Common directors
Yalafahsaard Co., Ltd.	Thailand	Common directors

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Cost and cost plus margin
Purchases of goods	Cost and cost plus margin
Rendering of services	Actual incurred cost
Receiving of services	Actual incurred cost
Rental income	Cost plus margin
Sales of property, plant and equipment	Net book value
Purchase of property, plant and equipment	Net book value
Interest income	Agreed rate based on market price
Interest expense	Agreed rate based on market price
Dividend income	Declared rate

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	54,163	50,546
Rendering of services	-	-	5,789	9,965
Purchases of goods	-	-	112,480	319,840
Services fee	-	-	22,226	4,491
Sales of machinery and equipment	-	-	227,124	41,750
Purchases of machinery and equipment	-	-	10	95
Rental income	-	-	1,693	13,605
Interest income	-	-	30,803	16,028
Interest expense	-	-	7,886	11,527
Dividend income	-	-	-	515,000
Associates				
Sales of goods	13,082	11,824	4,283	10,295
Rendering of services	1,638	1,558	-	6
Purchases of goods	36	6	-	-
Services fee	5,187	82	67	-

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Rental income	2,520	2,520	-	-
Interest income	614	647	614	647
Joint venture				
Sales of goods	240	344	-	-
Rendering of services	1,712	2,734	230	522
Purchases of goods	59,218	120,039	59,182	120,039
Services fee	45	1,032	-	-
Rental income	3,300	7,365	-	-
Interest income	1,895	4,260	1,895	4,260
Directors and management				
Directors and management benefit expenses				
Short-term employee benefits	82,328	89,212	5,568	7,441
Post-employment benefits	4,774	1,847	2,421	766
Total directors and management benefit expenses	87,102	91,059	7,989	8,207

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Paradise Plastic Co., Ltd.	-	-	865	-
Infinity Parts Co., Ltd.	-	-	2	107
SNC Atlantic Heat Pump Co., Ltd.	-	-	-	540
SNC Creativity Anthology Co., Ltd.	-	-	30,374	-
Associates				
SNC Atlantic Water Heater Asia Co., Ltd.	960	439	-	439
Fuso Industries (Thailand) Co., Ltd.	160	309	-	-
Joint venture				
SSM Automation Co., Ltd.	-	15	-	-
	1,120	763	31,241	1,086
Less allowance for doubtful accounts	-	-	-	-
Net	1,120	763	31,241	1,086

<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
SNC Pyongsan Evolution Co., Ltd.	-	-	180	62
SNC Cooling Supply Co., Ltd.	-	-	2,317	932
Immortal Parts Co., Ltd.	-	-	-	42,965
Paradise Plastic Co., Ltd.	-	-	198	1,544
Ultimate Parts Co., Ltd.	-	-	-	62

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<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Infinity Parts Co., Ltd.	-	-	-	62
Toptech Diamond Tools Co., Ltd.	-	-	27	89
SNC Creativity Anthology Co., Ltd.	-	-	96,364	30
Meisou SNC Precision Co., Ltd.	-	-	27	27
SNC Fukui Holy Insulation Co., Ltd.	-	-	-	151
Odin Power Co., Ltd.	-	-	497	-
Associate				
SNC Atlantic Water Heater Asia Co., Ltd.	80	113	-	-
Joint venture				
SSM Automation Co., Ltd.	-	103	-	71
Director				
Mr. Somchai Thaisa-nguanvorakul	7,214	-	-	-
Other related party				
Yalafahsaard Co., Ltd. (*)	145,500	-	-	-
	152,794	-	-	-
Less allowance for doubtful accounts	-	-	-	-
Net	152,794	216	99,610	45,995

(*) Advance for investment in Yalafahsaard Co., Ltd.

<i>Short-term loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiaries						
SNC Pyongsan Evolution Co., Ltd.	4.80-5.10	5.25	-	-	291,361	235,000
SNC Santec Co., Ltd.	4.80-5.10	5.25	-	-	19,605	19,605
SNC Cooling Supply Co., Ltd.	-	5.25	-	-	-	68,377
SNC Creativity Anthology Co., Ltd.	4.80-5.10	5.25	-	-	368,000	166,500
Paradise Plastic Co., Ltd	4.80-5.10	5.25	-	-	95,000	11,500
SNC Atlantic Heat Pump Co., Ltd	-	5.25	-	-	-	26,000
Meisou SNC Precision Co., Ltd	4.80-5.10	5.25	-	-	20,000	20,000
SNC Fukui Holy Insulation Co., Ltd	4.80-5.10	5.25	-	-	42,000	13,000
SSM Automation Co., Ltd.	4.80-5.10	-	-	-	150,000	-
Associate						
SNC Atlantic Water Heater Asia Co., Ltd.	4.80-5.10	5.50	12,500	12,500	12,500	12,500
Joint venture						

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<i>Short-term loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
SSM Automation Co., Ltd.	-	5.25	-	76,000	-	76,000

Director and management

Mr. Seiji Kinoshita	4.80-5.10	5.25	4,125	4,125	4,125	4,125
			16,625	92,625	1,002,591	652,607
<i>Less allowance for doubtful accounts</i>			-	-	(19,605)	(19,605)
Short-term loans to related parties, net			16,625	92,625	982,986	633,002

Movements during the years ended 31 December of short-term loans to related parties were as follows:

<i>Short-term loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	-	-
At 1 January	-	-	540,377	264,877
Increase	-	-	1,171,861	624,877
Decrease	-	-	(745,877)	(349,377)
At 31 December	-	-	966,361	540,377
Associate				
At 1 January	12,500	11,000	12,500	11,000
Increase	-	1,500	-	1,500
At 31 December	12,500	12,500	12,500	12,500
Joint venture				
At 1 January	76,000	72,000	76,000	72,000
Increase	-	34,000	-	34,000
Decrease	(76,000)	(30,000)	(76,000)	(30,000)
At 31 December	-	76,000	-	76,000
Director and management				
At 1 January	4,125	3,000	4,125	3,000
Increase	-	1,125	-	1,125
At 31 December	4,125	4,125	4,125	4,125
Total short-term loans to related parties				
At 1 January	92,625	86,000	633,002	350,877
Increase	-	36,625	1,171,861	661,502
Decrease	(76,000)	(30,000)	(821,877)	(379,377)
At 31 December	16,625	92,625	982,986	633,002

Short-term loans to related parties of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

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<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Immortal Part Co., Ltd.	-	-	-	4,655
Ultimate Part Co., Ltd.	-	-	-	1,479
Infinity Parts Co., Ltd.	-	-	-	3,300
Paradise Plastic Co., Ltd.	-	-	1,788	-
Toptech Diamond Tools Co., Ltd.	-	-	-	84
Associate				
SNC Atlantic Water Heater Asia Co., Ltd.	-	8	-	-
Fuso Industries (Thailand) Co., Ltd.	32	-	-	-
Joint venture				
SSM Automation Co., Ltd.	-	5,879	-	5,879
Total	32	5,887	1,788	15,397

<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
SNC Pyongsan Evolution Co., Ltd.	-	-	319	-
SNC Cooling Supply Co., Ltd.	-	-	1,572	-
Immortal Parts Co., Ltd.	-	-	1,661	-
Ultimate Parts Co., Ltd.	-	-	319	44
Paradise Plastic Co., Ltd.	-	-	797	3
Infinity Parts Co., Ltd.	-	-	319	-
Toptech Diamond Tools Co., Ltd.	-	-	218	-
Associate				
SNC Atlantic Water Heater Asia Co., Ltd.	75	17	-	-
Joint venture				
SSM Automation Co., Ltd.	-	1,072	-	-
Total	75	1,089	5,205	47

<i>Short-term loans from related parties</i>	Interest rate		Separate	
	2016	2015	financial statements	
			2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Subsidiaries				
Immortal Part Co. Ltd.	4.80-5.10	5.25	182,500	84,086
SNC Cooling Supply Co., Ltd.	4.80-5.10	-	32,623	-
Total short-term loans from related parties			215,123	84,086

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Movements during years ended 31 December of short-term loans from related parties were as follows:

<i>Short-term loans from related parties</i>	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Subsidiaries		
At 1 January	84,086	110,586
Increase	404,746	483,623
Decrease	(273,709)	(510,123)
At 31 December	215,123	84,086

Short-term loans from related parties of the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	1,342	1,162	217	211
Cash at banks - current accounts	2,041	9,961	1,191	1,194
Cash at banks - savings accounts	401,468	367,068	53,004	81,563
Total	404,851	378,191	54,412	82,968

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	394,382	371,154	54,412	80,326
United States Dollars (USD)	10,469	7,037	-	2,642
Total	404,851	378,191	54,412	82,968

7 Trade and other accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Related parties	5	1,120	763	31,241	1,086
Other parties		1,062,089	1,006,923	63,383	498,232
Total		1,063,209	1,007,686	94,624	499,318
Less allowance for doubtful accounts		-	-	-	-
Net		1,063,209	1,007,686	94,624	499,318

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		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Other accounts receivable					
Related parties	5	152,794	216	99,610	45,995
Other parties		20,131	8,623	13,245	4,351
Total		172,925	8,839	112,855	50,346
Less allowance for doubtful accounts		-	-	-	-
Net		172,925	8,839	112,855	50,346
Total trade and other accounts receivable		1,236,134	1,016,525	207,479	549,664
Bad and doubtful debts expense for the year		-	36	-	36

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties					
Within credit terms*		1,120	763	31,241	1,086
		1,120	763	31,241	1,086
Less allowance for doubtful accounts		-	-	-	-
		1,120	763	31,241	1,086
Other parties					
Within credit terms*		1,055,844	996,102	60,809	498,231
Overdue:**					
Less than 3 months		6,168	10,821	2,574	1
3-6 months		77	-	-	-
		1,062,089	1,006,923	63,383	498,232
Less allowance for doubtful accounts		-	-	-	-
		1,062,089	1,006,923	63,383	498,232
Total		1,063,209	1,007,686	94,624	499,318

The normal credit terms granted by the Group range from 30 days to 120 days.

* Within credit terms means that it was not over the date that the Company and the customer agreed to receive payment.

** Overdue means that the payment receipt date agreed between the Company and the customer has already passed.

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The currency denomination of trade and other accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,140,401	936,530	207,479	549,590
United States Dollars (USD)	95,733	79,369	-	74
Euro (EUR)	-	275	-	-
Japanese Yen (JPY)	-	351	-	-
Total	<u>1,236,134</u>	<u>1,016,525</u>	<u>207,479</u>	<u>549,664</u>

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Finished goods	247,648	31,878	16,824	14,558
Work in progress	55,862	106,375	12,068	26,069
Raw materials	125,651	143,880	8,499	52,043
Factory supplies	5,184	6,083	256	1,226
	<u>434,345</u>	<u>288,216</u>	<u>37,647</u>	<u>93,896</u>
Less : Allowance for decline in value of inventories	<u>(9,965)</u>	<u>(6,890)</u>	<u>(4,169)</u>	<u>(3,142)</u>
Net	<u>424,380</u>	<u>281,326</u>	<u>33,478</u>	<u>90,754</u>
Inventories recognised as an expense in 'cost of sales':				
- Cost	6,500,319	7,233,438	2,824,878	4,219,010
- Write-down to net realisable value	3,696	3,522	1,027	1,991
- Reversal of write-down	(621)	(5,841)	-	(675)
Net	<u>6,503,394</u>	<u>7,231,119</u>	<u>2,825,905</u>	<u>4,220,326</u>

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Revenue department receivable	99,757	43,573	-	-
Prepaid rent	8,000	8,000	8,000	8,000
Deposit	2,268	2,052	-	-
Import customs clearance receivable	5,238	-	-	-
Others	16,470	11,705	1,220	1,569
Total	<u>131,733</u>	<u>65,330</u>	<u>9,220</u>	<u>9,569</u>

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10 Investments in associates and joint venture

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Associates					
At 1 January		45,569	42,113	42,050	42,050
Share of net profit of associates		693	3,456	-	-
At 31 December		46,262	45,569	42,050	42,050
Joint venture					
At 1 January		33,532	33,418	79,000	79,000
Acquisition		6,000	-	6,000	-
Share of net profit (loss) of joint venture		(1,715)	114	-	-
Change of status to subsidiary	4	(37,817)	-	(85,000)	-
At 31 December		-	33,532	-	79,000
Total					
At 1 January		79,101	75,531	121,050	121,050
Acquisition		6,000	-	6,000	-
Share of net profit (loss) of associates and joint venture		(1,022)	3,570	-	-
Change of status to subsidiary	4	(37,817)	-	(85,000)	-
At 31 December		46,262	79,101	42,050	121,050

Acquisition

On 16 March 2016, a joint venture, SSM Automation Co., Ltd. registered additional ordinary shares of 60,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 6 million, increasing its ownership from 49% to 51%. As an increasing its ownership to 51%, the Company did not obtained control of SSM Automation Co., Ltd., as the conditions stipulated in the joint venture agreement remained unchanged. Consequently on 1 July 2016, the Group has entered into shareholders agreement with former joint venture party and the joint venture agreement has been terminated on such date. The management has considered the conditions stipulated in such shareholders agreement that the Group obtained a controlling interest of SSM Automation Co., Ltd. resulted in the change of status from joint venture to subsidiary (*see note 4*).

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Investments in associates and joint venture as at 31 December 2016 and 2015 and dividend income from those investments for the years then ended, were as follows:

		Consolidated financial statements													
	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Impairment		Equity - net of impairment		Dividend income	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)								(in thousand Baht)					
Associates															
SNC Atlantic Water Heater Asia Co., Ltd.	Manufacturing and selling of air-to-water heat pump	49.00	49.00	45,000	45,000	22,050	22,050	27,482	25,408	-	-	27,482	25,408	-	-
Fuso Industries (Thailand) Co., Ltd.	Manufacturing of copper parts, metal parts and brass parts	20.00	20.00	100,000	100,000	20,000	20,000	18,780	20,161	-	-	18,780	20,161	-	-
Joint venture															
SSM Automation Co., Ltd.	Manufacturing of metal fabrication parts for electric appliance and automobile	51.20(*)	49.00	166,000	160,000	-	79,000	-	33,532	-	-	-	33,532	-	-
Total						42,050	121,050	46,262	79,101	-	-	46,262	79,101	-	-

(*) Be subsidiary as at 1 July 2016.

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	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(%)											
(in thousand Baht)												
Associates												
SNC Atlantic Water Heater Asia Co., Ltd.	49.00	49.00	45,000	45,000	22,050	22,050	-	-	22,050	22,050	-	-
Fuso Industries (Thailand) Co., Ltd.	20.00	20.00	100,000	100,000	20,000	20,000	-	-	20,000	20,000	-	-
Joint venture												
SSM Automation Co., Ltd.	51.20(*)	49.00	166,000	160,000	-	79,000	-	-	-	79,000	-	-
Total					42,050	121,050	-	-	42,050	121,050	-	-

The associates and joint venture were incorporated in Thailand.

(*) Be subsidiary as at 1 July 2016.

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The following table summarises the financial information of the associates and joint venture as included in their own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies

	SNC Atlantic Water Heater Asia Co., Ltd.		Fuso Industries (Thailand) Co., Ltd.		SSM Automation Co., Ltd.	
	2016	2015	2016	2015	2016(*)	2015
	<i>(in thousand Baht)</i>					
Revenue	91,791	90,187	193,519	223,188	254,979	531,085
Profit (loss) from continuing operations	4,234	6,896	(6,905)	383	(3,414)	233
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	4,234	6,896	(6,905)	383	(3,414)	233
Attributable to NCI	2,160	3,517	(5,524)	306	(1,699)	119
Attributable to Group's interest	2,074	3,379	(1,381)	77	(1,715)	114
Current assets	57,975	67,401	165,777	168,901	111,357	109,283
Non-current assets	31,414	35,666	33,547	38,132	304,645	327,790
Current liabilities	(33,128)	(50,992)	(44,374)	(45,778)	(332,276)	(338,512)
Non-current liabilities	(175)	(222)	(61,050)	(60,450)	(15,766)	(30,128)
Net assets	56,086	51,853	93,900	100,805	67,960	68,433
Attributable to NCI	28,604	26,445	75,120	80,644	30,143	34,901
Attributable to Group's interest	27,482	25,408	18,780	20,161	37,817	33,532
Group's interest in net assets of investee at 1 January	25,408	22,029	20,161	20,084	33,532	33,418
Acquisition	-	-	-	-	6,000	-
Total comprehensive income (loss) attributable to the Group	2,074	3,379	(1,381)	77	(1,715)	114
Change of status to subsidiary	-	-	-	-	(37,817)	-
Group's interest in net assets of investee at end of year	27,482	25,408	18,780	20,161	-	33,532
Carrying amount of interest in investee at 31 December	27,482	25,408	18,780	20,161	-	33,532

(*) For the period from 1 January 2016 to 30 June 2016, prior to change of status to subsidiary (see note 4).

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	SNC Atlantic Water Heater Asia Co., Ltd.		Fuso Industries (Thailand) Co., Ltd.		SSM Automation Co., Ltd.	
	2016	2015	2016	2015	2016(*)	2015
			<i>(in thousand Baht)</i>			
a Includes:						
- depreciation and amortisation					-	50,978
- interest expense					-	10,311
b Includes cash and cash equivalents					-	14,585
c Includes current financial liabilities						
(excluding trade and other payables and provisions)					-	144,920
d Includes non-current financial liabilities						
(excluding trade and other payables and provisions)					-	24,500

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11 Investments in subsidiaries

	<i>Note</i>	Separate financial statements	
		2016	2015
		<i>(in thousand Baht)</i>	
At 1 January		710,470	700,309
Acquisitions		310,000	14,841
Capital reduction		-	(4,680)
Transfer from investments in joint venture	4, 10	85,000	-
At 31 December		<u>1,105,470</u>	<u>710,470</u>

Acquisitions

On 6 December 2016, the Board of Directors of the Company approved to make an investment in Odin Power Co., Ltd. (not operated) of 49,500 ordinary shares, with a par value of Baht 100 per share, totalling Baht 4.95 million from the Group's Director representing 55% ownership. The payment was made on 13 December 2016. Consequently, on 20 December 2016, Odin Power Co., Ltd. registered additional ordinary shares of 1,910,000 shares, with a par value of Baht 100 per share. These shares were sold to existing shareholders, the proportion of ownership remain unchanged. The Company had invested in these additional shares of 1,050,500 shares, with a par value of Baht 100 per share, totalling Baht 105.05 million. The total investments were Baht 110 million. The Group believes this investment will extend business opportunity in alternative energy power business.

On 29 February 2016, SNC Creativity Co., Ltd. registered additional ordinary shares of 200,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 200 million. There is no change in ownership interest.

On 18 May 2015, Meisou SNC Precision Co., Ltd registered additional ordinary shares of 150,000 shares, with a par value of Baht 100 per share (call-up of Baht 25 per share). The Company had invested in these additional shares, amounting to Baht 2.63 million, increasing its direct ownership from 40% to 58% and decreasing its indirect ownership from 30% to 12%. The Company paid for share capital on 18 May 2015. The Group recognised an increase in non-controlling interests of Baht 1.13 million.

Acquisition of non-controlling interests

On 2 March 2015, the Company acquired an additional 6% interest in Toptech Diamond Tools Co., Ltd. for Baht 9.22 million in cash, increasing its ownership from 60% to 66%. The carrying amount of Toptech Diamond Tools Co., Ltd's net assets in the Group's financial statements on the date of the acquisition was Baht 152.47 million. The Group recognised a decrease in non-controlling interests of Baht 9.15 million, and a decrease in retained earnings of Baht 0.07 million.

On 17 November 2015, the Company acquired an additional interest in Meisou SNC Precision Co., Ltd from Toptech Diamond Tools Co.,Ltd for Baht 3.00 million in cash, increasing its ownership from 58% to 70%.

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Capital reduction

On 9 January 2015, International Techno Pipe Co., Ltd., 99.99% ownership interest, registered with the Ministry of Commerce to decrease its authorised and paid-up share capital by 37,500 shares, with a par value of Baht 100 per share, totalling Baht 3.75 million.

On 12 October 2015, International Techno Pipe Co., Ltd., 99.99% ownership interest, registered with the Ministry of Commerce to decrease its authorised and paid-up share capital by 9,300 shares, with a par value of Baht 100 per share, totalling Baht 0.93 million.

Impairment testing for investments in subsidiaries

For the purposes of impairment testing for investments in subsidiaries, the Group determined the recoverable amount based on its value in use, determined by discounting the future cash flows to be generated from the continuing operations of each subsidiary by reference to five - eight years of financial budgeted forecasts.

The assigned assumptions were from the management's assessment by considering the market demand and the future trends in the relevant industries and were based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount were revenue growth, gross profit margins, overhead growth, discount rate and terminal growth rate applied to the forecasted cash flows in the model. The management's assessment of the "value in use" is judgemental in nature because its forecasted results is based on current economic situation while future economic outcomes is uncertain.

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Investments in subsidiaries as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended, were as follows:

		Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income	
Type of business		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)						(in thousand Baht)					
Direct subsidiaries													
SNC Pyongsan Evolution Co., Ltd.	Manufacturing of cooling parts and manufacturing and assembly of cooling machines	99.99	99.99	220,000	220,000	212,010	212,010	-	-	212,010	212,010	-	160,000
SNC Santec Co., Ltd.	Under liquidation process	80.00	80.00	20,000	20,000	16,000	16,000	(16,000)	(16,000)	-	-	-	-
SNC Cooling Supply Co., Ltd.	Manufacturing automotive air conditioner parts	99.99	99.99	30,000	30,000	30,000	30,000	-	-	30,000	30,000	-	60,000
Immortal Parts Co., Ltd.	Production of cooling parts	99.99	99.99	70,000	70,000	70,000	70,000	-	-	70,000	70,000	-	230,000
Paradise Plastic Co., Ltd.	Manufacturing plastic parts for electric appliance and automobile	99.99	99.99	30,000	30,000	29,999	29,999	-	-	29,999	29,999	-	50,000
Toptech Diamond Tools Co.,Ltd.	Manufacturing of metal, steel, tungsten and carbide tools and equipment	66.00	66.00	80,000	80,000	90,216	90,216	-	-	90,216	90,216	-	-
International Techno Pipe Co., Ltd.	Manufacturing of cooling parts	99.99	99.99	320	320	320	320	-	-	320	320	-	15,000
SNC Creativity Anthology Co., Ltd.	Manufacturing household and automotive air conditioner parts	99.99	99.99	400,000	200,000	400,000	200,000	-	-	400,000	200,000	-	-
SNC Atlantic Heat Pump Co., Ltd.	Manufacturing of heat pump for water heat pump	74.00	74.00	45,000	45,000	33,300	33,300	-	-	33,300	33,300	-	-
SNC Fukui Holy Insulation Co., Ltd.	Manufacturing of insulation copper pipe kit used for the installation of cooling machine and foam pipe insulation	70.00	70.00	50,000	50,000	35,000	35,000	-	-	35,000	35,000	-	-

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		Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income	
Type of business		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)						(in thousand Baht)					
Direct subsidiaries													
Meisou SNC Precision Co., Ltd.	Manufacturing of mold used for manufacturing tools	70.00	70.00	13,750	13,750	9,625	9,625	-	-	9,625	9,625	-	-
SSM Automation Co., Ltd.	Manufacturing of tools for equipment	51.20(*)	-	166,000	-	85,000	-	-	-	85,000	-	-	-
Odin Power Co., Ltd.	Investing in alternative power plant	55.00(**)	-	200,000	-	110,000	-	-	-	110,000	-	-	-
Total						1,121,470	726,470	(16,000)	(16,000)	1,105,740	710,470	-	515,000
Indirect subsidiaries													
Ultimate Parts Co., Ltd.	Manufacturing of cooling parts	99.99	99.99	40,000	40,000	-	-	-	-	-	-	-	-
Infinity Parts Co., Ltd.	Manufacturing of cooling parts	99.99	99.99	20,000	20,000	-	-	-	-	-	-	-	-
Total						-	-	-	-	-	-	-	-

All subsidiaries were incorporated in Thailand.

(*) Be subsidiary as at 1 July 2016.

(**) Be subsidiary as at 13 December 2016.

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12 Investment properties

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Cost					
At 1 January		238,922	159,868	-	-
Additions		-	66,786	-	-
Transfer from property, plant and equipment, net	13	16,308	12,268	153,724	-
At 31 December		255,230	238,922	153,724	-
Depreciation and impairment losses					
At 1 January		27,953	25,067	-	-
Depreciation charge for the year		3,564	2,691	2,006	-
Transfer from property, plant and equipment, net	13	41,405	195	66,275	-
At 31 December		72,922	27,953	68,281	-
Net book value					
At 1 January		210,969	134,801	-	-
At 31 December		182,308	210,969	85,443	-

The Group leased land and factory to an associate. Total rental income in 2016 was Baht 5.82 million (2015: Baht 9.89 million). Total direct cost of these investment properties was Baht 1.35 million (2015: Baht 2.26 million). The leases contain an initial non-cancellable period of 1 year and can be automatically renewed for each of additional 1 year.

The aforesaid land and factory for lease had fair value of Baht 11.70 million, which comprised of fair value of the factory of Baht 10.20 million and land of Baht 1.50 million, appraised by the independent valuer during 2016 using replacement cost approach.

Another investment property was land held for a currently undetermined future use which had total fair value of Baht 117.4 million. The fair value was determined by the independent valuer during 2016 using market approach.

Another investment property was building held for lease to the third party which had fair value of Baht 172.16 million. The fair value was determined by the independent valuer during 2016 using replacement cost approach.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on every 2 years.

The fair value measurement for investment properties of Baht 301.26 million has been categorised as a level 2 fair value based on the inputs to the valuation technique used.

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13 Property, plant and equipment

Consolidated financial statements									
	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
Cost									
At 1 January 2015		93,488	702,068	1,967,358	370,388	84,552	29,691	44,486	3,292,031
Additions		5,256	19,519	164,287	55,700	-	2,326	36,678	283,766
Transfer to investment properties	12	(946)	(11,322)	-	-	-	-	-	(12,268)
Transfers		192	8,900	46,322	(12,413)	-	-	(43,001)	-
Disposals		-	-	(18,276)	(40,725)	(2,481)	(3,299)	-	(64,781)
At 31 December 2015 and 1 January 2016									
		97,990	719,165	2,159,691	372,950	82,071	28,718	38,163	3,498,748
Additions		61,514	209,474	188,163	98,558	12,240	4,058	154,274	728,281
Addition from acquisitions	4	-	2,994	196,151	101,984	266	-	25,612	327,007
Transfer from (to) investment properties	12	62,913	(82,221)	-	-	-	-	-	(16,308)
Transfers		-	29,400	(8,741)	16,592	-	-	(37,611)	-
Disposals		-	(1,486)	(23,777)	(26,497)	(4,113)	(6,028)	-	(61,901)
At 31 December 2016		225,417	877,326	2,511,487	563,947	90,464	26,748	180,438	4,475,827

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Consolidated financial statements

	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment (in thousand Baht)	Office equipment	Vehicles	Assets under construction and installation	Total
Depreciation and impairment losses									
At 1 January 2015		1,822	139,198	923,532	237,599	54,608	13,907	-	1,370,666
Depreciation charge for the year		1,454	28,599	182,892	45,538	8,524	5,120	-	272,127
Impairment losses		-	-	174	-	-	-	-	174
Transfer to investment properties	12	-	(195)	-	-	-	-	-	(195)
Disposals		-	-	(17,952)	(40,033)	(1,379)	(3,226)	-	(62,590)
At 31 December 2015 and 1 January 2016		3,276	167,602	1,088,646	243,104	61,753	15,801	-	1,580,182
Depreciation charge for the year		1,943	30,163	170,606	79,316	9,092	4,736	-	295,856
Impairment losses		-	-	689	-	-	-	-	689
Transfer to investment properties	12	-	(41,405)	-	-	-	-	-	(41,405)
Disposals		-	(917)	(16,459)	(20,132)	(4,078)	(4,844)	-	(46,430)
At 31 December 2016		5,219	155,443	1,243,482	302,288	66,767	15,693	-	1,788,892
Net book value									
At 1 January 2015									
Owned assets		91,666	562,870	1,027,941	132,789	29,944	15,066	44,486	1,904,762
Assets under finance leases		-	-	15,885	-	-	718	-	16,603
		91,666	562,870	1,043,826	132,789	29,944	15,784	44,486	1,921,365
At 31 December 2015 and 1 January 2016									
Owned assets		94,714	551,563	1,071,045	129,846	20,318	12,917	38,163	1,918,566
Assets under finance leases		-	-	-	-	-	-	-	-
		94,714	551,563	1,071,045	129,846	20,318	12,917	38,163	1,918,566

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Consolidated financial statements									
	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
At 31 December 2016									
Owned assets		220,198	721,883	1,268,005	261,659	23,697	11,055	180,438	2,686,935
Assets under finance leases		-	-	-	-	-	-	-	-
		220,198	721,883	1,268,005	261,659	23,697	11,055	180,438	2,686,935

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 316.45 million (2015: Baht 311.14 million).

Security

At 31 December 2016, the Group's properties have not been mortgaged with banks to secure credit facilities (2015: Baht 34.32 million).

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		Separate financial statements							
	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
Cost									
At 1 January 2015		31,067	312,047	800,537	135,906	21,067	13,089	15,739	1,329,452
Additions		36	1,077	28,111	13,075	1,308	3,011	4,567	51,185
Transfers		-	536	12,647	-	-	-	(13,183)	-
Disposals		-	(1,054)	(73,324)	(45,187)	(467)	(4,458)	-	(124,490)
At 31 December 2015 and 1 January 2016		31,103	312,606	767,971	103,794	21,908	11,642	7,123	1,256,147
Additions		-	493	9,203	4,106	1,116	9	1,774	16,701
Transfers		-	-	6,764	-	-	-	(6,764)	-
Transfer to investment properties	12	-	(153,724)	-	-	-	-	-	(153,724)
Disposals		-	(15,971)	(411,221)	(63,295)	(4,582)	(3,450)	-	(498,519)
At 31 December 2016		31,103	143,404	372,717	44,605	18,442	8,201	2,133	625,605
Depreciation and impairment losses									
At 1 January 2015		171	76,384	330,706	88,439	14,939	5,373	-	516,012
Depreciation charge for the year		108	14,366	77,047	17,116	2,388	2,662	-	113,687
Reversal of impairment loss		-	-	(326)	-	-	-	-	(326)
Disposals		-	(1,053)	(34,388)	(44,047)	(466)	(2,192)	-	(82,146)
At 31 December 2015 and 1 January 2016		279	89,697	373,039	61,508	16,861	5,843	-	547,227
Depreciation charge for the year		109	11,875	54,566	12,295	2,107	2,296	-	83,248
Impairment loss		-	-	1,189	-	-	-	-	1,189
Transfer to investment properties	12	-	(66,275)	-	-	-	-	-	(66,275)
Disposals		-	(3,052)	(225,732)	(41,143)	(4,267)	(2,368)	-	(276,562)
At 31 December 2016		388	32,245	203,062	32,660	14,701	5,771	-	288,827

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	Separate financial statements						Assets under construction and installation	Total
	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment (in thousand Baht)	Office equipment	Vehicles		
<i>Net book value</i>								
At 1 January 2015								
Owned assets	30,896	235,663	469,831	47,467	6,128	7,716	15,739	813,440
	30,896	235,663	469,831	47,467	6,128	7,716	15,739	813,440
At 31 December 2015 and 1 January 2016								
Owned assets	30,824	222,909	394,932	42,286	5,047	5,799	7,123	708,920
	30,824	222,909	394,932	42,286	5,047	5,799	7,123	708,920
At 31 December 2016								
Owned assets	30,715	111,159	169,655	11,945	3,741	2,430	2,133	331,778
	30,715	111,159	169,655	11,945	3,741	2,430	2,133	331,778

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 21.58 million (2015: Baht 57.11 million).

Security

In April 2014, the Company entered into a loan agreement with a local bank of Baht 100 million. The loan bears interest rate at MLR-1.5% to MLR-1.75% per annum. The Company committed to the bank that there will be no commitment made by the Company with third parties related to the Company's machineries.

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14 Intangible assets

Consolidated financial statements			
	Software licenses	Production licenses	Total
<i>Note</i>	<i>(in thousand Baht)</i>		
<i>Cost</i>			
At 1 January 2015	23,480	52,887	76,367
Additions	5,102	-	5,102
At 31 December 2015 and 1 January 2016	28,582	52,887	81,469
Additions	2,891	-	2,891
Addition from acquisitions	88	-	88
Disposals	(720)	-	(720)
At 31 December 2016	30,841	52,887	83,728
<i>Amortisation and impairment losses</i>			
At 1 January 2015	10,153	11,122	21,275
Amortisation for the year	4,038	4,962	9,000
At 31 December 2015 and 1 January 2016	14,191	16,084	30,275
Amortisation for the year	3,451	4,962	8,413
Disposals	(269)	-	(269)
At 31 December 2016	17,373	21,046	38,419
<i>Net book value</i>			
At 1 January 2015	13,327	41,765	55,092
At 31 December 2015 and 1 January 2016	14,391	36,803	51,194
At 31 December 2016	13,468	31,841	45,309

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	Separate financial statements Software licenses (in thousand Baht)
<i>Cost</i>	
At 1 January 2015	11,632
Additions	1,422
At 31 December 2015 and 1 January 2016	13,054
Additions	26
Disposal	(9,477)
At 31 December 2016	3,603
<i>Amortisation and impairment losses</i>	
At 1 January 2015	5,391
Amortisation for the year	1,280
At 31 December 2015 and 1 January 2016	6,671
Amortisation for the year	1,069
Disposal	(5,863)
At 31 December 2016	1,877
<i>Net book value</i>	
At 1 January 2015	6,241
At 31 December 2015 and 1 January 2016	6,383
At 31 December 2016	1,726

15 Deferred tax and income tax expense

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Deferred tax assets	10,391	8,810	4,952	4,693
Deferred tax liabilities	(13,702)	(8,976)	-	-
Net	(3,311)	(166)	4,952	4,693

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Movements in total deferred tax assets and liabilities during the years were as follows:

	Consolidated financial statements				Consolidated financial statements					
	(Charged) / Credited to:				(Charged) / Credited to:					
	At 1		Other	Addition	At 31	At 1		Other	Addition	At 31
	January	Profit or	comprehensive	from	December	January	Profit or	comprehensive	from	December
	2015	loss	income	acquisitions	2015	2016	loss	income	acquisitions	2016
				(Note 4)					(Note 4)	
			(in thousand Baht)				(in thousand Baht)			
Deferred tax assets										
Inventories	1,585	(531)	-	-	1,054	1,054	774	-	15	1,843
Investments in subsidiaries	3,200	-	-	-	3,200	3,200	-	-	-	3,200
Property, plant and equipment	65	35	-	-	100	100	183	-	-	283
Employee benefit obligations	9,879	1,672	1,516	-	13,067	13,067	388	-	376	13,831
Total	14,729	1,176	1,516	-	17,421	17,421	1,345	-	391	19,157
Deferred tax liabilities										
Property, plant and equipment	(15,284)	(2,303)	-	-	(17,587)	(17,587)	(296)	-	(4,585)	(22,468)
Total	(15,284)	(2,303)	-	-	(17,587)	(17,587)	(296)	-	(4,585)	(22,468)
Net	(555)	(1,127)	1,516	-	(166)	(166)	1,049	-	(4,194)	(3,311)

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	Separate financial statements (Charged) / Credited to:					Separate financial statements (Charged) / Credited to:				
	At 1 January 2015	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Reclassify	At 31 December 2015	At 1 January 2016	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Reclassify	At 31 December 2016
<i>Deferred tax assets</i>										
Inventories	346	204	-	-	550	550	244	-	-	794
Investments in subsidiaries	3,200	-	-	-	3,200	3,200	-	-	-	3,200
Property, plant and equipment	66	(66)	-	-	-	-	238	-	-	238
Employee benefit obligations	4,291	725	56	-	5,072	5,072	(924)	-	-	4,148
Total	7,903	863	56	-	8,822	8,822	(442)	-	-	8,380
<i>Deferred tax liabilities</i>										
Property, plant and equipment	(3,774)	(355)	-	-	(4,129)	(4,129)	701	-	-	(3,428)
Total	(3,774)	(355)	-	-	(4,129)	(4,129)	701	-	-	(3,428)
Net	4,129	508	56	-	4,693	4,693	259	-	-	4,952

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Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current tax expense				
Current period	28,619	26,987	18,060	10,838
Over provided in prior years	(195)	(1,196)	-	(241)
Deferred tax expense				
Movements in temporary differences	(1,049)	1,127	(259)	(508)
Total	27,375	26,918	17,801	11,089

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	-	-	-	(7,581)	1,516	(6,065)
Total	-	-	-	(7,581)	1,516	(6,065)

	Separate financial statements					
	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	-	-	-	(281)	56	(225)
Total	-	-	-	(281)	56	(225)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		424,734		437,649
Income tax using the Thai corporation tax rate	20	84,947	20	87,530
Income not subject to tax		(144,074)		(86,916)
Expenses not deductible for tax purposes		1,255		2,708
Recognition of previously unrecognised tax losses		(1,448)		(231)
Current year losses for which no deferred tax asset was recognised		86,890		25,023
Over provided in prior years		(195)		(1,196)
Total	6	27,375	6	26,918

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	Separate financial statements			
	2016		2015	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		111,369		581,084
Income tax using the Thai corporation tax rate	20	22,274	20	116,217
Income not subject to tax		(5,413)		(107,180)
Expenses not deductible for tax purposes		940		2,293
Over provided in prior years		-		(241)
Total	16	17,801	2	11,089

Deferred tax assets have not been recognised as at 31 December 2016 and 2015 in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Tax losses	86,890	25,023	-	-
Total	86,890	25,023	-	-

The tax losses expire in 2017-2021. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Prepaid corporate income tax	16,522	18,503	16,522	18,503
Advance payment for equipment	1,999	498	-	20
Land and factory rental deposit	9,846	10,169	8,586	8,659
Others	6,560	6,793	4,771	4,940
Total	34,927	35,963	29,879	32,122

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17 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Current</i>					
Short-term loans from financial institutions					
Unsecured		535,000	20,000	455,000	-
Current portion of long-term loans from financial institutions					
Secured		114,234	56,034	26,040	26,040
Short-term loans from related parties					
Unsecured	5	-	-	215,123	84,086
Total current interest-bearing liabilities		649,234	76,034	696,163	110,126
<i>Non-current</i>					
Long-term loans from financial institutions					
Secured		256,108	183,832	25,080	51,120
Total non-current interest-bearing liabilities		256,108	183,832	25,080	51,120

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	649,234	76,034	696,163	110,126
After one year but within five years	256,108	183,832	25,080	51,120
Total	905,342	259,866	721,243	161,246

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Property, plant and equipment	-	34,321	-	-

Long-term loans from financial institution

Long-term loan of the Company was pledged by committed to the bank that there will be no commitment made by the Company with third parties related to the Company's machineries (*see note 13*).

In addition, the Company and subsidiaries must maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio and leverage ratio.

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As at 31 December 2016, certain subsidiaries failed to maintain the financial ratio as defined in the loan agreements. Breach of the terms of these agreements may cause the bank to immediately recall all outstanding payables under such agreements. However, on 26 and 29 December 2016, these subsidiaries received the waiver of the breach of covenant. Therefore, long-term loan of the subsidiaries as at 31 December 2016 was not classified as current liabilities.

Interest-bearing liabilities of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

18 Trade and other accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Trade accounts payable					
Related parties	5	32	5,887	1,788	15,397
Other parties		1,223,617	1,123,822	98,784	522,916
Total		1,223,649	1,129,709	100,572	538,313
Other accounts payable					
Related parties	5	75	1,089	5,205	47
Other parties		139,906	98,467	17,859	37,366
Total		139,981	99,556	23,064	37,413
Total trade and other accounts payable		1,363,630	1,229,265	123,636	575,726

The currency denomination of trade and other accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,285,144	1,162,220	120,033	541,958
United States Dollars (USD)	77,869	66,741	3,603	33,768
Japanese Yen (JPY)	-	96	-	-
Pound Sterling (GBP)	48	-	-	-
Euro (EUR)	236	-	-	-
Swedish Krona (SEK)	333	208	-	-
Total	1,363,630	1,229,265	123,636	575,726

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19 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Retirement benefits	62,440	65,330	20,743	25,363
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Retirement benefits	1,719	11,535	(4,558)	6,924
Recognised in other comprehensive income:				
Actuarial losses	-	7,581	-	281

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011. The Group opted to recognise the transitional obligation as at 1 January 2011 through profit or loss on a straight-line basis over five years from 1 January 2011. Movements during the years on the provision for the unrecognised transitional obligation were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Unrecognised transitional obligation as at 1 January	-	4,421	-	3,355
Recognised through profit or loss for the year	-	(4,421)	-	(3,355)
Unrecognised transitional obligation as at 31 December	-	-	-	-

The Group operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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Movement in the present value of the defined benefit obligations:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January		65,330	49,514	25,363	21,458
Include in profit or loss:	25				
Transitional obligation recognised		-	4,421	-	3,355
Current service cost		7,271	5,697	1,768	2,970
Interest on obligation		1,404	1,417	531	599
Reversal		(6,956)	-	(6,857)	-
		1,719	11,535	(4,558)	6,924
Included in other comprehensive income					
Actuarial losses		-	7,581	-	281
		-	7,581	-	281
Others					
Addition from acquisitions	4	2,070	-	-	-
Benefit paid		(6,679)	(3,300)	(62)	(3,300)
		(4,609)	(3,300)	(62)	(3,300)
Defined benefit obligations at 31 December		62,440	65,330	20,743	25,363

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Financial assumptions	-	3,979	-	1,068
Experience adjustment	-	2,234	-	845
Demographic assumptions	-	1,368	-	(1,632)
Total	-	7,581	-	281

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(%)</i>			
Discount rate	2.75	2.75	2.75	2.75
Future salary growth	4.0	4.0	4.0	4.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

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At 31 December 2016, the weighted-average duration of the defined benefit obligation was 8 years (2015:9 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	2,460	(4,929)	919	(333)
Future salary growth (1% movement)	7,381	(8,826)	1,823	(1,092)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

20 Share capital

	Par value per share (in Baht)	2016		2015	
		Number	Amount	Number	Amount
		<i>(thousand shares / in thousand Baht)</i>			
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	287,777	287,777	287,777	287,777
At 31 December					
- ordinary shares	1	<u>287,777</u>	<u>287,777</u>	<u>287,777</u>	<u>287,777</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	287,777	287,777	287,777	287,777
At 31 December					
- ordinary shares	1	<u>287,777</u>	<u>287,777</u>	<u>287,777</u>	<u>287,777</u>

21 Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

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22 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Manufacturing of component parts for automobile use.
- Segment 2 Manufacturing and assembly of electric appliances.
- Segment 3 Manufacturing of component parts of electric appliances.

None of other operations meets the quantitative thresholds for determining reportable segments in 2016 or 2015.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax and finance costs, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax and finance costs is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Revenues and results based on business segment in the consolidated financial statements for the years ended 31 December 2016 and 2015 were as follows:

	Manufacturing of component parts for automobile use		Electric appliances				Other segments		Eliminations		Total	
	2016	2015	Manufacturing and assembly		Manufacturing of component parts		2016	2015	2016	2015	2016	2015
	(in thousand Baht)											
Revenue from external customers	1,152,116	906,573	3,117,653	4,047,523	2,997,809	3,034,087	200,581	152,065	-	-	7,468,159	8,140,248
Inter-segment revenue	8,332	1,158	4,100	3,044	308,052	375,911	7,139	5,608	(327,623)	(385,721)	-	-
Total revenues	1,160,448	907,731	3,121,753	4,050,567	3,305,861	3,409,998	207,720	157,673	(327,623)	(385,721)	7,468,159	8,140,248
Segment results	126,287	84,446	74,680	115,547	335,825	344,007	(94,557)	(92,516)	-	-	442,235	451,484
Unallocated expenses												
Finance costs											(23,050)	(17,404)
Gain on previously-held equity interest prior to change of status to subsidiary											6,571	-
Share of profit (loss) of investment in associates and joint venture											(1,022)	3,570
Income tax expense											(27,375)	(26,918)
Profit for the year											397,359	410,732

Geographical segments

The Group is managed and operates principally in Thailand. There is no material revenues derived from, or assets located in, foreign countries.

Major customer

In 2016, revenues from 2 major customers of the Group's manufacturing and assembly of electric appliances segment and manufacturing of component parts of electric appliances segment represent approximately Baht 2,834 million and Baht 594 million, respectively (2015: Baht 3,680 and Baht 655 million) of the Group's total revenues.

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23 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Transportation	61,672	57,969	25,167	28,222
Commission	4,171	4,101	1,016	71
Export expenses	7,211	9,199	1,495	1,780
Entertainment expenses	4,213	2,419	513	425
Others	4,578	4,210	878	1,472
Total	81,845	77,898	29,069	31,970

24 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee benefit expenses	216,877	185,678	61,242	36,994
Fee and service expenses	43,298	35,949	6,605	5,764
Utilities expenses	43,677	23,209	14,912	17,142
Depreciation and amortisation	48,585	41,786	6,045	11,206
Others	53,610	45,056	5,035	5,322
Total	406,047	331,678	93,839	76,428

25 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Wages and salaries		511,251	480,437	143,588	167,515
Overtime		121,244	106,437	32,147	42,969
Welfare		98,595	99,052	31,009	40,235
Bonus		77,133	90,354	16,390	30,923
Incentive		14,181	10,385	2,176	1,839
Contribution to defined contribution plan		13,463	11,175	3,458	3,021
Retirement benefits	19	1,719	11,535	(4,558)	6,924
Termination expense		31,258	-	30,543	-
Others		24,346	23,066	4,901	5,823
Total		893,190	832,441	259,654	299,249

Provident fund

The defined contribution plans comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 3% - 7% of their basic salaries and by the Group at rates 3% - 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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26 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Interest expense:					
Subsidiaries	5	-	-	7,886	11,527
Bank loans and overdrafts		23,050	17,404	8,986	8,375
Total		23,050	17,404	16,872	19,902

27 Expenses by nature

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Changes in finished goods and work in progress		56,736	13,758	10,773	10,459
Raw materials and consumables used		5,755,770	6,591,115	2,473,834	3,826,738
Depreciation of property, plant and equipment		295,856	272,127	83,248	113,688
Amortisation of intangible assets		8,413	9,000	1,069	1,280
Salary, wage and other employee benefit expenses		893,190	832,441	259,654	299,249
Minimum lease payments recognised as an operating lease expense		123,374	113,370	35,900	38,422

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28 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment. The privileges granted include:

<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
SNC Former Public Company Limited				
1381/2552	Manufacturing of parts for electrical appliances	1 February 2010	5 years (Expired in January 2015)	5 years
2873(2)/2555	Manufacturing of parts for electrical appliances, parts or equipment for electronic products	3 January 2013	5 years	5 years
SNC Pyongsan Evolution Co., Ltd.				
2091(2)/2550	Manufacturing of steel for compressor and cooling machines	3 January 2008	7 years (Expired in January 2015)	5 years
1559(2)/2553	Manufacturing of steel for cooling machines	10 June 2010	6 years (Expired in June 2016)	5 years

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
SNC Santec Co., Ltd.				
1549(2)/2550	Manufacturing and maintenance of moulds	22 March 2007	8 years (Expired in March 2015)	5 years
SNC Cooling Supply Co., Ltd				
1815(5)/2553	Manufacturing of automobile air-conditioner parts	1 August 2010	8 years	5 years
1865(5)/2553	Manufacturing of automobile air-conditioner parts	1 August 2010	8 years	5 years
Immortal Parts Co., Ltd.				
1038(5)/2554	Manufacturing of air-conditioner parts for household use	1 December 2010	8 years	5 years
2059(5)/2554	Manufacturing of parts for electrical appliances	25 April 2011	8 years	5 years
1993(2)/2557	Manufacturing of steel for cooling machines	2 March 2015	5 years	5 years
Paradise Plastic Co., Ltd.				
1326(5)/2555	Manufacturing of plastic and plastic enamel products	1 September 2012	8 years	5 years

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
Ultimate Parts Co., Ltd.				
2375(5)/2553	Manufacturing of air conditioner parts for household use	1 December 2010	8 years	5 years
1570(5)/2554	Manufacturing of machinery, equipment, and parts for household use and manufacture of steel and parts for steel	23 December 2011	8 years	5 years
Infinity Parts Co., Ltd.				
1295(5)/2555	Manufacturing of steel and parts for steel	2 May 2012	8 years	5 years
1296(5)/2555	Manufacturing of parts for electrical appliances	6 April 2012	8 years	5 years
Toptech Diamond Tools Co., Ltd.				
1049(2)/2557	Manufacturing of cutting tools, machinery, equipment, and parts	7 January 2014	8 years	5 years

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
SNC Creativity Anthology Co., Ltd.				
2103(2)/2556	Manufacturing of electricity parts. Research and development of parts and component parts.	15 July 2014	6 years	5 years
2167(1)/2556	Research and development	Not commenced operations	8 years	5 years
2704(2)/2556	Manufacturing of liquid line of air conditioner for automobile	17 June 2015	3 years	5 years
SNC Atlantic Water Heater Asia Co., Ltd.				
2341(2)/2556	Manufacturing of air-to-water heat pump	19 June 2014	6 years	5 years
SSM Automation Co., Ltd.				
1548(2)/2555	Manufacturing of parts for steel	1 June 2012	3 years (Expired in June 2015)	5 years
SNC Atlantic Heat Pump Co., Ltd.				
1719(5)/2557	Manufacturing of parts for electrical appliances	17 December 2014	6 years	5 years

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<u>Certificated no.</u>	<u>Promoted business</u>	<u>Exemption of corporate income tax commencing from</u>	<u>Exemption of corporate income tax for the period of</u>	<u>Accumulated loss during the exemption period be deducted from net income after the exemption period for</u>
SNC Fukui Holy Insulation Co., Ltd.				
1004(2)/2558	Manufacturing of parts for electrical appliances	6 September 2014	5 years	5 years
Meisou SNC Precision Co., Ltd.				
58-2218-0-00-1-0	Manufacturing of machinery, equipment, and parts	19 March 2015	5 years	5 years

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Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2016			2015		
	Promoted busi- nesses	Non-promoted businesses	Total	Promoted busi- nesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	566,464	27,308	593,772	603,287	34,845	638,132
Local sales	<u>3,168,695</u>	<u>3,705,692</u>	<u>6,874,387</u>	<u>3,284,136</u>	<u>4,217,980</u>	<u>7,502,116</u>
Total revenues	<u>3,735,159</u>	<u>3,733,000</u>	<u>7,468,159</u>	<u>3,887,423</u>	<u>4,252,825</u>	<u>8,140,248</u>

	Separate financial statements					
	2016			2015		
	Promoted busi- nesses	Non-promoted businesses	Total	Promoted busi- nesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	-	7,682	7,682	-	12,011	12,011
Local sales	<u>263,841</u>	<u>2,753,714</u>	<u>3,017,555</u>	<u>241,084</u>	<u>4,139,537</u>	<u>4,380,621</u>
Total revenues	<u>263,841</u>	<u>2,761,396</u>	<u>3,025,237</u>	<u>241,084</u>	<u>4,151,548</u>	<u>4,392,632</u>

29 Earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(thousand shares / in thousand Baht)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>401,654</u>	<u>409,862</u>	<u>93,568</u>	<u>569,995</u>
Number of ordinary shares outstanding	<u>287,777</u>	<u>287,777</u>	<u>287,777</u>	<u>287,777</u>
Earnings per share (basic) (in Baht)	<u>1.40</u>	<u>1.42</u>	<u>0.33</u>	<u>1.98</u>

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30 Dividends

Dividend	Approved by	Dividend paid (in thousand Baht)	Dividend per share (in Baht)	Dividend payment date
Dividend paid from the profit of first six months of 2016	Board of Directors' Meeting on 3 August 2016	143,889	0.50	31 August 2016
Dividend paid from the profit of last six months of 2015	Annual General Meeting of shareholders on 1 April 2016	115,111	0.40	29 April 2016
Total dividend paid during 2016		259,000	0.90	
Dividend paid from the profit of first six months of 2015	Board of Directors' Meeting on 5 August 2015	143,874	0.50	28 August 2015
Dividend paid from the profit of last six months of 2014	Annual General Meeting of shareholders on 27 March 2015	103,582	0.36	24 April 2015
Total dividend paid during 2015		247,456	0.86	

31 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Financial assets and liabilities interest rates are mainly adjust in accordance to market rate or are fixed which is close to current market rate.

The effective interest rates of financial assets as at 31 December and the periods in which those assets mature were as follows:

Consolidated financial statements					
	Effective interest rate (% <i>per annum</i>)	Within 1 year	After 1 year but within 5 years (<i>in thousand Baht</i>)	After 5 years	Total
2016					
Current					
Cash and cash equivalents	0.37	403,509	-	-	403,509
Short-term loans to related parties	4.80-5.10	16,625	-	-	16,625
Total		420,134	-	-	420,134
2015					
Current					
Cash and cash equivalents	0.37	377,029	-	-	377,029
Short-term loans to related parties	5.25-5.50	92,625	-	-	92,625
Total		469,654	-	-	469,654
Separate financial statements					
	Effective Interest Rate (% <i>per annum</i>)	Within 1 year	After 1 year but within 5 years (<i>in thousand Baht</i>)	After 5 years	Total
2016					
Current					
Cash and cash equivalents	0.37	54,195	-	-	54,195
Short-term loans to related parties	4.80-5.10	982,985	-	-	982,985
Total		1,037,180	-	-	1,037,180
2015					
Current					
Cash and cash equivalents	0.37	82,757	-	-	82,757
Short-term loans to related parties	5.25-5.50	633,002	-	-	633,002
Total		715,759	-	-	715,759

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The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

		Consolidated financial statements			
	Effective Interest Rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Current					
Short-term loans from financial institutions	3.50 - 4.70	535,000	-	-	535,000
Current portion of long-term loans from financial institution	4.53 - 5.25	114,234	-	-	114,234
Non-current					
Long-term loans from financial institution	4.53 - 4.75	-	256,108	-	256,108
Total		649,234	256,108	-	905,342
2015					
Current					
Short-term loans from financial institutions	3.95	20,000	-	-	20,000
Current portion of long-term loans from financial institution	5.00 - 6.50	56,034	-	-	56,034
Non-current					
Long-term loans from financial institution	5.00 - 6.50	-	183,832	-	183,832
Total		76,034	183,832	-	259,866

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	Effective interest rate (% per annum)	Within 1 year	Separate financial statements		
			After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2016					
Current					
Short-term loans from financial institutions	3.50 - 3.98	455,000	-	-	455,000
Current portion of long-term loans from financial institution	4.75 - 5.00	26,040	-	-	26,040
Short-term loans from related parties	4.80	215,123	-	-	215,123
Non-current					
Long-term loans from financial institution	4.75	-	25,080	-	25,080
Total		696,163	25,080	-	721,243
2015					
Current					
Current portion of long-term loans from financial institution	5.00	26,040	-	-	26,040
Short-term loans from related parties	5.25 - 5.50	84,086	-	-	84,086
Non-current					
Long-term loans from financial institution	5.00	-	51,120	-	51,120
Total		110,126	51,120	-	161,246

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases of raw materials and sales of finish goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

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At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
United States Dollars					
Cash and cash equivalents	6	10,469	7,037	-	2,642
Trade and other accounts receivable	7	95,733	79,369	-	74
Trade and other accounts payable	18	(77,869)	(66,741)	(3,603)	(33,768)
Accounts payable - acquisition of assets		(2,664)	(2,683)	-	-
Gross balance sheet exposure		25,669	16,982	(3,603)	(31,052)
Currency forwards		18,124	39,338	-	29,644
Net exposure		43,793	56,320	(3,603)	(1,408)
Euro					
Trade and other accounts receivable	7	-	275	-	-
Trade and other accounts payable	18	(236)	-	-	-
Gross balance sheet exposure		(236)	275	-	-
Currency forwards		-	-	-	-
Net exposure		(236)	275	-	-
Japanese Yen					
Trade and other accounts receivable	7	-	351	-	-
Trade and other accounts payable	18	-	(96)	-	-
Accounts payable - acquisition of assets		(8,717)	(13,582)	-	-
Gross balance sheet exposure		(8,717)	(13,327)	-	-
Currency forwards		434	4,790	-	-
Net exposure		(8,283)	(8,537)	-	-
Pound Sterling					
Trade and other accounts payable	18	(48)	-	-	-
Gross balance sheet exposure		(48)	-	-	-
Currency forwards		48	-	-	-
Net exposure		-	-	-	-
Swedish Krona					
Trade and other accounts payable	18	(333)	(208)	-	-
Gross balance sheet exposure		(333)	(208)	-	-
Currency forwards		-	206	-	-
Net exposure		(333)	(2)	-	-

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As at 31 December 2016, outstanding forward exchange contracts are presented below.

Foreign currency	Consolidated financial statements		Separate financial statements	
	Bought amount (in thousand)	Contractual exchange rate bought (Baht per 1 foreign currency)	Bought amount (in thousand)	Contractual exchange rate bought (Baht per 1 foreign currency)
United States Dollars	505	35.19-36.09	-	-
Japanese Yen	1,372	0.3165	-	-
Pound Sterling	1	44.86-44.90	-	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

The fair value of long-term loans is taken to approximate the carrying amount stated in the accounts because of interest on loans approximates to market rates.

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32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Buildings and other constructions	15,419	117,600	270	-
Machinery and equipment	31,855	14,347	-	4,716
Total	47,274	131,947	270	4,716
<i>Future minimum lease payments under non-cancellable operating lease</i>				
Within one year	68,147	68,195	20,450	25,773
After one year but within five years	17,627	81,302	-	27,833
Total	85,774	149,497	20,450	53,606
<i>Other commitments</i>				
Unused letters of credit to guarantee payments due to creditors	26,150	72,247	-	17,813
Bank guarantees for land rental, electricity used and others	43,311	35,117	32,390	30,512
Total	69,461	107,364	32,390	48,325

33 Events after the reporting period

On 2 February 2017, Odin power Co., Ltd, the Group's subsidiary, made an investment in Yalafahsaard Co., Ltd. of all 179,998 shares, with a par value of Baht 100 per share from a director (called-up at 25%, totaling Baht 4.5 million). On 6 February 2017, Yalafahsaard Co., Ltd. had an additional called-up at 75% of 179,998 shares totaling Baht 13.5 million and registered additional ordinary shares of 1,320,000 shares, with a par value of Baht 100 per share to its existing shareholder, Odin Power Co., Ltd. in total additional shares. Consequently, Yalafahsaard Co., Ltd. held registered ordinary shares of 1,500,000 shares, with a par value of Baht 100 per share totaling Baht 150 million which is called-up and fully paid 100%.

On 7 February 2017, the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of the shareholders to be held on 30 March 2017 adopt a resolution to pay a year-end dividend of Baht 0.4 per share in respect of the operating result of 2016, or a total of Baht 115 million. The dividend payment is scheduled for 28 April 2017 and represented a total dividend payment of Baht 0.5 per share, inclusive of the interim dividend of Baht 0.9 per share.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows

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TFRS	Topic
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instrument : Disclosure and Presentation
TFRS 3 (revised 2016)	Business Combinations
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 21 (revised 2016)	Levies
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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36 Reclassification of accounts

Certain accounts in the 2015 statement of income have been reclassified to the presentation in the 2016 financial statements.

	2015 Consolidated financial statements		
	Before reclass	Reclass (in thousand Baht)	After reclass
<i>Statement of comprehensive income</i>			
Cost of sales and services	7,274,585	(43,466)	7,231,119
Selling expenses	77,949	(51)	77,898
Administrative expenses	288,161	43,517	331,678
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.



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