ANNUAL REPORT 2012

SNC

รายงานประจำปี 2555

บริษัท เอส เอ็น ซี ฟอร์เมอร์ จำกัด (มหาชน)

SNC FORMER PUBLIC COMPANY LIMITED

วิสัยทัศน์ / VISION

(SNC : SUPERSTORE)

เอส เอ็น ซี ศูนย์รวมของผลิตภัณฑ์ และบริการแบบครบวงจรในอุตสาหกรรมรถยนต์, เครื่องทำความเย็น, เครื่องใช้ไฟฟ้าและอิเลคทรอนิค

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

SNC Group

Western Side

Paradise Plastic Co., Ltd.

SNC Cooling Supply Co., Ltd.

Immortal Parts Co., Ltd.

Toptech Diamond Tools Co., Ltd.

International Techno Pipe Co., Ltd.

Eastern Side

SNC Former Plc. Branch 4

SNC Pyongsan Evolution Co., Ltd.

Ultimate Parts Co., Ltd.

Infinity Parts Co., Ltd.

SSM Automation Co., Ltd.

SNC Former Public Company Limited

The International Leader in Manufacturing of Industrial Components and Parts

โครงการความร่วมมือพัฒนาความรู้และทักษะนักศึกษาอาชีวศึกษา เพื่อผลิตช่างอุตสาหกรรม

SNCพัฒนา "คน" และ คนพัฒนา "สังคม"

Contents

Message from the Chairman of the Board of Directors	2
Message from the Chairman of the Executive Committee	3
Profile of the Directors, Executives and Authorized Persons	5
General Information	19
Risk Factors	22
Nature of Business	24
Business Operation of each product line	27
Assets for Business Operation	49
Legal Disputation	51
Capital Structure	51
Management	53
Internal Control	82
Connected Transaction	84
Audit Committee Report	85
Report of the Board of Directors' Responsibilities for Financial Statements	86
Financial Status and Performance	87
Details of position of directors, executives and controlling person of the Company and subsidiaries	95
Minutes of the Annual General Meeting of Shareholders No. 18/2012	96
Articles of Association regarding the Shareholder Meeting	106
Financial Statements	108

Message from the Chairman of the Board of Directors

Dear shareholders,

Year 2012 was the year that the Company changed tremendously due to the flood crisis during the end of year 2011. The Company procured new location to move automobile and residential air conditioner parts manufacturing plant which was located in the same area of the Company's head office and other places to be at the same place and be safe from flood. The construction was completed and the plant was shifted to the new location during the end of year 2012. Both the management and staff were dedicated completely to manufacture its products to be delivered per request as well as to move plant to new location within the short period of time.

With regard to the industry situation of the Company's business lines both air conditioner and electric appliance industries were recovered and grew significantly in 2012 especially automobile industry which the production volume increased around 2.4 million cars, equivalent to the growth of 67% from 2011. The automobile production volume for domestic market increased at 59% as a result of high demand. Due to the result of First Car Owner Policy of government, the automobile purchased volume was more than 1.2 million cars which affected to the growth of automobile industry in 2012 and carry on to 2013.

Regarding to the Company's business performance, its sales revenues were at 7,648 million baht and its net profit was 494 million baht which was lower than 2011 performance. The decrease of sales revenues was the result of the delay of production order for new air conditioner model from the plan. The decrease of net profit was mainly from extraordinary expenses from moving some plants to temporary location including the relocation expenses to the new plant and the increase of fixed cost.

Relating to future trend, the Company has expanded its investment to various new projects including majority holding in Toptech Diamond Tools Company Limited, the acquisition of International Techno Pipe Company Limited, establishment of new company under the name SNC Creativity Anthology Company Limited and management of SSM Automation Company Limited. Therefore, the Company will be ready from its new production base to support the expansion including commencement of new businesses as mentioned above. Expected that the Company will be able to grow sustainably and expand its business base. With the well equipped staff, I am confident that the Company has a promising trend to grow in long term.

With appreciation

(Mr.Satit Chanjavanakul)
Chairman of the Board of Directors

Message from the Chairman of Executive Committee

Dear shareholders,

First, I would like to make an apology to all shareholders that I and all management could not achieve 20% net profit growth as promised. In 2012, the net profit of the Company was 494 million baht; lower than 2011 which was 520 million baht which I had explained parts of main reasons earlier.

Important incidents in previous year were 1) the Company relocated the plant of Samutprakarn group to new location at Wat Lat Wai which takes around 10 minutes from existing location, on area of 30,000 square meters. The Company also invested in machinery for more than 200 million baht, constructed 3 storey training building together with canteen to support more than 1,200 staffs on area of 3,500 square meters. 2) the Company invested 60% in Toptech Diamond Tools Company Limited which engages in special tools made of diamond for automobile and electric appliance industries (Special diamond tools) which the profitability is quite good.

In 2013, the Company will invest in heat exchanger parts manufacturing for automobile and residential air conditioner, the budget for investment will be around 400-500 million baht. The plant will be located on area of 25 rais adjacent to SNC Pyongsan Evolution Company Limited in Rayong. The plant will start to manufacture sample products during the end of 2013 and will start to recognize revenues in beginning of 2014.

As generally known that in 2015, 10 countries in Asean will be united for social, economic and security development and will increase demand of all aspects. With regard to supply, we have to compete among neighboring countries in the group from the high labor cost, the fluctuation of exchange and other factors that will be affected. Therefore, the Company has to adjust businesses which depend intensively on labor to higher value added business by using technology to manufacture innovation product which will depend on key resource, human resource. Therefore, in order to shift the competitiveness of Thailand, the Company has cooperated with vocational colleges in northeastern region which Mahasarakham Technical College and Roi-et College Vocational Education Commission are pilot colleges to develop potential of students at high vocational certificate level. For Bachelor degree level, the Company has cooperated with King Mongkut's University of Technology Thonburi. There will be development of student staff for high vocational certificate and bachelor degree for both academic and expertise under project name "School as factory and factory as school" which will provide teaching and training student in factory in order to learn from real production line. Besides, the Company has brought all relevant machinery to set up at the college, therefore, teachers can apply such

machines to teach student while having real production. And the Company will purchase products from those machines. Such project has reached the third year; the Company expected that before 2015 the preparation of human resources at primary and intermediate levels will be successful for competition that will occur. This is the project that allows students to have opportunities to operate as "professional". Moreover, the Company has increased knowledge and expertise for staff and student at high vocational college as the Company provides scholarship to staff to study for bachelor degree at King Mongkut's University of Technology Thonburi around 80-10 students annually without any commitment. When such students graduate, they can be quality entrepreneurs in the short period of time which is the way to return profit to society.

With regard to financial policy for investment, the Company will use existing credit lines with financial institutions. Therefore, there will be interest burden and have an effect on net profit for a while.

During the last 2 years, all staffs and I have been improved production efficiency in order to lower cost as well as explore new businesses using technology (create investment) to add more value to products. Such mission will affect all aspects of the Company's performance and return back to shareholder, improve quality of life of staff as well as invest in various methods in order to sustain the growth of the Company's businesses.

In order to be parts of the ownership of the Company, all management and I are willing to receive information from shareholders for comments via snc@sncformer.com for our sustainable achievement.

With appreciation

(Dr.Somchai Thaisa-nguanvorakul)
Chairman of the Executive Committee

Profile of the Directors, Executives and Authorized Persons

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 1. Mr.Satit Chanjavanakul Chairman of the Board of Directors Independent Director	65	- 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 - DCP 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.	None	-	2009 - Present	Chairman of the Board of Directors	SNC Former Public Company Limited Term of service (Independent Director) : 2 Terms	6/6
						Position in other companies		
					2004 - Present	Audit Committee	Asia Plus Securities Public Company Limited	
					2009 - Present	Audit Committee	Chumporn Palm Oil Industry Public Company Limited	
					2009 - Present	Audit Committee	Crown Seal Public Company Limited	
					2009 - Present	Audit Committee	Lalin Property Public Company Limited	
					2008 - Present	Director	Jamjuree Innovation Company Limited	
					2010 - Present	Director	Thai Airlines Holdings Company Limited	
					1991 - Present	Director	SPC Home Ideas Company Limited	
						Position in other companies that may cause the conflict of interest	none	

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 2. Dr.Somchai Thaisa-nguanvorakul Chairman of Executive Committee Director	55	- Doctor of Philosophy Program in Public Administration, Ubon Ratchathani University - Master of Public and Private Management, National Institute of Development Administration (NIDA) - Certificate in Management, University of California, Berkeley, CA, USA - The Senior Executive Program (SEP), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Political Science, Ramkhamhaeng University - DAP Training (31st) - DCP Training (55th)	10,741,666 shares equal to 3.73%	Executive and major shareholder	2012 - Present	Chairman of Executive Committee	SNC Creativity Anthology Company Limited	6/6
					2012 - Present	Chairman of Executive Committee	International Techno Pipe Company Limited	
					2012 - Present	Chairman of Executive Committee	Toptech Diamond Tools Company Limited	
					2011 - Present	Chairman of Executive Committee	Infinity Parts Company Limited	
					2011 - Present	Chairman of Executive Committee	SSM Automation Company Limited	
					2011 - Present	Chairman of Executive Committee	Paradise Plastic Company Limited	
					2010 - Present	Chairman of Executive Committee	Immortal Parts Company Limited	
					2010 - Present	Chairman of Executive Committee	Ultimate Parts Company Limited	
					2004 - Present	Chairman of Executive Committee	SNC Former Public Company Limited	
					2004 - Present	Chairman of Executive Committee	SNC Pyongsan Evolution Company Limited	
					2004 - Present	Chairman of Executive Committee	SNC Cooling Supply Company Limited	
					1999 - 2011	Chairman of Executive Committee	SAS Innovation Company Limited	
					1999 - Present	Managing Director	SNC Holding Company Limited	
					2006 - 2011	Chairman of Executive Committee	SNC Santec Company Limited	
					Position in other companies that may cause the conflict of interest		none	

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 3. Professor Dr.Boonton Dockthaisong Independent Director	73	- Ph.D of Leadership and Human Behavior with specialization in Urban Development, Alliance International University - Master of Arts in Political Development, Loyola University California - Bachelor of Arts in Political Science, University of Manila (Honor student)	None	Executive	2008 - Present 2004 - 2008 2000 - 2006 <u>Position in other companies that may cause the conflict of interest</u>	Director Advisor to the Board of Directors Nakhon Ratchasima Senator none	SNC Former Public Company Limited Term of service (Independent Director) : 3 Terms SNC Former Public Company Limited Senate	5/6
 4. Mr.Surapol Yamkasem Remuneration Committee Director CSR Committee CG Committee	54	- Bachelor of Laws, Ramkhamhaeng University - DAP Training (20th) - DCP Training (55th)	263,674 shares equal to 0.09%	Executive	2011 - Present 2011 - Present 2010 - Present 2010 - Present 2006 - Present 2004 - Present 2004 - Present 1999 - 2011 2006 - 2011 <u>Position in other companies that may cause the conflict of interest</u>	Director Director Director Director Director Director Remuneration Committee and Director CSR Committee CG Committee Director Director none	Paradise Plastic Company Limited Infinity Parts Company Limited Immortal Parts Company Limited Ultimate Parts Company Limited SNC Pyongsan Evolution Company Limited SNC Cooling Supply Company Limited SNC Former Public Company Limited SAS Innovation Company Limited SNC Santec Company Limited	6/6

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 5. Mr.Somboon Gurdlin Vice Chairman of Executive Committee Managing Director - Subsidiary Director	54	- Master of Business Administration, Burapha University - Bachelor of Political Science, Ramkhamhaeng University - DAP Training (32nd)	23,074 shares equal to 0.01%	Executive	2012 - Present 2011 - Present 2010 - Present 2010 - Present 2010 - Present 2004 - Present 2004 - Present 1999 - 2011 2006 - 2011 <u>Position in other companies that may cause the conflict of interest</u>	Director Director, Vice Chairman of Executive Committee Managing Director Vice Chairman of Executive Committee Director Director Director Managing Director Director Director none	SNC Creativity Anthology Company Limited Infinity Parts Company Limited Group of SNC Former Public Company Limited Ultimate Parts Company Limited Immortal Parts Company Limited SNC Former Public Company Limited SNC Pyongsan Evolution Company Limited SAS Innovation Company Limited SNC Santec Company Limited none	6/6
 6. Mr.Samitt Palitagram Vice Chairman of Executive Committee Managing Director Nomination Committee Risk Management Committee	45	- Master of Economics, National Institute of Development Administration (NIDA) - Bachelor of Industrial Engineering, Chulalongkorn University - DAP Training (33rd)	420,445 shares equal to 0.15%	Executive	2011 - Present 2011 - Present 2010 - Present 2010 - Present 2010 - Present 2006 - Present 2004 - Present 2004 - Present 2006 - 2011 <u>Position in other companies that may cause the conflict of interest</u>	Director Vice Chairman of Executive Committee Nomination Committee Risk Management Committee Director Director Director Director, Managing Director Vice Chairman of Executive Committee Managing Director Director Director none	Paradise Plastic Company Limited Group of SNC Former Public Company Limited Infinity Parts Company Limited Immortal Parts Company Limited Ultimate Parts Company Limited SNC Cooling Supply Company Limited SNC Former Public Company Limited SNC Pyongsan Evolution Company Limited SNC Santec Company Limited none	6/6

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 7. Mr.Anavat Nawintham Chairman of the Audit Committee Risk Management Committee Nomination Committee Independent Director	54	- Bachelor of Laws, Ramkhamhaeng University - DAP Training (12th)	21,800 shares equal to 0.01%	-	2004 - Present 2000 - Present Position in other companies that may cause the conflict of interest	Chairman of the Audit Committee, Chairman of the Risk Management Committee and Nomination Committee and Director Position in other companies Managing Director none	SNC Former Public Company Limited Term of service (Independent Director) : 5 Terms Sarin Property Company Limited	6/6
 8. Mr.Sukit Panvisavas Audit Committee Chairman of the Nomination Committee Independent Director Risk Management Committe, CSR Committee CG Committee	48	- Master of Private and Public Management, National Institute of Development Administration (NIDA) - Certificate in Management, University of California, Berkeley, CA, USA. - Bachelor of Accounting, Thammasat University - DAP Training (12th)	2,000 shares equal to 0.001%	-	2004 - Present 2010 - Present 2010 - Present 2010 - Present 2010 - Present 2008 - Present 2007 - Present 2007 - Present 2003 - Present 1994 - Present Position in other companies that may cause the conflict of interest	Audit Committee Chairman of the Nomination Committee Risk Management Committee CSR Committee CG Committee Position in other companies Director Director Director Director Director Director Director Director Director none	SNC Former Public Company Limited Term of service (Independent Director) : 5 Terms The Winner Online Company Limited Oh LaLa Online Company Limited PT. WINNER INTERACTIVE CO., LTD Oh LaLa Online Pte. (Singapore) Future Tech Asia Pacific Company Limited Quest Media Company Limited DiD International Company Limited Winner Online Company Limited Union Consultant Audit Office Company Limited	5/6

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 9. Dr.Srimuang Charoensiri Audit Committee Remuneration Committee Independent Director Chairman of CSR Committee Chairman of CG Committee	70	- Doctor of Philosophy Program in Public Administration, Ubon Ratchathani University - Master of Business Administration Thammasat University - Bachelor of Engineering (Telecommunication Engineering), King Mongkut's Institute of Technology Ladkrabang	None	-	2010 - Present 2010 - Present 2008 - 2008 2008 - 2008 2007 - 2008 2000 - 2006	Audit Committee Director and Remuneration Committee Chairman of CSR Committee Chairman of CG Committee Chairman of the Board Minister of Education Member of the House of Representatives Executive Committee Senator Mahasarakham Province Position in other companies that may cause the conflict of interest	SNC Former Public Company Limited Term of service (Independent Director) : 2 Terms Institute of Physical Education Mahasarakham Ministry of Education House of Representatives People Power Party The Senate none	6/6
 10. Mr.Wisan Wuttisaksin Audit Committee Chairman of Remuneration Committee	61	- Master of Public and Private Management, National Institute of Development Administration (NIDA) - Bachelor of Laws, Ramkhamhaeng University	None	-	2012 - Present 2012 - Present	Audit Committee Chairman of Remuneration Committee Position in other companies Audit Committee, Nomination Committee and Remuneratio Committee Position in other companies that may cause the conflict of interest	SNC Former Public Company Limited Term of service (Independent Director) : 1 Term Thai Oil Public Company Limited none	4/6

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 11. Mr.Surasak Khaoroptham Director	48	- Master of Business Administration, University of Pennsylvania (USA) - Master of Science, Industrial Engineering, University of Michigan (USA) - DAP Training (9th)	None	Representative of major shareholder	2008 - Present	Director	SNC Former Public Company Limited	
						Position in other companies		
					2013 - Present	Managing Director	Private Equity (Thailand) Company Limited	
					2011 - Present	Director	Nok Airlines Company Limited	
					2008 - Present	Director	Asia Soft Corporation Public Company Limited	
					2006 - Present	Executive Committee and Director	Somboon Advance Technology Public Company Limited	
					2006 - Present	Director	Mermaid Maritime Public Company Limited	
						Position in other companies that may cause the conflict of interest	None	
 12. Mr.Somchai Ngamkitcharoenlap Managing Director - Branch 4 Director - Subsidiary	46	- Master of Mechanical Engineering, Shizuoka University (Japan) - Bachelor of Electrical Engineering, Chulalongkorn University	None	Executive	2012 - Present	Director	SNC Creativity Anthology Company Limited	
					2011 - Present	Managing Director	SNC Former Public Company Limited - Branch 4	
					1990 - 2008	Quality Control Manager	Siam Compressor Company Limited	
						Position in other companies that may cause the conflict of interest	None	

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 13. Mr.Sirichai Sukwattanakul Director - Subsidiary	49	- Master of Political Science, Ramkhamhaeng University - Bachelor of Industrial Economics Ramkhamhaeng University	None	Executive	2004 - Present 1996 - Present	Director Position in other companies Managing Director Position in other companies that may cause the conflict of interest	Toptech Diamond Tools Company Limited Permaflex Company Limited None	N/A
 14. Mr.Pongdej Srivachirapradit Chairman of Executive Committee - Subsidiary	49	- Bachelor of Political Science Chiangnmai University - Master of Science in Management Technology (Honor), National Institute of Development Administration (NIDA) - Diploma of Human Resources Development, LO Japan (Scholarship student of International Labor Organization) - Certificate of Solving Human & Organization Problems, AOTS, Japan - Certificate of The Executive Program on Corporate Management, AOTS, Japan	6,000 shares equal to 0.002%	Executive	2012 - Present 2011 - 2012 2009 - 2011 2006 - 2009 2004 - Present 2010 - Present 2011 - Present 2009 - 2011	Chairman of Executive Committee General Manager - Business Administration General Manager - Corporate Communication Manager - Industrial Relation for Asia & Oceanic Regional Social work Vice Chairman of Executive Committee Board of Director, Bureau of Community College Administration Associate Judge Vice Chairman Vice President Chairma	Toptech Diamond Tools Company Limited Thai Honda Manufacturing Company Limited Asian Honda Motor Company Limited, Asia & Oceania regional office Asian Honda Motor Company Limited, Asia & Oceania regional office The Human Capacity Building Institute The Federation of Thai Industries Ministry of Education Central Labor Court Federation of Asian Motorcycle Industries The Thai Automotive Industry Association Thai Motorcycle Industry	N/A

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 15. Mr.Jaturong Pisutsin Managing Director - Subsidiary	47	- Bachelor of Business Economics Ramkhamhaeng University - Bachelor of Business Administration (Marketing) Ramkhamhaeng University	150,000 shares equal to 0.05%	Executive	2004 - Present	Managing Director Position in other companies that may cause the conflict of interest	Toptech Diamond Tools Company Limited None	N/A
 16. Mr.Suphot Teerapong Managing Director - Subsidiary	63	- Bachelor of General Management (Production Management), Rajabhat University Chachoengsao	17,290 shares equal to 0.01%	Executive	2012 - Present 2010 - Present 2005 - 2010 1972 - 2004	Managing Director Managing Director Deputy Managing Director Operation Department Plant Manager Position in other companies that may cause the conflict of interest	International Techno Pipe Company Limited Immortal Parts Company Limited SNC Former Public Company Limited - Branch 1 Sanyo Universal Electric Company Limited None	N/A

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 17. Mr.Kitti Chanchengkij Managing Director - Branch 2 Managing Director - Subsidiary	54	- Master of Business Administration, Chulalongkorn University - Bachelor of Engineering, King Mongkut's University of Technology North Bangkok	None	Executive	2011 - Present 2011 - Present 2010 - 2010 2008- 2011 1981 - 2008	Managing Director Managing Director Managing Director and Deputy Managing Director Deputy Managing Director Operation Department Senior Vice President Executive Manager Position in other companies that may cause the conflict of interest	Paradise Plastic Company Limited SNC Former Public Company Limited - Branch 2 Ultimate Parts Company Limited SNC Pyongsan Evolution Company Limited Sanyo Universal Electric Public Company Limited Haier Electric Thailand Public Company Limited None	N/A
 18. Mr.Fumiaki Takahashi Co-Managing Director - Subsidiary	69	- Mechanical of Nakatsu Technical Senior High School	1,226,667 shares equal to 0.43%	Executive	2012 - Present 2006 - 2011 2004 - 2008	Co-Managing Director Co-Managing Director Director Position in other companies that may cause the conflict of interest	SNC Cooling Supply Company Limited SNC Former Public Company Limited - Head Office SNC Former Public Company Limited None	N/A

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 19. Mr.Kenji Kodama Co-Managing Director - Branch 2 Co-Managing Director - Subsidiary	66	- Osaka Technical College	1,751,667 shares equal to 0.61%	Executive	2012 - Present 2010 - Present 2008 - 2010 2004 - 2008 Position in other companies that may cause the conflict of interest	Co-Managing Director Co-Managing Director Co-Managing Director Director None	Paradise Plastic Company Limited SNC Former Public Company Limited - Branch 2 SNC Former Public Company Limited - Branch 4 SNC Former Public Company Limited	N/A
 20. Mr.Sangho Kim Co-Managing Director - Subsidiary	54	- Bachelor of Engineer in Electrical Engineering from Han Yang University (Korea)	None	Executive	2012 - Present 2012 - Present 2012 - 2012 2008 - Present 2007 - 2008 2003 - 2007 1985 - 2003 Position in other companies that may cause the conflict of interest	Co-Managing Director Co-Managing Director Co-Managing Director Co-Managing Director Managing Director Senior Manager in Material Group of Air Conditioner. Senior Manager None	Ultimate Parts Company Limited Infinity Parts Company Limited SNC Former Public Company Limited - Branch 4 SNC Pyongsan Evolution Company Limited Dong Sung Electronics Company Limited LG Electronics (Thailand) Co., Ltd. LG Electronics (Korea) Co., Ltd.	N/A

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 21. Mr.Yoshitake Konno Co-Managing Director - Subsidiary	64	- Mechanical Engineering of Tohoku Gakuin University.	20,042 shares equal to 0.01%	Executive	2012 - Present 2009 - 2011 2006 - 2008	Co-Managing Director Co-Managing Director Executive Committee Position in other companies that may cause the conflict of interest	Immortal Parts Company Limited SNC Santec Company Limited SNC Pyongsan Evolution Company Limited None	N/A
 22. Mr. Toshiyuki Koseki Co-Managing Director - Subsidiary	62	- Miyagi Prefectural Shiroishi Technical Senior High School	None	Executive	2012 - Present 2011 - 2012 2010 - 2011	Co-Managing Director Executive Chief Engineer Executive Director Position in other companies that may cause the conflict of interest	SNC Creativity Anthology Company Limited Kehin Asia (Bangkok) Company Limited Kehin Asia (Bangkok) Company Limited None	N/A

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 23. Mr.Naoyuki Nishino Co-Managing Director - Subsidiary	49	- Doshisha University, Department of Law	None	Executive	2012 - Present 2011 - 2012 2007 - 2010 Position in other companies that may cause the conflict of interest	Co-Managing Director Staff of Planning Department procurement Seconded None	SNC Cooling Supply Company Limited Denso Company Limited Denso Company Limited	N/A
 24. Mr.Jaehwa Jeong Co-Managing Director - Subsidiary	49	Bachelor of Engineer in Industrial Engineering from University of OLSAN (Republic of Korea)	250,000 shares equal to 0.09%	Executive	2012- Present 2010 - 2012 2007 - 2009 2002 - 2009 Position in other companies that may cause the conflict of interest	Co - Managing Director Senior Managing Director Executive Managing Director Managing Director None	SNC Pyongsan Evolution Company Limited PYONGSAN America Inc. PYONGSAN GROUP PYONGSAN International (Thailand) Co., Ltd.	N/A

Name-Surname Position	Age (Years)	Education	No. of shares and % of shares holding	Relationship with the Company	5 Years Experience Background			No. of meeting attendances in 2012
					Year	Position	Company/Office	
 25. Mr.Rattapoom Nuntapatawee Deputy Managing Director Accounting and Finance Department	40	- Master of Private and Public Management, National Institute of Development Administration (NIDA) - Bachelor of Accounting, Ramkhamhaeng University - Certificate of Auditing, Thammasat University	14,309 shares equal to 0.01%	Executive	2007 - Present 2004 - 2007 1997 - 2003	Deputy Managing Director Accounting & Finance Department Accounting Manager Audit Manager Position in other companies that may cause the conflict of interest	Group of SNC Former Public Company Limited SNC Former Public Company Limited PricewaterhouseCoopers ABAS Limited None	6/6

Remark : 1) Qualifications of the Company's independent director comply with the regulations of the Notification of the Capital Market Supervisory Board (Definition of independent director shown in Annual Report)

2) Directors ranked no. 2, 5, 6 and 10 have conflict of interest in Agenda 5 : Consideration of election of directors to replace those directors who are retired from office for the Annual General Meeting of Shareholders No. 19/2013

3) Relationship with the Company means relationship relating to management, professional service provider or business which are material to the Company

1. General Information

1.1 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, 2012, 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 Bangbor, 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,
Bangsaotong District, Amphur Bangsaotong,
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

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

(Information as at December 31, 2012)

Name and address	Type of Business	Paid-up Capital	Shareholding Portion (%)
Subsidiaries which SNC Former Public Company Limited holds their shares directly.			
SNC Cooling Supply Company Limited 333/3 Moo 6, Bangpreang District, Amphur Bangbor, 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%
SNC Pyongsan Evolution Company Limited 88/9, 88/18 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3620-27 Fax No. 0-3889-3618, 0-3889-3619	Engages in parts manufacturing for cooling machine as well as OEM for cooling machine	220 million baht 22,000,000 common shares Par Value 10 baht per share	99.99%

(Information as at December 31, 2012)

Name and address	Type of Business	Paid-up Capital	Shareholding Portion (%)
Subsidiaries which SNC Former Public Company Limited holds their shares directly.			
Immortal Parts Company Limited Head Office : 333/2, 333/4 Moo 6, Bangpreang District, Amphur Bangbor, 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 Bangbor, Samutprakarn 10560 Tel No. 0-2705-6750-1, 0-2706-6753-4 Fax No. 0-2706-6952	Engages in parts manufacturing for cooling machine	70 million baht 700,000 common shares Par Value 100 baht per share	99.99%
Paradise Plastic Company Limited 333/5 Bangpreang District, Amphur Bangbor, Samutprakarn 10560 Tel No. 0-2108-0378-82 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%
Toptech Diamond Tools Company Limited 56 Moo 3, Bangpra District, Amphur Bangplee, Samutprakarn 10540 Tel No. 0-2182-1275-82 Fax No. 0-2182-1283-4	Engages in tools manufacturing made of steel, tungsten carbide	80 million baht 800,000 common shares Par Value 100 baht per share	60%
International Techno Pipe Company Limited 99/1 Moo 3, Bangsaotong District, Amphur Bangsaotong, Samutprakarn 10540 Tel No. 0-2397-9140-50 Fax No. 0-2397-9151-2	Engages in parts manufacturing for cooling machine (has not commenced the operation)	20 million baht 200,000 common shares Par Value 100 baht per share	99.99%
SNC Creativity Anthology Company Limited 333/4 Moo6, Bangpreang District, Amphur Bangbor, Samutprakarn 10560 Tel No. 0-2108-0360-66 (Automatic 7 lines) Fax No. 0-2108-0367-8	Engages in parts manufacturing for electric appliance and air conditioner (has not commenced the operation)	20 million baht 200,000 common shares Par Value 100 baht per share	99.99%

(Information as at December 31, 2012)

Name and address	Type of Business	Paid-up Capital	Shareholding Portion (%)
Subsidiaries which shares indirectly held by SNC Pyongsan Evolution Company Limited			
Ultimate Parts Company Limited 88/18 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3620-27 Fax No. 0-3889-3619	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%
Infinity Parts Company Limited 88/18 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3619 Fax No. 0-3889-3620	Engages in parts manufacturing for cooling machine	20 million baht 200,000 common shares Par Value 100 baht per share	99.99%
Jointly controlled entity			
SSM Automation Company Limited 88/19 Moo 2, Makhamku District, Amphur Nikom Pattana, Rayong 21180 Tel No. 0-3889-3619 Fax No. 0-3889-3620	Engages in manufacturing and fabricating metal parts for electric appliance and automobile	100 million baht 1,000,000 common shares Par Value 100 baht per share	49%

1.3 Other References

Registrar

Thailand Securities Depository Company Limited

62, 4th, 6th, 7th, floor, the Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110

Tel No. 0-2229-2800 Fax No. 0-2359-1259

Auditor

KPMG Phoomchai Audit Limited

195 Empire Tower

Sathorn Bangkok 10120

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

Investor Relation : Mr.Surapol Yamkasem

Company Secretary : Ms.Rattanaporn Leenawat

SNC Former Public Company Limited

333/3 Moo 6, Bangpreang District, Amphur Bangbor, Samutprakarn 10560

Tel No. 0-2108-0360-66 (Automatic 7 lines) Fax No. 0-2108-0367-8

2. Risk Factors

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

2.1 Risk of the 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. 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. Match the purchase price of the copper with the cost that be used for setting the selling price. Therefore, the Company purchases copper from 3 major suppliers in order to get the purchase price of the copper at the same price as the selling price.
2. Order copper at the amount that needed for production for its customers. The Company shall have a meeting with customers to clearly specify the amount of purchase order of each month.
3. Control purchase order and inventory management in order to have the minimum on-hand inventory.
4. The customers reserve copper with suppliers and the Company will order according to the price the customer reserved with the suppliers and use such price to set the selling price.

2.2 Risk of dependency on a major customer

The Company has one major customer whose its revenues are at 37% of total revenues. If this customer 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. Throughout the period, the customer has never terminated the appointment. 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 plastic business line. Therefore, its retail customers have increased considerably from the previous year.

2.3 Risk that customers relocate its production base to other countries

The major customers of the Company are foreign residential air conditioner and automobile air conditioner manufacturers who have their production base in Thailand. If the customers relocate their production base to other countries for lower cost than Thailand in the future such as China, Vietnam, etc., the performance of the Company and its subsidiaries may be affected.

However, Thailand is counted as the potential country for air conditioner manufacturing as it provides advantages over competitors in the region including be the center of raw material and air conditioner parts. If the customers relocate its production to other countries, the product quality might be affected such as copper tube may rust due to the humidity or may be broken or bend due to the packaging and careless transportation. Besides, the production cost will increase as a result of the transportation cost and insurance expenses.

Moreover, the major factors that the customers do not want to relocate their production to China and Vietnam because of the intellectual property problem in which the Chinese government still cannot set any protection measurement as well as the racial conflict that enable the management of business inflexible. Besides, the infrastructure and technologies are not efficient enough to support the industrial production when compared to Thai infrastructure and technologies.

2.4 Risk 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 7.5% of total cost of goods sold while the revenues in foreign currency is 1.5% of total revenues which the Company has exploited financial tool to manage such risk for the whole amount.

3. Nature of Business

3.1 Major Change

On May 30, 2012, the Company acquired Toptech Diamond Tools Company Limited which engages in made to order, repair and manufacturing tools made of steel, tungsten carbide, for 60% of its paid up capital. The control of Toptech Diamond Tools Company Limited enables the Company to cooperate business management for expanding to new business, increase opportunity to generate revenues, time and process shortening for building the organization, time shortening for staff building, cheapening production cost from using existing human resources, increase bargaining power and diversification the dependency on any business as well as compensation revenue flows of each aspect.

3.2 Overall business of the Company's group

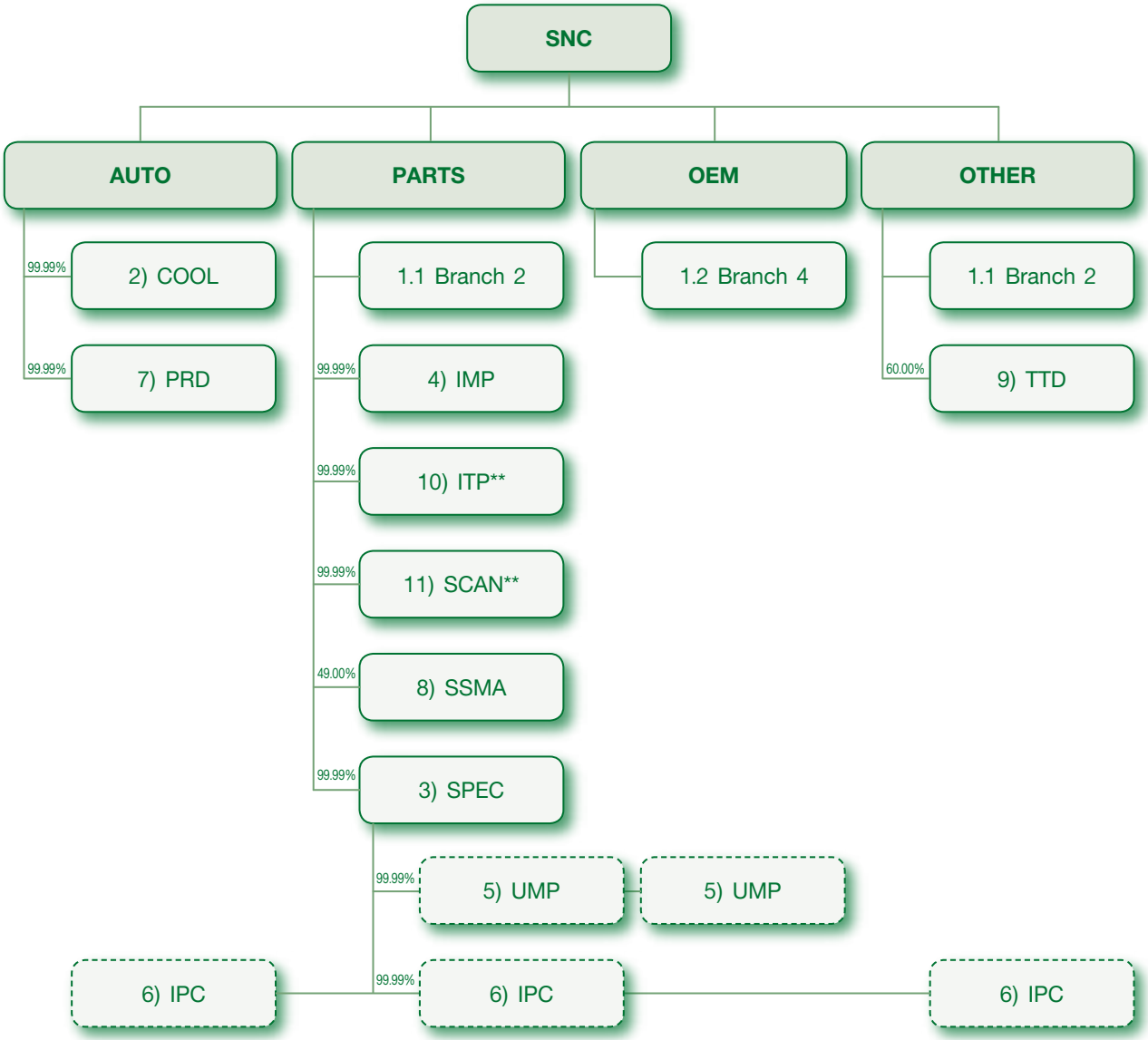
The group of SNC Former Public Company Limited comprises of 11 companies, including SNC. There are 7 subsidiaries held directly by SNC (2 companies have not commenced the operation) and 2 subsidiaries held by its subsidiary and 1 jointly controlled company. At present, the business operation of the Company's group can be classified in 4 groups as follows:

AUTO = parts for automobile air conditioner
PARTS = parts for cooling machine
OEM = OEM for cooling machine
OTHER = Other operations such as parts for washing machine, tools made of steel, tungsten carbide

No.	Company	Type of business			
		AUTO	PARTS	OEM	OTHER
1	SNC Former Public Company Limited (SNC) 1.1 Branch 2 1.2 Branch 4		✓	✓	✓
2	SNC Cooling Supply Company Limited (COOL)	✓			
3	SNC Pyongsan Evolution Company Limited (SPEC)		✓		
4	Immortal Parts Company Limited (IMP)		✓		
5	Ultimate Parts Company Limited (UMP)		✓	✓	
6	Infinity Parts Company Limited (IPC)	✓	✓		✓
7	Paradise Plastic Company Limited (PRD)	✓			
8	SSM Automation Company Limited (SSMA)		✓		
9	Toptech Diamond Tools Company Limited (TTD)				✓
10	International Techno Pipe Company Limited (ITP) (commence the operation in 2013)		✓		
11	SNC Creativity Anthology Company Limited (SCAN) (has not commenced the operation)		✓		

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:



——————— Holds shares directly

- - - - - - - - - - - - - - - Holds shares indirectly

** Has not commenced the operation

3.3 Revenue structure of the Company and its subsidiaries categorized by business type

Revenue structure categorized by business type of 2010-2012 was as follows:

Type	2010		2011		2012	
	MB	%	MB	%	MB	%
Domestic						
AUTO	562	7	663	8	948	13
PARTS	2,435	30	2,661	32	3,166	42
OEM	4,946	60	4,638	56	2,961	39
OTHER	209	3	322	4	433	6
Total	**8,152**	**100**	**8,284**	**100**	**7,508**	**100**
Export						
AUTO	8	8	10	25	6	5
PARTS	1	1	-	-	2	2
OEM	87	91	30	75	107	92
OTHER	-	-	-	-	1	1
Total	**96**	**100**	**40**	**100**	**116**	**100**
Total						
AUTO	570	7	673	8	954	12
PARTS	2,436	30	2,661	32	3,168	42
OEM	5,033	60	4,668	56	3,068	40
OTHER	209	3	322	4	434	6
Grand Total	**8,248**	**100**	**8,324**	**100**	**7,624**	**100**

4. Business operation of each product line

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

4.1 Parts for automobile air conditioner

4.2 Parts for cooling machine

4.2.1 Copper tube parts

4.2.2 Metal fabrication parts

4.2.3 Plastic parts

4.2.4 Heat Exchanger

4.3 OEM for cooling machine

4.4 Other operations

4.1 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 and Hose-Heather Assembly, Compressor Parts and additional products are parts of Plastic and Sheet Metal Fabrication. Product lines of the automobile business can be classified as follows:

1. Machine Parts

Machine parts is product which fabricated from aluminum, Extradition, Dai-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 Valeo, Denso, Halla, Showa, Calsonic, etc.

Product	Customer	Car
Connector	Valeo	Mitsubishi
	Denso	Toyota
	Keihin	Honda
	Halla	GM, Ford
Yoke	SNSS	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 Valeo, Denso, Halla, Calsonic.

Product	Customer	Car
Pipe Liquid	Valeo	Mitsubishi
Pipe Suction	Denso	Toyota
Pipe Discharge	Halla	GM, Ford
Pipe Inlet	Calsonic	Isuzu
Pipe Outlet		

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, Halla.

Product	Customer	Car
Water Pipe	Denso	Toyota
	Calsonic	Isuzu
	Halla	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	Mitsubishi
Hose Suction		
Hose Liquid		

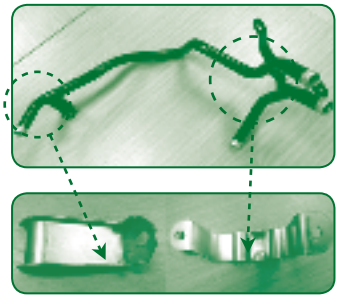
5. Plastic

Products of plastic group for automobile air conditioner system is parts of Shroud Fan which the Company started the production with Denso group.

Product	Customer	Car
Shroud Fan	Denso	Toyota
Frame	Honda	Honda

6. Sheet Metal Fabrication

The production will start with parts which are component of Steel Pipe in automobile air conditioner system. The Company has expanded products to other parts to be gas tank support in car.



Tank support set

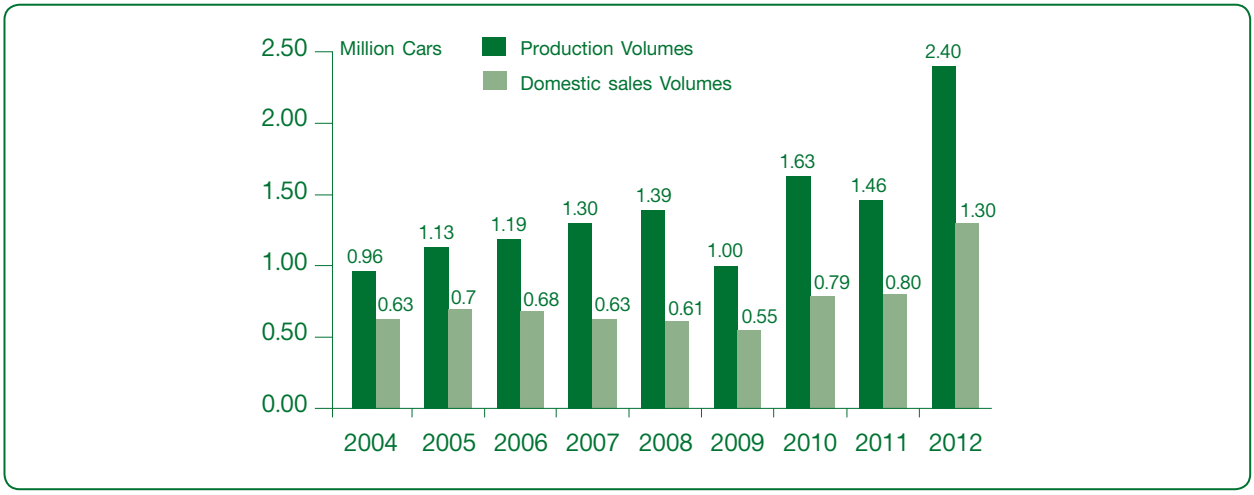
Product	Customer	Car
Support Tank	SCG	Toyota, Mitsubishi

Automobile Air Conditioner Parts			
Customer	**Automobile Manufacturer**	**Model**	**Parts**
Valeo Group	Nissan	Navara, Teana, Sunny	Automobilr Air Conditioner Parts
	Mitsubishi	Lancer, Triton, Pajero Sport	Automobilr Air Conditioner Parts
Calsonic	Isuzu	D-Max	Intercooler Parts, Compressor Parts
	Ford	Ranger	Intercooler Parts
	Isuzu	New D-Max	Automobilr Air Conditioner Parts
Keikin	Honda	Civic, Accord, CRV	Automobilr Air Conditioner Parts
Denso Thailand	Toyota	Vigo, Camry, Yaris	Automobilr Air Conditioner Parts and Radiator Parts

Automobile Air Conditioner Parts			
Customer	**Automobile Manufacturer**	**Model**	**Parts**
Delphi	Isuzu	D-Max	Diesel Pump Parts
Siam NSK	Isuzu GM	New D-Max New Colorado	Steering System Parts
Halla Climate	Ford Mazda GM	New Ranger, Focus, Fiesta New BT50, Mazda 2, 3 Optra	Automobilr Air Conditioner Parts Automobilr Air Conditioner Parts Automobilr Air Conditioner Parts
Sanden	Ford (Export)	KA	Automobilr Air Conditioner Parts
Subross	Tata	Xenon, CNC	Automobilr Air Conditioner Parts
SCG	Mitsubishi	Triton, Lancer, Vigo, Vios	GAS NGV Tube Parts

2) Marketing and competition

Domestic automobile production volumes during 2004-2012



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

2.1 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 : consider the quality of product first
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

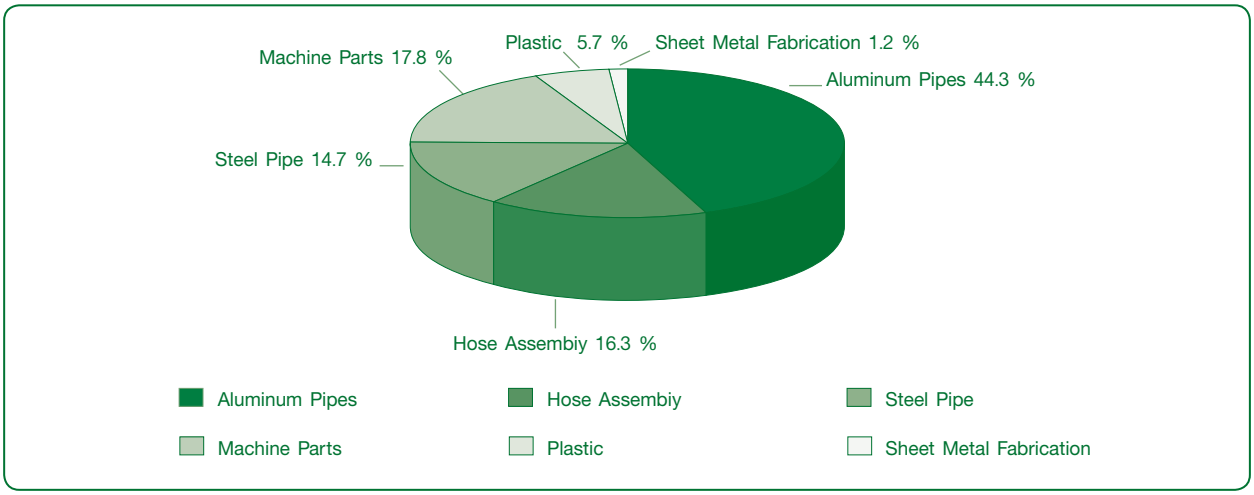
6. Focus on Products and Stakeholders : focus on environmentally friendly product as well as direct and indirect stakeholders
7. Service Mind : possess mind, soul and determination for service to maximize customers' satisfaction

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.

In 2013, the Company will focus on development and building human resources which is the fundamental of industrial factory in order to be ready for AEC in the next 2 years. The Company will develop skill of existing staff and recruit staff at High Vocational Certificate level in order to increase expertise of skill staff. Besides, the Company has started the new plant operation during July 2012 in order to support 100% increase of production and support business which is the period of change order of 2013-2014.

2.2 Distribution Portion



In 2012, sales revenues of this group grew at 26% from 2011. In 2013, the Company expects its sales revenues to grow from 2012 at 11%. The Company has policy to grow in automobile industry from both existing business and new products. However, the major negative impacts to automobile industry of Thailand are:

Firstly Risk related to flood crisis. At present, the clear plan to solve the flood crisis by government has not been specified in details, only main plan and budget have been prepared. Therefore, all parts in Thailand still have risk to face flood crisis similar to 2011.

Secondly The stability of government including the political disagreement which investors in all sectors considered that the change of government might change the policy.

Thirdly The clear of energy policy. Such clear policy will affect directly to automobile industry as follows:

1. Affect to product development. The energy development in future has to be clear in order to set the guideline for automobile development in accordance with energy plan in future.
2. The change of energy price controlling policy. The sample is NGV, in case the energy cost of NGV and fuel oil has no difference, the trend for automobile using NGV will decrease if the cost is the same.

Fourthly The challenge of Asean Free Trade Agreement (AFTA). Such challenge is both an opportunity and threat to Thailand as most of automobile manufacturers have various plants in Asian region and will choose to manufacture at the lowest production cost country and reduce or cancel their production at the higher cost countries. Thailand is expected to have advantages for the free trade of automobile products; however, such advantages are not much as anticipated. Due to the establishment of regulations or taxation which will be barrier for automobile industry, the automobile manufacturers have tendency to move production base to other countries. At present, automobile manufacturers still face problems with regulations that not support for investment to operate business in Thailand.

Fifthly Skilled staff is insufficient in labor market caused the competition of high wages. The insufficient skilled staff has tendency to continue.

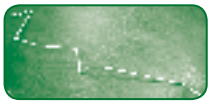
Sixthly Impact from economic downturn in Europe might affect purchase order from Europe and the entrance of competitor from overseas.

3) Product Procurement

- Machine Parts

PROCESS	MACHINE
CUTTING	CUTTING M/C
LATHE	SINGLE LATHE M/C
DRILLING	MILLING M/C
FINISHING	FINISHING MANUAL
WASHING	WASHING ULTRASONIC M/C
PACK	PACKING MANUAL

- Aluminum Pipes



PROCESS	MACHINE
CUTTING	CUTTING M/C
DEBURRING	DEBURRING M/C
FORMING HU	FORMING M/C
BENDING	CNC BENDING M/C
WASHING	WASHING ULTRASONIC M/C
TEST	LEAK TEST M/C
PACK	-

- Steel Pipe

PROCESS	MACHINE
CUTTING	CUTTING M/C
WASHING, DEBURRING	DEBURRING M/C
FORMING O-RING 1	FORMING M/C
FORMING O-RING 2	FORMING M/C
BENDING CNC	BENDING M/C
WASHING	WASHING ULTRASONIC M/C
BRAZING	-
OUT SOURCE	PLATING
TEST JIG	-
PACKING	-
HOSE ASSEMBLY	-
LEAK TEST	PRESSURRE DROP

- Hose Assembly

PROCESS		MACHINE
CUTTING PIPE		CUTTING M/C
DEBURRING PIPE		DEBURRING M/C
WASHING PIPE 1		WASHING ULTRASONIC M/C
	OUT SOURCE TURNING NIPPLE	CNC LATHE M/C
WASHING PIPE 2		WASHING ULTRASONIC M/C
BENDING PIPE		BENDING M/C
DRILLING & FINISHING		CNC LTHE M/C
WASHING PIPE 3		WASHING ULTRASONIC M/C
BRAZING UNION	CUTTING INSULATOR	BRAZING M/C, CUTTING M/C
BRAZING FLANGE		BRAZING M/C
	CUTTING HOUSE	CUTTING M/C
WASHING PIPE 4		WASHING ULTRASONIC M/C
CRIMPING HOSE		CRIMPING M/C
ASS'Y ORING&VALVE		-
AIR TEST		AIR TEST M/C
LEAK TEST		LEAK TEST M/C
HEATING		OVEN M/C
FINAL & PACKING		-

Capacity in 2012

Production Line	Capacity per Month (pieces)
Aluminum Pipes	400,000
Hose	200,000
Steel Pipes	200,000
Machine Parts	1,000,000
Inter Cooler Tube	50,000
Plastic	15,000
Sheet Metal Fabrication	5,000

Working Hour 8 Hour (1 Shift) Working Day 26 Day/month.

4.2 Manufacture parts for cooling machine

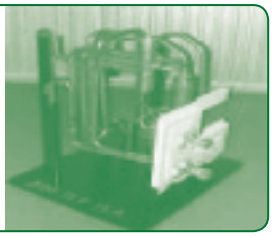
4.2.1 Copper Pipe Parts

1) Product characteristic

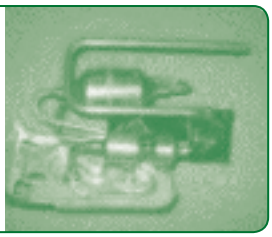
Air conditioner parts made of copper pipe that the Company manufactures are

1) Inlet pipe, Out let pipe, Header pipe for connecting Condenser

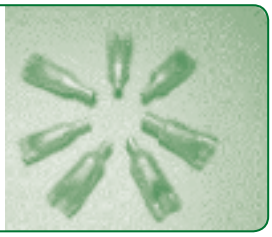
2) Suction pipe, Discharge pipe for connecting Compressor and Condenser together



3) Accumulator using for pressure receiver tube



4) Strainer using for filter out dust in the system to protect the obstruction in the system



5) U-Pipe for connection Condenser

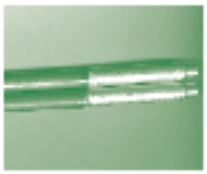
6) Capillary Tube Assy. Using to be pressure reducing pipe in the system

7) Pipe Connector (Pipe Kit) using for installation to connect Indoor and Outdoor systems

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

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, Copeland, Fujitsu, 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 2012, the Company invested in machinery and relocated to new 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 Management

A Production Process

- Air conditioner parts

Raw Material	Processing Process	Product	Customer
Copper	Cut Bend Fabricate Weld Pack	Inlet Out Let Suction Dis.charge Accumalater. U-ben ect.	Daikin, Mitsubishi, Fujitsu, Sharp, Panasonic, MACO, MACOT, LG, Samsung, Haier ect.

- Compressor parts

Raw Material	Processing Process	Product	Customer
Copper Metal	Cut Bend Fabricate Weld Inspect Pack	Suction Pipe Muffler Pipe Oil Pipe Discharge Pipe Inlet Tube Dis Joint Pipe	Siam Compressor, Hitachi Compressor, Kulthorn Kirby, Fujitsu, Copeland, Daikin, LG, Kulthorn Pemier etc.

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, Chonburi 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.

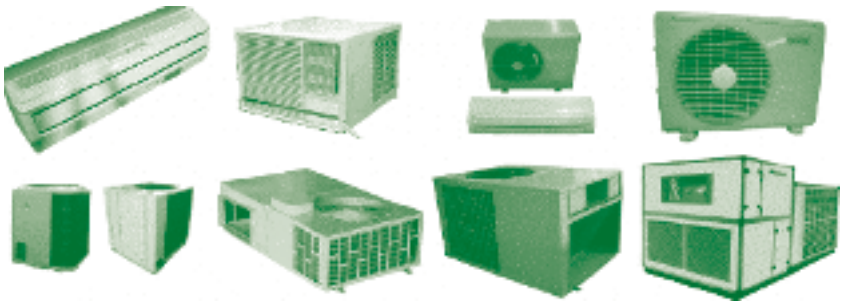
The machinery of each process is modern machines form cut, bend, fabricate and weld process which the Company bought directly from the manufacturer and distributor in Thailand in order to protect the maintenance problem. There are some machines that the Company built itself and also has maintenance system 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.

4.2.2 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.

(Sheet) → Turrent Punch Stamping Press → Bending → Ass'y → Painting → Packing → Customer

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 use Super Store system, 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 parts 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.

4.2.3 Plastic Parts

1) Product Characteristics

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

2) Marketing and Condition

The main customers are leading manufacturers of electric appliancein the market such as Sharp, Mitsubishi, Toshiba, 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 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, PSHI, 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 oversea 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 confidence 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.

4.2.4 Heat Exchanger

1) Product Characteristics

Cooling machine in residential or building in general has major component for heat exchanger known as "Coil" 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 this 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 completive advantage for cheaper cost than competitor. The coil manufacturing is 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

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.

4.3 Original Equipment Manufacturer for air conditioner and cooling machine (OEM and ODM)

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, 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 sill has image of low cost with low quality product comparing to air condition from Thailand which has better image. Beside, 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.

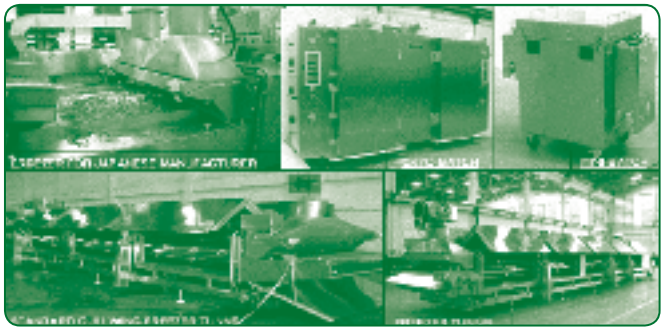
Besides, the Company has tried to expand the business of ODM by focusing on product development to add value to product the Company manufactured and assist the customer to have more choices.

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, parts 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.



4.4 Other operations

4.4.1 Manufacture industrial tools

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 half of tools in Thailand have to be imported from Japan, Korea and China. Therefore, this industry still has potential to grow since:

1. The growth will be in accordance with the growth of other industries especially automobile industry which previous year achieved the highest record by production and export 2.4 million cars and 2.5 million motorcycles as Thailand counted as major production base in this region. Therefore, these cutting tools have high potential to grow.

2. Since Special tools & Dies industry is the manufacturing industry that depend on delicacy and required expertise and high investment. Therefore, there are only a few manufactures in Thailand. The opportunity to increase market share by change importing to manufacturing locally will assist customer to reduce its cost.

3) Product Procurement

A Raw Material

At present, most of raw material has to import. 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.

B Machinery

All manufacturing machines were imported by using the best standard machinery together with maintenance system according to TPM system (Total Preventive Maintenance) in order to make machinery can be used with utmost efficiency.

4.4.2 Manufacture Washing Machine Parts

1) Product Characteristics

The Company manufactures parts for both metal and plastic parts for a large washing machine assembler; parts include internal and external parts for assembly the washing machine.

2) Marketing and Competition

Metal parts for washing machine which the Company produced is for main customer, Electrolux, which manufacture for export and the customer wants to relocate its production base to Thailand. Such parts have to use large machine with high quality and accuracy such as Turret Punch, CNC Bending Machine, etc. The Company is ready for such production so it is good opportunity for the Company.

With regard to plastic parts, the main customers are Sharp and Toshiba for both domestic and export sales. Parts which the Company produced are large parts to be structured for both internal and external of the machine which required large machine. The Company is ready for such production and the location is very closed to customer which will not be its burden for delivery.

Main customers for washing machine are leaders in the market and have production potential with strong competition which will be another way to increase the Company's production.

3) Product Procurement

The Company manufactures metal fabrication by fabricating metal plate through Turret Punch Machine and CNC Bending Machine in various forms according to the customer specification. Production process will be cut, punch, bend and weld. Some parts have to be passed the painting process. The completed pieces will be checked before sending to the assembly plastic plant. Plastic will be injected into specific mold with high technology and accuracy injection machine as the Company used modern machine for its production.

Both sections of production have to meet good production standard as the Company has certified ISO 9001:2008 and ISO 14001 : 2004 as well as has constantly trained its users.

Labor of the group of the Company

The Company has manufactured parts for long time and improved to be OEM of its customers. The Company has policy to increase middle management or MINI MD to support the Company's growth in the future by providing MINI MD course within organization by training with both internal and external trainers who have knowledge and capability as well as executives who have knowledge, capability, experience in air conditioner to step up to be ODM later and to reduce risk which might occur in the future.

The Company has realized that in future the labor will not be sufficient. With the vision of the Chairman of the Executive Committee, the Company has set up the plant in school and school in plant projects by coordinating with education institution to bring student to work with the Company as deemed appropriate which will benefit for both parties, students will be trained from standard plant and the Company get good labor to help during scarcity. With regard to staff, the Company constantly provides training to increase knowledge, expertise and capability together with supplies modern machines and production process to be used.

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, Makhamku 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	49%	49,000,000
2	SUGIMOTO METAL MANUFACTURING CO., LTD	46%	46,000,000
3	MR.MASAYASU MASUDA	5%	5,000,000
	Total	**100%**	**100,000,000**

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:

SSM Automation Company Limited (SSMA)

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, Hitachi Tochigi Electronics (Thailand) Company Limited, etc.

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).

2. Production Line

At present, SSMA has 4 production lines which are

2.1	Robot Line	comprising of 800 tons and 500 tons press machine for 4 machines and 5 robots
2.2	Transfer Line	comprising of 500 tons press machine and Transfer set
2.3	Progressive Line	comprising of 250 tons and 80 tons press machines and feeder set
2.4	Tandem Line	comprising of 300 tons press machines for 5 machines and 80 tons press machine for 2 machines

Robot Line

3. 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 2014, 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.

5. Assets for business operation

5.1 Fixed assets for business operation

As at December 31, 2012, major fixed assets which the Company and subsidiaries utilize for business operation are as follows:

Details				Obligation	Net Book Value (MB) 31 Dec 12	Net Book Value (MB) 31 Dec 11
Assets utilized for main business						
- **Land** and land improvement						
Rayong Title Deed No.	37608	4 rais	owner	Mortgaged with Kasikorn Bank Plc.	1.17	1.17
	1714	25 rais	owner	Mortgaged with EXIM BANK	7.21	7.25
Samutprakarn	38008,33360	1 rai	owner	Free of obligation	12.16	10.99
Top tech	97005,110895	5 rais	owner	Mortgaged with Bangkok Bank Plc.	25.80	-
- **Plant**						
SNC Branch 4			owner	Mortgaged with Kasikorn Bank Plc.	115.68	123.55
SPEC			owner	Mortgaged with ACL Bank Plc.	84.33	64.99
Other plants			Lease	Free of obligation	137.45	50.73
Top tech			owner	Mortgaged with Bangkok Bank Plc.	5.99	-
- **Machine and equipment**						
Machinery			owner	Free of obligation	1,082.86	762.62
Tools and equipment			owner	Free of obligation	82.82	78.09
Office equipment and furniture			owner	Free of obligation	18.98	9.52
Vehicles			owner	Free of obligation	8.16	4.42
Machinery under installation			owner	Free of obligation	66.83	32.13
Total					**1,649.44**	**1,145.46**
Assets for other use						
- **Land** Lampang			owner	Free of obligation	-	14.00
Rayong			owner	Free of obligation	13.00	62.09
- **Plant and Land at Rayong rent to associate**			owner	Mortgaged with ACL Bank Plc.	62.09	63.70
Total					**75.09**	**90.70**
Grand Total					**1,724.53**	**1,236.16**

5.2 Summary of major contracts of the Company and its subsidiaries

Lessee	Lessor	Lease Agreement	Term	Location	Area	Rental Fee/month
1) SNC Cooling Supply	KRC Development Co., Ltd.	Land Building	3 years (15 May 12-14 May 15)	333/6 Moo 6, Bangprinag, Bangbor, Samutprakarn	8,000 sq.m.	840,000
2) Immortal Parts	Chongsiri Warehouse Co., Ltd.	Land Building	2 yrs 8 mths (1 May 11 - 31 Dec.13)	242/3, 242/4, 242/12 Moo 6, Bangprinag, Bangbor, Samutprakarn	2,700 sq.m.	630,000
	Bangprieng Patana Co., Ltd.	Land Building	3 years (1 May 10 - 30 Apr 13)	103/8-10 Moo 17, Bangsaotong, Bangsaotong, Samutprakarn	4,500 sq.m.	130,000
	Bangprieng Patana Co., Ltd.	Land Building	1 yr 5 mths (1 Dec 11 - 30 Apr 13)	103/8 Moo 17, Bangsaotong, Bangsaotong, Samutprakarn	1,000 sq.m.	95,000
	Sangfah Warehouse Co., Ltd.	Land Building	2 yrs 11 mths (1 Nov 12 - 31 Oct 15)	333/2 Moo 6, Bangprinag, Bangbor, Samutprakarn	4,000 sq.m.	460,000
	Sangfah Warehouse Co., Ltd.	Land Building	3 years (1 Sep 12 - 31 Aug 15)	333/4 Moo 6, Bangprinag, Bangbor, Samutprakarn	9,000 sq.m.	945,000
3) SNC Former Branch 2	Bangprieng Patana Co., Ltd.	Land Building	3 years (1 Sep 12 - 31 Aug 15)	128/888 Moo 1, Bangsaotong, Bangsaotong, Samutprakarn	6,600 sq.m.	520,000
	Thai Hardnet Services Co., Ltd.	Land Building	1 year (1 Sep 12 - 1 Sep 13)	129/891 Moo 1, Bangsaotong, Bangsaotong, Samutprakarn	700 sq.m.	60,000
	Bangprieng Patana Co., Ltd.	Land Building	3 years (1 Sep 12 - 31 Aug 15)	129/892 Moo 1, Bangsaotong, Bangsaotong, Samutprakarn	1,944 sq.m. (excl. parking)	147,000
	Bangprieng Patana Co., Ltd.	Land Building	3 years (1 Sep 12 - 31 Aug 15)	129/893 Moo 1, Bangsaotong, Bangsaotong, Samutprakarn	3,200 sq.m. (excl. parking)	Sep-Nov 12 : 272,000 Dec12-Aug 15 : 288,000
	KRC Development Co., Ltd.	Land Building	3 years (1 Sep 12 - 31 Aug 15)	333/5 Moo 6, Bangprinag, Bangbor, Samutprakarn	3,600 sq.m.	414,000
4) SNC Former Branch 4	Laemchabang Industrial Estate	Land Building	10 years (1 Oct 07 - 30 Sep 17)	49/40 Moo 5, Laemchabang Industrial Estate, Tungsukhla, Sriracha, Chonburi	48 rais 42.51 sq.wah	800,368
5) Paradise Plastic	KRC Development Co., Ltd.	Land Building	3 years (1 Sep 12 - 31 Aug 15)	333/5 Moo 6, Bangprinag, Bangbor, Samutprakarn	2,400 sq.m.	276,000

5.3 Intangible Assets

As at December 31, 2012, the intangible assets of the Company and its subsidiaries, software and rights to use license and other benefit, were at 18.19 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 financial statements of the Company and its subsidiaries as at December 31, 2012)

6. Legal Disputation

As at December 31, 2012, 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.

7. Capital Structure

7.1 Securities of the Company

As at December 31, 2012, the Company's paid-up capital was 287,777,339 baht, comprised of 287,777,339 common shares, at par value of 1 baht per share. The Company has no any other shares or securities.

7.2 Shareholders

List and shareholding portion of the top-ten major shareholders of the Company according to the latest book closing date on August 27, 2012 are as follows:

No.	Name	Shareholding	
		No. of shares	%
1	Thaisa-nguanvorakul Group *	109,749,666	38.14
2	ASIA INVESTMENT PARTNERS LIMITED	50,000,000	17.37
3	Thai NVDR Company Limited	12,322,000	4.28
4	SOMERS (U.K.) LIMITED	12,000,000	4.17
5	HSBC (SINGAPORE) NOMINEES PTE LTD	9,884,500	3.43
6	CITIBANK NOMINEES SINGAPORE PTE LTD-THAI FOCUSED EQUITY FUND LTD	6,464,000	2.25
7	Mr.Pitak Pisetsit	4,020,000	1.40
8	Mr.Sumeth Kittiprompong	2,940,000	1.02
9	Mr.Tanasin Pipatkittikoon	2,450,000	0.85
10	Mr.Tawatchai Seubwonglee	2,181,000	0.76
Total		212,011,166	73.67

Remark * Thaisa-nguanvorakul Group comprises of SNC Holding Company Limited, Dr.Somchai Thaisa-nguanvorakul, Khun Sineenart Thaisa-nguanvorakul and Khun Anongnart Thaisa-nguanvorakul who hold 31.62%, 3.74%, 2.19% and 0.59% of total issued shares, respectively.

Shareholders of SNC Holder 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

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 August 27, 2012, the Company had 2,471 minority shareholders, accounted for 41.21% of total issued shares and such information was disclosed in the SET's website.

7.3 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	2007	2008	2009	2010	2011	2012
Dividend per share (Baht)	0.55	0.45	0.70	1.00	1.60	1.60
Earnings per share (Baht)	0.99	0.33	0.48	1.33	1.81	1.72
Dividend payout ratio	66%	136%	145%	75%	89%	93%

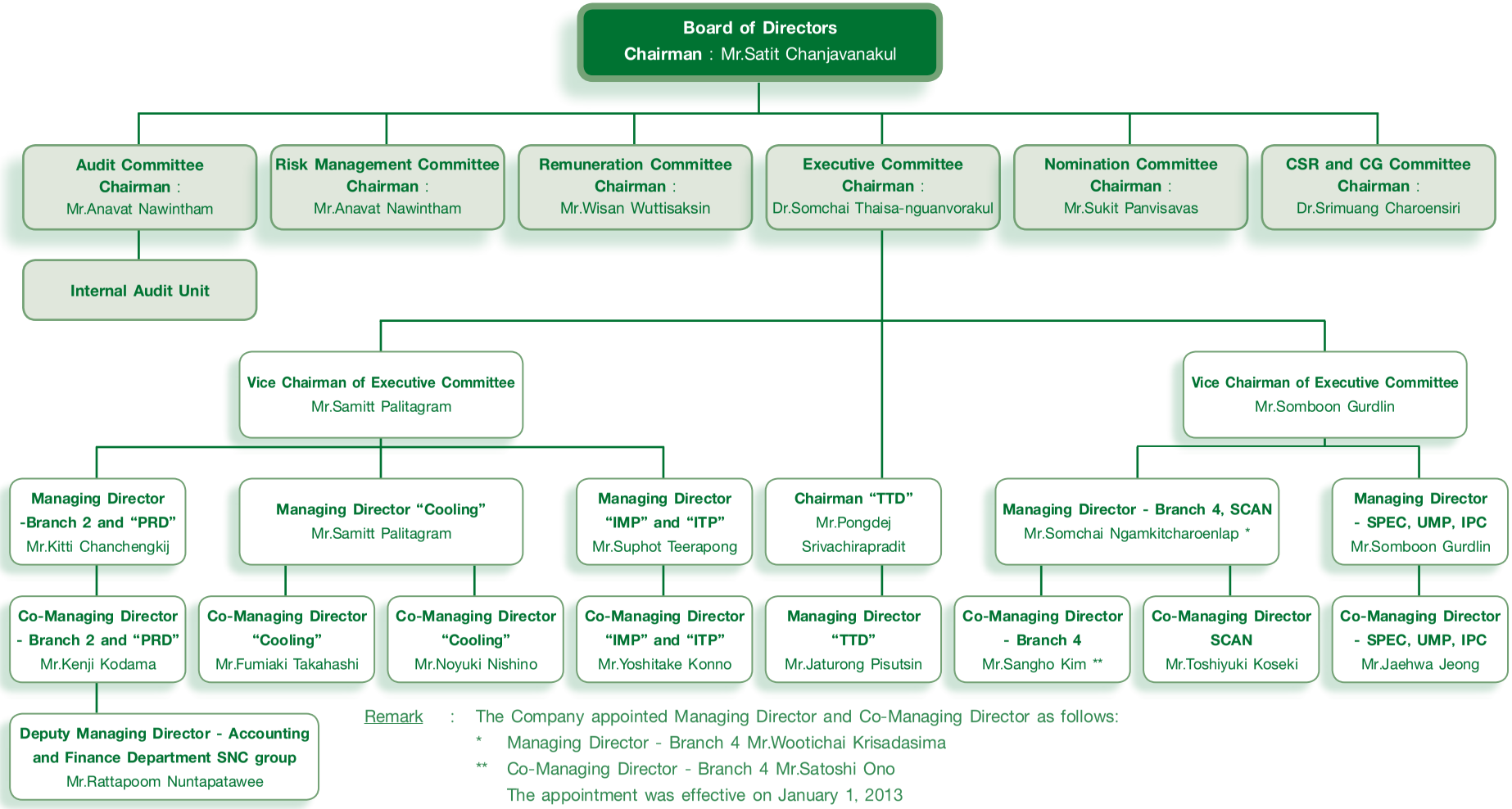
Remark: * The Board of Directors' meeting on February 1, 2013 passed the resolution for the dividend payment for the operation result of year 2012 for the year end period which was the last period at 0.6 baht per share, the dividend will be paid on April 26, 2013. After adding up with the interim dividend at 1.00 baht per share, the total dividend payment will be 1.6 baht per share.

Subsidiaries' Dividend Policy

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

8. Managemant

8.1 Managemant Structure



Remark : The Company appointed Managing Director and Co-Managing Director as follows:

* Managing Director - Branch 4 Mr.Wootichai Krisadasima

** Co-Managing Director - Branch 4 Mr.Satoshi Ono

The appointment was effective on January 1, 2013

8.2 Director Structure

The Company's director structure comprised of the Board of Directors and 6 subcommittees which are Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee, CSR and CG Committee and Executive Committee. The details are as follows:

Board of Directors

As at December 31, 2012, the Company's Board of Directors comprised of 12 directors showing in the table below with their report of share holding. (Background, education and experience of the Company's Board of Directors are attached in the attachment)

No.	Name		Non-independent	Independent	Executive	Non-Executive	No. of shares		Increase (Dcrease)
							Aug 27, 12	Aug 15, 11	
1	Mr.Satit	Chanjavanakul	-	✓	-	✓	-	-	-
2	Dr.Somchai	Thaisa-nguanvorakul	✓	-	✓	-	10,741,666	10,727,287	14,379
3	Professor Dr.Boonton Dockthaisong		-	✓	-	✓		-	-
4	Mr.Anavat	Nawintham	-	✓	-	✓	21,800	21,800	-
5	Mr.Sukit	Panvisavas	-	✓	-	✓	2,000	2,000	-
6	Dr.Srimuang	Charoensiri	-	✓	-	✓	-	-	-
7	Mr.Wisan	Wuttisaksin	-	✓	-	✓	-	-	-
8	Mr.Surapol	Yamkasem	✓	-	✓	-	263,674	256,144	7,530
9	Mr.Somboon	Gurdlin	✓	-	✓	-	23,074	10,613	12,461
10	Mr.Samitt	Palitagram	✓	-	✓	-	420,445	409,419	11,026
11	Mr.Surasak	Khaoroptham	✓	-	-	✓	-	-	-
12	Mr.Somchai	Ngamkitcharoenlap	✓	-	✓	-	-	-	-
			6	6	5	7			

Ms.Rattanaporn Leenawat is the Company Secretary

The definition of the independence of the Company's director is complied with the regulations of the Notification of the Capital Market Supervisory which are as follows:

1) Holding shares not more than 1% 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, it 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 of 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.Surapol Yamkasem or 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 parts 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.

8.2.1 Audit Committee

As at December 31, 2012, the members of the Company's Audit Committee are as follows:

No.	Name	Position	Qualifications
1.	Mr.Anavat Nawintham	Chairman of the Audit Committee	Independent Director
2.	Mr.Sukit Panvisavas	Audit Committee	Independent Director with accounting and finance knowledge
3.	Dr.Srimuang Charoensiri	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:
   (a) an opinion on the accuracy, completeness and creditability of the Company's financial report
   (b) an opinion on the adequacy of the Company's internal control system
   (c) an opinion on the compliance with the law governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company
   (d) an opinion on the appropriateness of an auditor
   (e) an opinion on the transactions that may lead to conflict of interest
   (f) the number of the audit committee's meetings and the attendance of such meetings by each committee member
   (g) an opinion or overview observation from the audit committee which perform in accordance with the charter
   (h) 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 2012, 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.

8.2.2 Risk Management Committee

As at December 31, 2012, the members of the Company's Risk Management Committee are as follows:

No.	Name	Position	Qualifications
1.	Mr.Anavat Nawintham	Chairman of Risk Management Committee	Independent Director
2.	Mr.Sukit Panvisavas	Risk Management Committee	Independent Director with accounting and finance knowledge
3.	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

8.2.3 Remuneration Committee

As at December 31, 2012, the members of the Company's Remuneration Committee are as follows:

No.	Name	Position	Qualifications
1.	Mr.Wisan Wuttisaksin	Chairman of the Remuneration Committee	Independent Director
2.	Dr.Srimuang Charoensiri	Remuneration Committee	Independent Director
3.	Mr.Surapol Yamkasem	Remuneration Committee	Director

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

Scope of duties and responsibilities of Remuneration 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.

In 2012, there were meetings of remuneration committee and reported to the Board of directors.

8.2.4 Nomination Committee

As at December 31, 2012, the members of the Company's Nomination Committee are as follows:

No.	Name	Position	Qualifications
1.	Mr.Sukit Panvisavas	Chairman of the Nomination Committee	Independent Director
2.	Mr.Anavat Nawintham	Nomination Committee	Independent Director
3.	Mr.Samitt Palitagram	Nomination Committee	Director

Scope of duties and responsibilities of Nomination Committee

Nomination Committee shall consider and select persons to be appointed as Board of Directors, Executive Committee and executives and propose such persons to the Board of Directors for appointment. The scope of duties and responsibilities are as follows:

1. 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.
2. 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.

In 2012, there were meetings of nomination committee and reported to the Board of directors.

8.2.5 CSR and CG Committee

As at December 31, 2012, the members of CSR and CG Committee are as follows:

No.	Name	Position	Qualifications
1.	Dr.Srimuang Charoensiri	Chairman of CSR and CG Committee	Independent Director
2.	Mr.Sukit Panvisavas	CSR an CG Committee	Independent Director
3.	Mr.Surapol Yamkasem	CSR and CG Committee	Director

Scope of duties and responsibilities of CSR Committee and CG 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 parts 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.

8.2.6 Executive Committee and Executive

As at December 31, 2012, the members of the Company's Executive Committee are as follows:

No.	Name	Position
1.	Dr.Somchai Thaisa-nguanvorakul	Chairman of the Executive Committee
2.	Mr.Samitt Palitagram	Vice Chairman of the Executive Committee
3.	Mr.Somboon Gurdlin	Vice Chairman of the Executive Committee
4.	Mr.Surapol Yamkasem	Executive Committee
5.	Mr.Somchai Ngamkitcharoenlap	Managing Director

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 50 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 20 million baht per time. Any expenses or payments at the amount of more than 20 million baht have to be approved by the Executive Committee. Besides, the Company's authorized directors are Dr.Somchai Thaisa-nguanvorakul jointly with Mr.Surapol Yamkasem or 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.

As at December 31, 2012, the executives of the Company Group were as follows:

No.	Name	No. of shares		No. of share Increase (Decrease)
		Aug 15, 12	Aug 15, 11	
1.	Dr.Somchai Thaisa-nguanvorakul Chairman of the Executive Committee	10,741,666	10,727,287	14,379
2.	Mr.Samitt Palitagram Vice Chairman of Executive Committee and Managing Director	420,445	409,419	11,026
3.	Mr.Somboon Gurdlin Vice Chairman of Executive Committee and Managing Director	23,074	10,613	12,461
4.	Mr.Surapol Yamkasem Executive Committee	263,674	256,144	7,530
5.	Mr.Somchai Ngamkitcharoenlap Managing Director - Branch 4	-	-	-
6.	Mr.Suphot Teerapong Managing Director - IMP and ITP	17,290	7,577	9,713
7.	Mr.Kitti Chancherngkij Managing Director - Branch 2 and PRD	-	-	-
8.	Mr.Pongdej Srivachirapradit Chairman TTD	6,000	-	6,000
9.	Mr.Jaturong Pisutsin Managing Director - TTD	150,000	20,000	130,000
10.	Mr.Fumiaki Takahashi Co-Managing Director - Cooling	1,226,667	1,371,286	(144,619)
11.	Mr.Kenji Kodama Co-Managing Director - Branch 2	1,751,667	1,737,287	14,380

No.	Name	No. of shares		No. of share Increase (Decrease)
		Aug 15, 12	Aug 15, 11	
12.	Mr.Sangho Kim Co-Managing Director -Branch 4	-	-	-
13.	Mr.Yoshitake Konno Co-Managing Director -IMP	20,042	9,214	10,828
14.	Mr.Naoyuki Nishino Co-Managing Director -Cooling	-	-	-
15.	Mr.Jaehwa Jeong Co-Managing Director -SPEC	250,000	250,000	-
16.	Mr.Toshiyuki Koseki Co-Managing Director -SCAN	-	-	-
17.	Mr.Rattapoom Nuntapatawee Deputy Managing Director - Accounting and Finance Department	14,309	6,348	7,961

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 20 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 Directors Nomination

Board of Directors

1. The Nomination Committee shall determine the qualifications of the Board of Directors and selecting from highly recognized scholar persons with in-depth knowledge in various fields. Such person shall possess the strong leadership skill and board vision with virtue and morality, clean and transparent working experience as well as the ability to express opinion independently in order to have components and qualifications as required by laws and other related regulations. The Nomination Committee shall propose the list of qualified persons to the Board and Directors and will be proposed to the shareholders' meeting for approval further.
2. Directors of the Company shall be selected at the shareholders' meeting and the Board shall comprise of at least 5 directors of which at least 3 directors shall be independent. Not less than half of whom shall reside within the kingdom and at least one director shall possess the knowledge in relation to the accounting and finance. All directors shall be qualified according to the relevant laws and regulations.
3. Shareholders' meeting shall elect the directors proposed by the Nomination Committee according to the following criteria:
   (1) Each shareholder shall be entitled to one vote for each share held.
   (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director.
   (3) The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of director position are filled.
   (4) Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the remaining appointments shall be made by the casting vote of the Chairman of the meeting.
4. At every annual general meeting, one third of the directors shall retire from office. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire. The directors that must retire from office within the first and second year after the Company listed shall be selected by casting lots. In subsequent years, the director who has held office longest shall retire.
5. The director, who wishes to resign from the position, has to submit the resignation letter to the Company and be effective on the date that the Company receives such letter.
6. A general meeting of shareholders may resolve to remove a director before expiration of office with the votes of not less than three-fourth of the number of shareholders present at the meeting and eligible to vote and the total shares have to be not less than half of the total shares held by the shareholders present at the meeting and eligible to vote.

7. The vacancy of the Board of Directors for any reason other than the retirement may be filed by the remaining of the directors by selecting from qualified and no illegal characteristic candidates in the next meeting of the Board of Directors, unless the term of such director is less than 2 months. Any person appointed shall be the director for the remaining term of the director to whom he or she has succeeded and such resolution of the Board of Directors' meeting for the appointment shall be passed by a vote of not less than ¾ of the number of the remaining directors.

The Board of Directors has given the opportunity to the minority shareholders to nominate any person to be appointed as the director since 2007. However, until 2012 there was no nomination from its shareholder for any director appointment.

Audit Committee

The Board of Directors shall appoint the Audit Committee and such committee has to consist of 3 independent directors and at least 1 member of Audit Committee has to possess the knowledge in relation to the accounting and finance and be able to review the Company's financial statements. The Audit Committee shall consistently be trained and educated for the matters related to the Audit Committee's operation in order to be updated for any changes that may occur.

8.4 Remuneration of the Board of Directors and Executives

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.

As on Tuesday, April 3, 2012, the annual general meeting of year 2012 approved the remuneration for the Board of Directors as follows:

1. Meeting Allowance of the Board of Directors and sub-committee

(1)	Meeting allowance of the Board of Directors		
	Chairman of the Board of Directors	30,000	Baht/Meeting
	Each director 15,000 Baht/Meeting for 11 directors	165,000	Baht/Meeting
	Total	195,000	Baht/Meeting
	6 meetings/year have been set, total amount will be 195,000 Baht x 6 meetings	1,170,000	Baht/Year
(2)	Meeting allowance of the Audit Committee		
	Chairman of the Audit Committee	20,000	Baht/Meeting
	Each director 10,000 Baht/Meeting for 2 directors	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	4 meetings/year have been set, total amount will be 40,000 Baht x 4 meetings	160,000	Baht/Year
(3)	Meeting allowance of the Remuneration Committee		
	Chairman of the Remuneration Committee	20,000	Baht/Meeting
	Each director 10,000 Baht/Meeting for 2 directors	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	1 Meeting/Year has been set, total amount will be 40,000 Baht x 1 meeting	40,000	Baht/Year

(4)	Meeting allowance of the Nomination Committee		
	Chairman of the Nomination Committee	20,000	Baht/Meeting
	Each director 10,000 Baht/Meeting for 2 directors	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	1 meeting/year has been set, total amount will be 40,000 Baht x 1 meeting	40,000	Baht/year
(5)	Meeting allowance of the CSR and CG Committee		
	Chairman of the CSR and CG Committee	20,000	Baht/Meeting
	Each director 10,000 Baht/Meeting for 2 directors	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	2 meetings/year have been set, total amount will be 40,000 Baht x 2 meetings	80,000	Baht/year
(6)	Meeting allowance for Risk Management Committee		
	Chairman of the Risk Management Committee	20,000	Baht/Meeting
	Each director 10,000 Baht/Meeting for 2 directors	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	2 meetings/year have been set, total amount will be 40,000 Baht x 2 meetings	80,000	Baht/year
	Reserve for meeting allowance for other meetings	230,000	Baht/year
	Total meeting allowance for Board of Directors and sub-committee	1,800,000	Baht/year
2.	Remuneration of the Chairman of the Board of Directors		
	Position allowance 100,000 Baht/month	1,200,000	Baht/year
	Meeting allowance 20,000 Baht/month	240,000	Baht/year
	Total	1,440,000	Baht/year
	Total Remuneration for the directors for 2012	3,240,000	Baht/year

In 2012 and 2011, the Board of Directors received financial remuneration, which was meeting allowance as follows:

A. Remuneration of the Board of Directors

Name	Position	2012		2011	
		Amount (Baht)	No. of meeting attendances	Amount (Baht)	No. of meeting attendances
1. Mr.Satit Chanjavanakul	Chairman of the Board of Directors	180,000	6/6	120,000	4/4
2. Dr.Somchai Thaisa-nguanvorakul	Chairman of Executive Committee	90,000	6/6	60,000	4/4
3. Professor Dr.Boonton Dockthaisong	Independent Director	75,000	5/6	60,000	4/4
4. Mr.Anavat Nawintham	Independent Director	90,000	6/6	45,000	3/4
5. Mr.Sukit Panvisavas	Independent Director	75,000	5/6	45,000	3/4
6. Dr.Srimuang Charoensiri	Independent Director	90,000	6/6	60,000	4/4
7. Mr.Puttipong Danboonsute	Independent Director (Resigned on July 27, 2012)	30,000	2/6	60,000	4/4
8. Mr.Wisan Wuttisaksin	Independent Director (Appointed on July 27, 2012)	60,000	4/6	-	-
9. Mr.Surapol Yamkasem	Director and Executive Committee	90,000	6/6	60,000	4/4
10. Mr.Somboon Gurdlin	Director and Executive Committee	90,000	6/6	60,000	4/4
11. Mr.Samitt Palitagram	Director and Executive Committee	90,000	6/6	60,000	4/4
12. Mr.Surasak Khaoroptham	Director	90,000	6/6	60,000	4/4
13. Mr.Somchai Ngamkitcharoenlap	Executive Committee	90,000	6/6	45,000	3/4
Total		**1,140,000**		**735,000**	

B. Remuneration of the Audit Committee

Name	Position	2012		2011	
		Amount (Baht)	No. of meeting attendances	Amount (Baht)	No. of meeting attendances
1. Mr.Anavat Nawintham	Chairman of Audit Committee	80,000	4/4	80,000	4/4
2. Mr.Sukit Panvisavas	Audit Committee	30,000	3/4	40,000	4/4
3. Dr.Srimuang Charoensiri	Audit Committee	40,000	4/4	40,000	4/4
Total		**150,000**		**160,000**	

C. Remuneration of the Remuneration Committee

Name	Position	2012		2011	
		Amount (Baht)	No. of meeting attendances	Amount (Baht)	No. of meeting attendances
1. Mr.Wisan Wuttisaksin	Chairman of the Remuneration Committee (2012)	20,000	1/1	-	-
2. Mr.Puttipong Danboonsute	Chairman of the Remuneration Committee (2011)	-	-	20,000	1/1
3. Dr.Srimuang Charoensiri	Remuneration Committee	10,000	1/1	10,000	1/1
4. Mr.Surapol Yamkasem	Remuneration Committee	10,000	1/1	10,000	1/1
Total		**40,000**		**40,000**	

D. Remuneration of the Nomination Committee

Name	Position	2012		2011	
		Amount (Baht)	No. of meeting attendances	Amount (Baht)	No. of meeting attendances
1. Mr.Sukit Panvisavas	Chairman of the Nomination Committee	20,000	1/1	20,000	1/1
2. Mr.Anavat Nawintham	Nomination Committee	10,000	1/1	10,000	1/1
3. Mr.Samitt Palitagram	Nomination Committee	10,000	1/1	10,000	1/1
Total		**40,000**		**40,000**	

E. Remuneration of the CSR and CG Committee

Name	Position	2012		2011	
		Amount (Baht)	No. of meeting attendances	Amount (Baht)	No. of meeting attendances
1. Dr.Srimuang Charoensiri	Chairman of CSR and CG Committee	20,000	1/1	-	-
2. Mr.Sukit Panvisavas	CSR and CG Committee	10,000	1/1	-	-
3. Mr.Surapol Yamkasem	CSR and CG Committee	10,000	1/1	-	-
Total		**40,000**		**-**	

F. Remuneration of Risk Management Committee

Name	Position	2012		2011	
		Amount (Baht)	No. of meeting attendances	Amount (Baht)	No. of meeting attendances
1. Mr.Anavat Nawintham	Chairman of Risk Management Committee	20,000	1/1	-	-
2. Mr.Sukit Panvisavas	Risk Management Committee	10,000	1/1	-	-
3. Mr.Samitt Palitagram	Risk Management Committee	10,000	1/1	-	-
Total		**40,000**		**-**	

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.

The salary, bonus, incentive, provident fund, EJIP fund, social security and other welfare paid to 17 executives of the Company and its subsidiaries in 2012 (2011 : 12 executives) were classified as follows:

(Unit : Million Baht)	2012	2011
Salary	42.64	35.72
Bonus	9.09	-
Provident fund	1.15	0.59
EJIP Fund	0.67	0.61
Social security	0.08	0.10
Assigned company vehicles	4.85	4.10
Others	2.59	0.22
Total	**61.07**	**41.34**

Remark: Other remunerations comprised of fuel cost, telephone and traveling expenses.

8.5 Corporate Governance

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 of 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 15 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 at least 2 independent directors 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 accuracy, 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

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 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

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 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.

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).

Besides, the Company has set the measurement to provide all stakeholders channel to inform any incidents or any actions that may violate the laws, regulations, Articles of Association and/or moral and ethics which may cause any damages to the Company. The practice guideline that widely recognized is the person who notices the above incident or action can gather information and evidence as much as possible to substantiate such incident and submit to the following address:

Attention : The Chairman of the Board or Audit Committee
SNC Former Public Company Limited
333/3 Moo 6, Bangpreang District, Amphur Bangbor, Samutprakarn 10560

The Chairman of the Board of Directors or the Audit Committee will receive such information directly and take it confidentiality in order to protect any affects to the informer and will fairly manage by making the reference to the received information and investigating for further appropriate decision and action.

5. 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.

6. 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.

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.

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.

Board of Directors' structure

1. The members of the Company's Board of Directors consisted of 12 persons, comprised of 5 executive directors, 7 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.
2. 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.

3. The Company clearly determines the qualifications of the Audit Committee.
4. The Company determines that each director can be appointed as the director of the listed companies not more than 3 companies and has to disclose the details of the appointment in annual statement (Form 56-1) which can be able to see the details from the SET's website (www.set.or.th). At present, there are two directors who appointed as the directors of listed companies for more than 3 companies. Such appointment has no affect to their duties as the Company's directors. One director appointed as directors of 5 listed companies, which he is appointed as Audit Committee for 3 companies. Therefore, he can devote sufficient for every company and attend all meetings and also provide useful opinion to the Company regularly. Another director appointed as directors of 6 listed companies. He is the executive of foreign fund which is the major shareholder of such 6 listed companies. Therefore, he spends most of his time accessing information of every company, attends all the meetings and provides useful opinion to the Company regularly as well.
5. The Company determines that Managing Director can be appointed as the director of the listed companies not more than 3 companies.

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

   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 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.

   Nomination Committee

   Nomination Committee 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.

   CSR and CG Committee

   CSR and CG Committee is responsible for monitoring and supervising the Company's business operation to be in accordance with corporate governance and corporate social and environment responsibility.
2. The majority of the committee members are the independent directors for the transparency and independently operation.

3. At present, 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.

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

1. 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 and the secretary of the Company, etc. in order to consistently improve the performance and the work efficiency.
2. The Company regulates that the new director has to acknowledge the Company's business policy including useful information for new director to perform his duty as well as arranges for the Company's nature of business and business direction introduction.
3. The Board of Directors has assigned the Chairman of the Board and Managing Director to regularly report the development plan and succession plan in order to be prepared in case anyone can't perform his duty. Therefore, the investors, organization and staff can be assured that the Company's operation can be carried on promptly. The Board of Directors has established executives' development program by assigned managing director and executives to report the operation outcome of each month in order to achieve the business operation's target.

Board Meetings

1. The Board of Directors shall set its meeting schedule in advance 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.
2. 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.
3. Meeting documents should be sent to each director in advance of the meeting date. The document should be concise, with all relevant information. Any confidential issues should be brought to discuss during the meeting.
4. 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.
5. 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.
6. 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.

Board Self - Assessment

The Company aims to employ the Board Self-Assessment to improve the Board's performance. The assessment criteria shall be calculated as the percentage for each area as follows:

More than 85%	=	Excellent
More than 75%	=	Very Good
More than 65%	=	Good
More than 50%	=	Fair
Less than 50%	=	Need Improvement

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.

Risk Management

The Board of Directors 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 annually and whenever there is a change in risk level and shall focus on early warning signs and unusual transactions.

In 2012, 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.

The Secretary of the Company

The current secretary of the Company is Miss Rattaporn Leenawat 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.

Internal Control

Details are in section "Internal Control".

8.6 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 after 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' 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

8.7 Personnel

Number of staffs

As at December 31, 2012, 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	459
Cooling parts production	1,107
OEM for cooling machines	309
Other business lines production	127
Quality Control	88
Marketing	20
Human Resource	33
Information Technology	9
Research, development and maintenance	63
Transportation and Purchasing	33

Main Department	No. of staffs
Accounting and Finance	43
Warehouse	74
Others	41
Total	2,406

Staff Remuneration

The Company has set the policy that the proper remuneration is the major factor to build up moral for its staff and also to encourage the loyalty of the organization in the long term. The staff remuneration comprised of salary, bonus, social security, provident fund and other welfare. The details are as follows:

Item	Unit : Million Baht			%
	2012	2011	Increase	Increase
Salary	359	282	77	27%
Bonus	70	45	25	55%
Social Security and Provident Fund	17	13	4	31%
Welfare and others	79	58	21	36%
Total	525	398	127	32%

Human Resource Development Policy

1. SNC Former Public Company Limited divides its staff into 3 levels, operator/supervisor, Mini MD/ Manager and Director and using the Human Needs Theory of Maslow to determine the staff's needs.
2. The Company applies QCC activity to be its tool for building up the work cooperation by setting the action plan for all staffs and each staff has to attend at least 2 activities per year in order to share communication skill effectively. The Company uses the meeting to transfer the information and applies two-way communication between supervisor and manager. The Company also employs quality control improvement system (QCC) to support the innovation and exploits various ideas from staffs to build up such innovation.
3. The Company has a performance assessment for the staffs and uses such assessment to be the baseline for consideration of the salary raise and annual bonus. Moreover, the Company arranges the activities to promote the best performance staff.
4. The Company provides training for 9 Basic Needs which comprise of 3 levels for general staff, Mini MD and the executives. After the training, the staff will be assigned for training for proper operation procedure further. Besides, the training unit will find out training needs by issuing annual training enquiry form and ask the staff and the supervisor to propose their problems during the operation as well as the training course that they want to be trained. Then the training unit will set the training plan for internal training or external training.
5. The Company will develop the future leader by improving the staff's performance to be able to perform according to the Job Description such as arrangement for 9 Basic Needs training for Mini MD or manager, sending staff to internal and external training and granting scholarship for higher education.

6. There is HRD unit to assess the training performance in 2 parts, assessment according to the report and assessment for the satisfaction of the training course. Besides, the attendance of 9 Basic Needs course has to pass the written examination of the standard assessment of SNC 9 Basic Needs Skill Matrix and the performance examination have to meet standard.
7. All business units have to propose their business plans during Q4. Business plan has to comprise of human resources plan which shown the additional staffs required as well as the qualification needed. The Company has competency assessment system called SNC 9 Basic Need Skill Matrix; the assessment is divided into 3 categories which are 1) Functional Competency 2) Core Competency 3) Work Permit. The Company will arrange the assessment once a year and will issue the performance certificate.
8. There is HR unit to be 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. After getting the application, HR will convene the interview in order to get the staffs that possess qualifications according to the Job Description. After hiring new staff, the Company will arrange for demonstration and training in order to train the new staff according to the standard that the Company has set such as 9 Basic Needs. After that, HR unit will assign such staff to the unit for working procedure training in relation to the unit's standard.
9. The Company operates by Daily Management, Policy Management. All staffs have to recognize the target of the assignment, work quality that has to achieve and how to achieve as well as know who has to report to if gets in the trouble. The Company offers problem analysis, performance assessment and provides feedback information to the worker. The Company also has SKILL MATRIX system and offers working license, therefore, the entry level staff is able to develop and rotate in the organization and be able to grow in the work line.
10. The Company is ready to the change of IT and working procedure. The human resource development for Multi skill and Multi function is also ready for the change of the competency requirement. All business units have to propose human resource requirement for the next year plan. The Company has built up various business units in order to support the change of human resource and staff capability.
11. The Company has established 4Q 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. Internal Control

In 2012, the Board of Directors had 6 meetings and the audit committee attended 4 meetings to provide opinion with regard to the sufficiency and appropriateness of 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 using for decision marking 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 2012, 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:

Organization Control and Environmental Measure

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 Management Measure

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.

Management 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 Measure

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 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

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.

10. Connected Transaction

10.1 Nature of Connected Transaction

During 2012, 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, 2012.

10.2 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.

10.3 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 10.2. 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

Audit Committee Report

SNC Former Public Company Limited has appointed the audit committee which comprises of Mr. Anawat Navinthum as the Chairman of the Audit Committee, Mr.Sukit Panvisavas and Dr.Srimuang Charoensiri 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 2012, 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 2012 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 2012 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.Anawat Navintham)
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, 2012.

Mr.Satit Chanjavanakul
Chairman of the Board of Directors

Dr.Somchai Thaisa-nguanvorakul
Chairman of the Executive Committee

11. Financial Status and Performance

11.1 Consolidated Financial Statements

(1) Auditor's Report

- The auditor's report for financial statements of year 2012 audited by Khun Vipavan Pattavanvivek , Certified Public Accountant No. 4795 from KPMG Phoomchai Audit Limited expressed an unqualified opinion.
- The auditor's report for financial statements of year 2011 audited by Khun Chayapol Suppasedtanon, Certified Public Accountant No. 3972 from Ernst & Young Office Limited expressed an unqualified opinion
- The auditor's report for financial statements of year 2010 audited by Khun Sumalee Reewarabandith, Certified Public Accountant No. 3970 from Ernst & Young Office Limited expressed an unqualified opinion.

Summary Table of financial statements of the Company and its subsidiaries

Statement of Financial Position	As at December 31, 2012		As at December 31, 2011		As at December 31, 2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	577.25	14.79%	391.01	12.67%	884.40	25.44%
Current Investment	0.20	0.01%	395.20	12.80%	0.20	0.01%
Trade and other accounts receivable-net	1,232.14	31.58%	721.90	23.38%	1,125.93	32.38%
Short-term loans to related parties	5.00	0.13%	-	-	-	-
Inventories	229.12	5.87%	216.35	7.01%	265.35	7.63%
Other current assets	42.06	1.08%	27.23	0.88%	24.30	0.70%
Assets classified as held for sale	-	-	1.89	0.06%	-	-
Total current assets	**2,085.77**	**53.46%**	**1,753.58**	**56.80%**	**2,300.18**	**66.16%**
Non-current assets						
Investment in jointly-controlled entity	34.49	0.88%	47.87	1.55%	-	-
Property, Plant and equipment	1,648.69	42.26%	1,145.46	37.10%	1,111.61	31.97%
Investment properties	75.10	1.92%	90.70	2.94%	26.20	0.75%
Intangible assets	18.94	0.49%	10.81	0.35%	9.59	0.28%
Other non-current assets	38.68	0.99%	38.93	1.26%	29.34	0.85%
Total non-current assets	**1,815.90**	**46.54%**	**1,333.77**	**43.20%**	**1,176.74**	**33.84%**
Total assets	**3,901.67**	**100%**	**3,087.35**	**100%**	**3,476.92**	**100%**

Statement of Financial Position	As at December 31, 2012		As at December 31, 2011		As at December 31, 2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Liabilities and equity						
Current liabilities						
Trade and other accounts payable	1,508.03	38.65%	883.88	28.63%	1,395.06	40.12%
Current portion of accounts payable -acquisition of assts	161.72	4.15%	184.46	5.98%	51.68	1.49%
Current portion of long-term loans	11.76	0.30%	-	-	-	-
Current portion of finance lease liabilities	7.39	0.19%	-	-	-	-
Income tax payable	1.35	0.03%	8.41	0.27%	31.69	0.91%
Other current liabilities	22.55	0.58%	6.77	0.22%	26.64	0.77%
Total current liabilities	**1,712.80**	**43.90%**	**1,083.52**	**35.10%**	**1,505.06**	**43.29%**
Non-current liabilities						
Account payable-acquisition of assets	119.42	3.06%	60.57	1.96%	164.10	4.72%
Long-term loans	14.00	0.36%	-	-	-	-
Finance lease liabilities	5.49	0.14%	-	-	-	-
Employee benefit obligations	29.53	0.76%	7.44	0.24%	-	-
Tax obligation from revaluation of net assets	6.55	0.17%	-	-	-	-
Total non-current liabilities	**174.99**	**4.49%**	**68.01**	**2.20%**	**164.10**	**4.72%**
Total liabilities	**1,887.79**	**48.38%**	**1,151.53**	**37.30%**	**1,669.16**	**48.01%**
Equity						
Issued and fully paid-up capital	287.78	7.38%	301.40	9.76%	301.40	8.67%
Premium on ordinary shares	1,213.60	31.10%	1,257.26	40.72%	1,257.26	36.15%
Retained earnings						
Appropriated						
Legal reserve	61.66	1.58%	53.40	1.73%	37.69	1.09%
Treasury stock reserve	-	-	57.29	1.86%	57.29	1.65%
Unappropriated	391.96	10.05%	326.95	10.59%	211.40	6.08%
Equity attributable to owner of the Company	**1,955.00**	**50.11%**	**1,996.30**	**64.66%**	**1,865.04**	**53.64%**
Less : Treasury stock	-	-	-57.29	-1.86%	-57.29	-1.65%
Equity attributable to owner of the Company-Net	**1,955.00**	**50.11%**	**1,939.01**	**62.80%**	**1,807.75**	**51.99%**
Non-controlling interests	58.88	1.51%	-3.19	-0.10%	0.01	0.00%
Total equity	**2,013.88**	**51.62%**	**1,935.82**	**62.70%**	**1,807.76**	**51.99%**
Total liabilities and equity	**3,901.67**	**100.00%**	**3,087.35**	**100.00%**	**3,476.92**	**100.00%**

Statement of comprehensive income	Year 2012		Year 2011		Year 2010	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sales and services	7,648.02	100.00%	8,323.93	100.00%	8,247.57	100.00%
Cost of sales and services	-6,806.74	89.00%	-7,468.51	-89.72%	-7,509.92	-91.06%
Gross Profit	**841.28**	**11.00%**	**855.42**	**10.28%**	**737.65**	**8.94%**
Interest income	7.75	0.10%	15.80	0.19%	5.51	0.07%
Other income	31.91	0.42%	17.57	0.21%	14.03	0.17%
Gain on bargain purchase of subsidiary	7.08	0.09%	-	-	-	-
Selling expenses	-91.32	-1.19%	-66.63	-0.80%	-59.83	-0.73%
Administrative expenses	-65.42	-0.86%	-44.20	-0.53%	-60.86	-0.74%
Director and management benefit expenses	-12.56	-0.17%	-6.73	-0.08%	-	-
Impairment loss on assets						
Profit before shares of loss of jointly -controlled entity, finance cost and income tax expense	**522.11**	**6.82%**	**579.85**	**6.97%**	**474.80**	**5.75%**
Finance costs	-1.60	-0.02%	-	-	-	-
shares of loss of jointly-controlled entity	-13.37	-0.17%	-1.14	-0.01%	-	-
Profit before finance cost and income tax expense	**507.14**	**6.63%**	**578.71**	**6.95%**	**474.80**	**5.75%**
Income tax expense	-9.98	-0.13%	-62.17	-0.75%	-94.26	-1.14%
Profit after income tax expense	**497.16**	**6.46%**	**516.54**	**4.61%**	**380.54**	**4.61%**
Net loss of non-controlling interests of subsidiaries	3.35	0.04%	-3.20	-0.04%	0.77	0.01%
Net profit for the year	**493.81**	**6.50%**	**519.74**	**4.57%**	**381.31**	**4.62%**

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

(Unit : Million Baht)

Cash Flow Statement	2012	2011	2010
Cash flows from operating activities			
Net income before tax	507.14	578.71	474.80
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities	183.88	155.76	160.39
Depreciation			
Depreciation of investment properties	1.61	-	-
Amortisation of intangible assets	1.51	1.31	1.09
(Reversal of) allowance for decline in value of inventories	3.38	3.58	-1.73
Loss from disposal of assets	12.56	-	-

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

(Unit : Million Baht)

Cash Flow Statement	2012	2011	2010
Reversal of impairment loss on investment property	-	-0.80	-
Impairment loss of machinery and equipment	-	6.05	-
Unrealised (gain) loss on exchange	-0.88	-	-
Impairment loss of intangible assets	-	0.68	-
Doubtful debts (Reversal)	-	-	-0.13
Interest income	-7.75	-15.80	-5.51
Employee benefits	5.07	7.45	-
Finance costs	1.60	-	-
Gain (loss) on disposal of property, plant and equipment	-2.82	2.91	-1.44
Gain on a bargain purchase of subsidiary	-7.08	-	-
Gain on sale of investment in subsidiary	-0.93	-	-
Share of loss of jointly-controlled entity	13.37	1.14	-
Profit from operating activities before changes in operating assets and liabilities	**710.66**	**740.99**	**627.47**
Trade and other accounts receivable	-486.11	401.03	-517.22
Inventories	-4.38	45.43	-84.90
Other current assets	-17.88	-2.09	-1.01
Other non-current assets	0.86	-9.60	-9.49
Operating liabilities increase (decrease)	-	-	-
Trade and other accounts payable-non related parties	606.73	-511.17	625.76
Accrued expenses	-	-	65.35
Other current liabilities	8.26	-19.87	19.80
Cash flows from operating activities	828.15	644.72	725.76
Cash paid for income tax	-18.72	-85.46	-70.99
Net cash flows from operating activities	**809.43**	**559.26**	**654.77**
Cash flows from investing activities			
Decrease in restricted bank deposits-	-	7.50	
Interest received	8.99	14.96	5.31
Purchase of property, plant and equipment	-542.56	-232.36	-216.19
Sale of property, plant and equipment	22.40	0.45	2.68
Loans to related parties	-5.00	-	-
(Increase) decrease in current investments	395.00	-395.00	315.00
Sale of investment in subsidiary	16.82	-	-
Cash received from business combination	-6.88	-	-
Purchase of increased shares in jointly-controlled entity	-	-49.00	-
Puchase of intangible assets	-9.65	-3.21	-1.96
Net cash flows from (used in) investing activities	**-120.87**	**-664.16**	**112.35**

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

(Unit : Million Baht)

Cash Flow Statement	2012	2011	2010
Cash flows from financing activities			
Interest paid	-1.60	-	-
Repayment of loans from financial institution	-22.28	-	-
Repayment of finance lease liabilities	-8.89	-	-
Cash paid for purchase of treasury stock	-	-	-
Dividend paid to shareholders	-460.44	-388.48	-273.39
Net cash flows used in financing activities	**-493.21**	**-388.48**	**-273.39**
Net increase (decrease) in cash and cash equivalents	**186.23**	**493.38**	**493.73**
Cash and cash equivalents at 1 January	391.02	884.40	390.67
Cash and cash equivalents at 31 December	**577.25**	**391.02**	**884.40**

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

Financial Ratios	2012	2011	2010
Liquidity Ratio			
Current Ratio (Times)	1.22	1.62	1.53
Quick Ratio (Times)	1.09	1.42	1.33
Activity Ratio			
Accounts Receivable Turnover (Times)	7.92	9.01	9.54
Collection Period (Days)	46.09	40.49	38.27
Inventory Turnover (Times)	30.56	31.01	33.82
Inventory Turnover Period (Days)	11.94	11.77	10.79
Accounts Payable Turnover (Times)	5.70	6.55	7.66
Payment Period (Days)	64.04	55.69	47.62
Cash Cycle (Days)	-6.00	-3.42	1.44
Debt Ratio			
Debt to Equity Ratio (Times)	0.94	0.59	0.92
Interest-Bearing Debt to Equity Ratio (Times)	0.02	0.00	0.00
Interest Coverage Ratio (Times)	316.99	N/A	N/A
Profitability Ratio			
Gross Profit Margin (%)	11.00	10.28	8.94
Net Profit Margin (%)	6.46	6.24	4.61
Earnings per share (Baht)	1.72	1.81	1.33
Return on Assets (%)	14.56	17.63	15.80
Return on Equity (%)	25.36	27.74	21.74
Dividend Payout Ratio (%)	93.24	88.59	75.47

11.2 Explanation and analysis of financial status and operation result

11.2.1 Analysis of operation result

Sales revenues were 7,648 million baht (2011: 8,324 million baht) increased by 676 million baht or at 8% from the previous year due to:

1. Sales revenues of OEM for air conditioner were 3,093 million baht (2011: 4,668 million baht), decreased by 1,575 million baht or at 34% from year 2011 as A) An air conditioner manufacturer launched new product to test the market during the beginning of the year but it was not match the market's requirement. It took a while to adjust the product, thus, the purchase order came late than planned and B) the Company has policy for OEM for air conditioner in order to obtain upstream production assignment which has value added and make profit. In case the Company got OEM for air conditioner bur didn't get upstream assignment, the Company had to reject such OEM task.
2. Sales revenues from automobile parts were 954 million baht (2011: 673 million baht), increased by 281 million baht or at 42% from year 2011 as the Company received more orders for plastic, aluminum tube and metal assignment.
3. Sales revenues of air conditioner and cooling parts were 3,168 million baht (2011: 2,661 million baht), increased by 507 million baht or at 19% from year 2011 as the Company received more orders both new and existing products for plastic injection and copper tube assignment.
4. Revenues from other businesses were 434 million baht (2011: 322 million baht) increased by 112 million baht or at 35% from plastic injection for washing machine business and new diamond tools production business.

Cost of goods sold was 6,807 million baht or accounted for 89% of sales revenues (2011: 7,469 million baht or accounted for 90% of sales revenues). The cost of goods sold as a percentage of sales revenues decreased 1% from the previous year because the portion of OEM for air conditioner decreased while portion of parts manufacturing which has lower cost increased.

Selling expenses were 91 million baht or accounted for 1.2% of sales revenues (2011: 67 million baht or accounted for 0.8% of sales revenues). The selling expense as a percentage of sales revenues increased by 0.4% from the previous year due to the increase of transportation cost from the growth of plastic injection and copper tube assignment.

Administrative expenses were 197 million baht or 2.6% of sales revenues (2011: 191 million, or 2.3% of sales revenues). The administrative expenses increased by 5 million baht as there were new companies during the year.

Directors and management remuneration was 65 million baht or 0.9% of sales revenues (2011: 44 million baht, or 0.5% of sales revenues). The directors and management remuneration increased by 21 million baht due to the reverse adjustment of remuneration reduction of the previous year. Besides, the Company is under study of investment project for business expansion in the future, therefore, the number of executives has increased. In 2012 the Company also paid bonus to management (2011 : no bonus for management).

Net profit was 494 million baht accounted for 6.5% of sales revenues (2011: 520 million baht or 6.2% of sales revenues). Net profit decreased by 26 million baht or 5% from the previous year and the earning per share was 1.72 baht (2011: 1.81 baht per share).

11.2.2 Financial status of the Company

Assets

Total Assets

The total assets as at December 31, 2012, were 3,901.67 million baht (2011: 3,087.35 million baht), increased by 814.31 million baht from the previous year. The major transactions were the increase of trade and other account receivables of 510.24 million baht, the increase of land, building and equipment of 503.24 million baht, the increase of cash and cash equivalents of 186.23 million baht. The details are as follows:

Trade and other accounts receivable

As at December 31, 2012, trade accounts and notes receivables were 1,232.14 million baht (2011: 721.90 million baht), increased by 510.24 million baht from year 2011 since revenues of quarter 4 increased. The average of collection period of year 2012 was 46.09 days (2011: 40.49 days).

Property, plant and equipment

As at December 31, 2012, the property, plant and equipment was 1,648.69 million baht (2011: 1,145.45 million baht), increased by 503.24 million baht from the previous year due to the new plant, production expansion for plastic injection and metal tube production and the investment in Toptech Diamond Tool Company Limited. The return of the assets was 36.41% (2011: 49.55%). The depreciation expense was 183.88 million baht (2011: 155.76 million baht).

Cash and cash equivalents and current investments

As at December 31, 2012, cash and cash equivalents and current investments were 577.45 million baht (2011: 786.21 million baht), decreased by 208.76 million baht from the previous year. The major transactions were cash flow from operation activities at the amount of 800.31 million baht, purchase of property, plant and equipment at the amount of 542.56 million baht. The dividend payment for 2012 was 460.44 million baht and the average cash cycle was at -6 days which was fine (2011: -3 days).

Liabilities

As at December 31, 2012, the total liabilities were 1,887.79 million baht (2011: 1,151.53 million baht), increased by 736.26 million baht from the previous year due to:

- The increase of trade and other accounts payable at the amount of 624.15 million baht which vary in relation to raw material purchase and sales revenues during the end of year 2012.
- The increase of accounts payable for acquisition of assets at the amount of 58.85 million baht.
- The increase of long-term loans at the amount of 25.76 million baht.
- The increase of finance lease liabilities at the amount of 12.87 million baht.
- Debt to equity ratio (D/E) was 0.94 times (2011 : 0.59 times) fluctuated by the increase of account payable.
- Interest bearing debt to equity ratio (D(int)/E) was 0.02 times (2011 : 0 time)

Shareholders' equity

As at December 31, 2012, the shareholders' equity was 2,013.88 million baht (2011: 1,935.82 million baht) increased by 78.06 million baht from the previous year due to the net profit of year 2012 of 493.81 million baht. The Company allotted the interim dividend payment for the year 2012 at 1.00 baht per share for 287,777,339 common shares; the total amount was 287.78 million baht and allotted the dividend payment for year end which was the last period at 0.60 baht per share for 287,777,339 common shares, the total amount will be 172.67 million baht. The dividend payment for the last period will be paid on April 26, 2013. The Company's total dividend payment is 1.60 baht per share, representing 93.24% of net profit (Policy: dividend payment not less than 50% of net profit). The returns on equity was 25.36% (2011: 27.74%)

11.3 Auditor and remuneration

KPMG Phoomchai Audit Limited was the auditor of the Company and its subsidiaries for year 2012, the remunerations are as follows:

1. Audit fee for year 2012

The Company and its subsidiaries paid the audit fees to the office of the auditor for the latest accounting period at the total amount of THB 3,310,000 million (Three million three hundred and ten thousand baht) comprising of:

SNC Former Public Company Limited	800,000	Baht
SNC Pyongsan Evolution Company Limited	450,000	Baht
SNC Cooling Supply Company Limited	450,000	Baht
Immortal Parts Company Limited	450,000	Baht
Toptech Diamond Tools Company Limited	350,000	Baht
Ultimate Parts Company Limited	260,000	Baht
Infinity Company Limited	170,000	Baht
SSM Automation Company Limited	170,000	Baht
Paradise Plastic Company Limited	150,000	Baht
International Techno Pipe Company Limited	30,000	Baht
SNC Creativity Anthology Company Limited	30,000	Baht
Total	3,310,000	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

Details of position of directors, executives and controlling person of the Company and subsidiaries

	SNC							SPEC	UMP	IPC	Cool	IMP	PRD	TTD	ITP	SCAN
	BOD	AC	NC	RC	RMC	CSR/CG	Other									
Directors																
Mr.Satit Chanjavanakul	D															
Dr.Somchai Thaisa-nguanvorakul	D							C D	C D	C D	C D	C D	C D	C D	C D	C D
Professor Dr.Boonton Dockthaisong	D															
Mr.Surapol Yamkasem	D			RC		CSR/CG		D	D	D	D	D	D			
Mr.Somboon Gurdlin	D						V	V MD D	V MD D	V MD D		D				D
Mr.Samitt Palitgram	D		NC		RMC		V	D	D	D	V MD D	V D	D			
Mr.Anavat Nawintham	D	AC	NC		RMC											
Mr.Sukit Panvisavas	D	AC	NC		RMC	CSR/CG										
Dr.Srimuang Charoensiri	D	AC		RC		CSR/CG										
Mr.Wisan Wuttisaksin	D			RC												
Mr.Surasak Khaoroptham	D															
Mr.Somchai Ngamkitcharoenlap	D						MD Branch 4									D
Mr.Sirichai Sukwattanakul														D		
Mr.Pongdej Sriwatchirapradit														C		
Mr.Jaturong Pisuthsin														MD		
Mr.Suphot Teerapong												MD			MD	
Management																
Mr.Kitti Chanchengkij							MD Branch 2						MD			
Mr.Fumiaki Takahashi							Co-MD				Co-MD					
Mr.Kenji Kodama							Co-MD						Co-MD			
Mr.Sangho Kim								Co-MD	Co-MD	Co-MD						
Mr.Yoshitake Konno												Co-MD				
Mr.Toshiyuki Koseki																Co-MD
Mr.Naoyuki Nichino											Co-MD					
Mr.Jaehwa Jeong								Co-MD								
Mr.Rattapoom Nuntapatawee							M									

Remark :

AC	: Audit Committee	C	: Chaitman of Executive Commitee	NC	: Nomination Committee	V	: Vice Chaitman of Executive Commitee
RC	: Remuneration Committee	MD	: Managing Director	RMC	: Risk Management Committee	Co-MD	: Co-Managing Director
CSR/CG	: CSR AND CG Committee	D	: Director	BoD	: Board of director	M	: Management

Minutes of the Annual General Meeting of Shareholders No. 18/2012
On Tuesday, April 3, 2012
Suvarnabhumi Meeting Room B, Novotel Hotel, Suvarnabhumi Airport

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:

No. of shares registered with the SET	301,403,239	shares
Less Treasury Stock	13,625,900	shares
No. of voting shares	287,777,339	shares
No. of voting shareholders	2,558	shareholders

	At the start of the meeting	At the adjournment of the meeting
Shareholders attending the meeting	122 shareholders	157 shareholders
In person	75 shareholders	97 shareholders
By proxy	47 shareholders	60 shareholders
Total no. of shares	200,949,230 shares	202,201,082 shares
% of total no. of shares sold	69.83	70.26

Total number of shares hold by shareholders attending the meeting were more than 1/3 of total number of shares sold, 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, Independent Director
2.	Dr.Somchai Thaisa-nguanvorakul	Chairman of Executive Committee
3.	Professor Dr.Boonton Dockthaisong	Independent Director
4.	Mr.Anavat Nawintham	Independent Director
5.	Mr.Sukit Panvisavas	Independent Director
6.	Mr.Puttipong Danboonsute	Independent Director
7.	Dr.Srimuang Charoensiri	Independent Director
8.	Mr.Samitt Palitagram	Director
9.	Mr.Somboon Gurdlin	Director
10.	Mr.Surapol Yamkasem	Director
11.	Mr.Surasak Khaoroptham	Director
12.	Mr.Somchai Ngamkitcharoenlap	Director
13.	Mr.Rattapoom Nuntapatawee	Deputy Managing Director - Accounting and Finance Department

14.	Miss Vipavan Pattavanvivek	Auditor
15.	Miss Orawan Sirirattanawong	Auditor
16.	Mr.Veerachai Ratanajaratkul	Auditor
17.	Mr.Anaratch Chaithanapinyo	Secretary of the meeting

The secretary of the meeting informed the meeting that the Company allowed any shareholders to observe the vote counting via the Company's website since February 15, 2012- March 15, 2012. Nonetheless, there was no shareholder applied to observe the vote counting.

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. 17/2011

Objective and reason For the acknowledgment of shareholders for the minutes of Annual General Meeting of Shareholders No. 17/2011 held on Friday, April 1, 2011.

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.

There is no shareholder ask for any question or amendment, therefore, the meeting acknowledged the minutes of the Annual General Meeting of Shareholders No. 17/2011

Agenda 2 Acknowledgment of operation result of 2011

Objective and reason For the acknowledgement of shareholders for the operation result of 2011

Mr.Samitt Palitagram, Vice Chairman of Executive Committee, reported the operation result of 2011. The sales revenues were 8,324 million baht, costs of goods sold were 7,469 million baht, other revenues and interest income were 33 million baht, selling and administration expenses were 309 million baht, share of loss of associated company was 1 million baht, tax income was 62 million baht and the minority interest was 3 million baht. Therefore, the Company's net profit was 520 million baht.

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

Mr.Sathaporn Phangnirand asked how the Company fight against flood crisis in 2011

Dr.Somchai Thaisa-nguanvorakul, explained that the flood crisis occurred in quarter 4, 2011, affected to both the Company and customers. The Company is located on Prakanong canal; therefore, the Company moved its production base to Chonburi and Rayong. The Company expects to move back to new plant in April 2012. The new plant is located higher than local road around 2 meters. In case there is any flood, the Company has protection plan as follows: 1) more than 10 tones machinery will be fenced 2) 1-2 tons machinery will be moved to Chonburi and Rayong. The positive performance was the result of the good production control and the decrease of executives' remuneration.

As no further questions or comments from shareholders, thus, considering the meeting acknowledged the operation result of 2011.

Agenda 3 Consideration and approval of financial statements of 2011

Mr.Rattapoom Nuntapatawee, Deputy 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 Company has to prepare financial statements at the end of each fiscal year audited by certified auditor and propose to shareholders' meeting for the approval. The financial statements for year 2011 showed in the Annual Report which submitted to the shareholders in advance.

Opinion of the Board The Board found it appropriate to propose to shareholders' meeting to consider and approve the financial statements for year 2011 which were audited and verified by auditor with unqualified opinion.

Mr.Sathaporn Phangnirand mentioned that in the Company's Articles of Association, Section 35 (2) specified the wording "To approve the balance sheet and the profit and loss statement of the Company" as shown in Annual Report page 209. At present Federation of Accounting Professions changed Balance Sheet to Statement of Financial Position, the Company has to consider to change this section of its Articles of Association to comply with or not

Secretary of the meeting clarified that accounting standard changed Balance Sheet to Statement of Financial Position but Public Company Act has not changed. Therefore, the Company will wait for the change of Public Company Act and then will consider amending the Company's Articles of Association.

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

Approval	202,058,530	Votes
Disapproval	None	Votes
Abstention	None	Votes

Resolution The meeting unanimously approved financial statements of 2011.

Agenda 4 Consideration and approval of dividend payment for year 2011

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	No. of shares	Dividend per share	Total dividend payment
2011			
Interim dividend	287,777,339	1.00 Baht	287,777,339.00 Baht
Dividend for the end of year period	287,777,339	0.60 Baht	172,666,403.40 Baht
Total dividend payment for 2011		1.60 Baht	460,443,742.40 Baht
2010			
Interim dividend	287,777,339	0.65 Baht	187,055,270.35 Baht
Dividend for the end of year period	287,777,339	0.35 Baht	100,722,068.65 Baht
Total dividend payment for 2010		1.00 Baht	287,777,339.00 Baht

Such dividend payment was complied with the Company's policy which stated that the Company shall pay dividend not less than 50% of net profit after tax and legal reserve. For year 2011, the dividend payment to net profit ratio was 89% (2010 : 75%).

Opinion of the Board The Board found it appropriate to propose to shareholders' meeting to consider and approve the dividend allocation for year 2011 for year-end period which was the last period at 0.60 Baht per share. The dividend will be paid on April 27, 2012. After including the interim dividend payment at 1.00 baht per share, the total dividend equal to 1.60 baht per share. The Company already allocated for legal reserve for 10% of its registered capital.

Mr.Sathaporn Phangnirand asked what is tax basis for dividend payment in order to use for tax credit.

Mr.Surapol Yamkasem informed that the dividend payment at 0.60 baht/share paid from tax rate 15% of net profit at 0.089 baht/share and paid from net profit which is exempted from income tax (BOI) at 0.511 baht/ share.

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

Approval	202,120,231	Votes
Disapproval	None	Votes
Abstention	500	Votes

Resolution With the majority vote, the meeting passed the resolution to approve dividend payment for year 2011 as proposed.

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

Mr.Sukit Panvisavas, Chairman of 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.

Nomination Committee is responsible for nominate new directors who possess qualifications and experience which suitable with the Company's business operation. The committee also has duties to regularly ensure performance, independence, expertise of directors in order to consider that the Company's directors can support present and future of the Company and the Board. 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. The directors who retire by rotation is eligible for re-election. The directors to retire from the office in the first and second year following the registration of the Company, if not stated otherwise, shall be drawn by lots. For subsequent years, the directors serving longest term shall retire from the office. At present, there were 12 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 2012 were:

1. Mr.Satit Chanjavanakul
2. Mr.Surapol Yamkasem
3. Dr.Srimuang Charoensiri
4. Mr.Surasak Khaoroptham

Details related to age, education, training, experience, working, shares holding, being director of other company, number of terms being director, board of directors' meeting attendance are shown in Annual Report submitted to the shareholders in advance. Besides, the Company notified all shareholders that they can nominate any qualified candidates to be considered as the Company's board of directors via the Company's website since August 30, 2011 - January 20, 2012. However, there was no shareholder nominated any qualified candidates to be considered as the Company's board of directors.

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

Chairman 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) Mr.Satit Chanjavanakul

Approval	202,231,532	Votes
Disapproval	1,945,900	Votes
Abstention	None	Votes

(2) Mr.Surapol Yamkasem

Approval	191,723,632	Votes
Disapproval	10,428,800	Votes
Abstention	25,000	Votes

(3) Dr.Srimuang Charoensiri

Approval	202,177,432	Votes
Disapproval	None	Votes
Abstention	None	Votes

(4) Mr.Surasak Khaoroptham

Approval	202,151,932	Votes
Disapproval	None	Votes
Abstention	25,500	Votes

Resolution With the majority vote, the meeting passed the resolution to re-elect 4 directors to be the Company's Board of Directors for another term.

Agenda 6 Consideration and determination of directors' remuneration

Mr.Puttipong Danboonsute, the Chairman of Remuneration Committee, was the person who clarified in the meeting.

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

According to the Annual General Meeting of Shareholders No. 10/2004, the meeting passed the resolution to approve the Board of Directors to have power to consider and determine the remuneration of the Board of Directors in accordance with the Company's Articles of Association, Section 22, by setting the remuneration to be comparable to other listed companies in the SET which are in the same industry. Besides, the Board of Directors can adjust the remuneration in accordance with the economic condition by taking into account the status and performance of the Company.

The details of directors' remuneration for year 2012 are as follows:

1. Meeting allowance of the Board of Directors and sub-committee

(1)	Meeting allowance of the Board of Directors		
	Chairman of the Board	30,000	Baht/Meeting
	11 directors, each director 15,000 Baht/Meeting	165,000	Baht/Meeting
	Total	195,000	Baht/Meeting
	6 Meetings/year, total amount 195,000 x 6 meetings	1,170,000	Baht/Year
(2)	Meeting allowance of the Audit Committee		
	Chairman of the Committee	20,000	Baht/Meeting
	2 directors, each director 10,000 Baht/Meeting	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	4 Meetings/year, total amount 40,000 x 4 meetings	160,000	Baht/Year
(3)	Meeting allowance of the Remuneration Committee		
	Chairman of the Committee	20,000	Baht/Meeting
	2 directors, each director 10,000 Baht/Meeting	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	1 Meeting/year, total amount 40,000 x 1 meeting	40,000	Baht/Year

(4)	Meeting allowance of the Nomination Committee		
	Chairman of the Committee	20,000	Baht/Meeting
	2 directors, each director 10,000 Baht/Meeting	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	1 Meeting/year, total amount 40,000 x 1 meeting	40,000	Baht/Year
(5)	Meeting allowance of the CG and CSR Committee		
	Chairman of the Committee	20,000	Baht/Meeting
	2 directors, each director 10,000 Baht/Meeting	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	2 Meetings/year, total amount 40,000 x 2 meetings	80,000	Baht/Year
(6)	Meeting allowance of the Risk Management Committee		
	Chairman of the Committee	20,000	Baht/Meeting
	2 directors, each director 10,000 Baht/Meeting	20,000	Baht/Meeting
	Total	40,000	Baht/Meeting
	2 Meetings/year, total amount 40,000 x 2 meetings	80,000	Baht/Year
	Reserve meeting allowance for other meeting	230,000	Baht/Year
	Total meeting allowance for the Board of directors and sub-committee	1,800,000	Baht/Year

2. Remuneration of the Chairman of the Board of Directors

Remuneration as the Chairman of the Board of Directors 100,000 Baht/month	1,200,000	Baht/Year
Meeting allowance 20,000 Baht/month	240,000	Baht/Year
Total	1,440,000	Baht/Year
Total directors' remuneration for year 2012	3,240,000	Baht/Year

The directors' remuneration for year 2012 is at the amount of 3,240,000 Baht (2011 : 3,000,000 Baht). In 2012, the Company appointed addition sub-committee, therefore, the remuneration of year 2012 is higher than 2011.

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 2012 at the amount of not more than 3,240,000 baht (Three million two hundred and forty thousand baht).

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

Approval	202,172,632	Votes
Disapproval	None	Votes
Abstention	7,900	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.Anavat Nawintham, 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 Vipavan Pattavanvivek CPA No. 4795 and/or Mr.Veerachai Rattanacharaskul CPA No. 4323 and/or Miss Orawan Sirirattanawong CPA No. 3757 from KPMG Phoomchai Audit Limited to be the auditor of the Company, its subsidiaries and associates for year 2012. The auditor is independent and has no conflict of interest with the Company, its subsidiaries and its associates. The audit fee for year 2012 has set to be not more than 3,000,000 Baht which is lower than audit fee for 2011 at the amount of 180,000 baht (Audit fee for 2011 : 3,180,000 Baht).

The details of the audit fee are as follows:

Unit : Baht

	Yearly	Quarterly	Total
1 SNC Former Public Company Limited	500,000	300,000	800,000
2 Immortal Parts Company Limited	300,000	150,000	450,000
3 SNC Cooling Supply Company Limited	300,000	150,000	450,000
4 SNC Pyongsan Evolution Company Limited	300,000	150,000	450,000
5 Ultimate Parts Company Limited	200,000	60,000	260,000
6 Infinity Parts Company Limited	120,000	50,000	170,000
7 SSM Automation Company Limited	120,000	50,000	170,000
8 Paradise Plastic Company Limited	100,000	50,000	150,000
9 SNC Santac Company Limited	50,000	-	50,000
10 SAS Innovation Company Limited	50,000	-	50,000
	2,040,000	960,000	3,000,000

Opinion of the Board The Board found it appropriate to propose to the shareholders' meeting to appoint the auditors from KPMG Phoomchai Audit Company Limited to be the auditors of the Company and its subsidiaries at the amount of not more than 3,000,000 Baht as mentioned above.

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

Approval	201,994,732	Votes
Disapproval	500	Votes
Abstention	185,300	Votes

Resolution With the majority vote, the meeting passed the resolution to approve the appointment of auditor from KPMG Phoomchai Audit Limited to be the auditor for 2012 at the amount of not more than 3,000,000 Baht.

Agenda 8 Consideration of other matters

Mr.Sathaporn Phangnirand asked in the next 3 year the Asean Economic Community (AEC) will take place, how the Company prepare and any impact to the Company.

Dr.Somchai Thaisa-nguanvorakul, explained that the Company has focused on how to compete with both large company and small company (SME). The Company teaches its staff to have all aspects knowledge or MINI MD of the Company can be divided in several MINI MDs which be able to compete with SME and when MINI MDs integrated to be SNC, it will be able to compete with large company. With regard to the impact of labor mobility, the Company believes that it will have not any effect since the Company takes good care of its staff as well as provides good welfare to its staff.

Mr.Tongchai Promlikitkul, asked about joint venture with French company to manufacture water heater,

Mr.Samitt Palitagram, clarified that it is OEM not joint venture which customer is interested to develop water heater with the Company.

Mr.Sakol Ngamlertchai asked 2 issues as follows:

1) In 2011, the Company set its sales at 10,000 million baht but there was flood crisis. Therefore, the Company could not achieve that target. Can the Company achieve such target in 2012?
2) In 2012, can the Company pay dividend at 2.00 baht/share?

Dr.Somchai Thaisa-nguanvorakul, clarified that

1) With regard to the sales at 10,000 million, the net profit has to be considered. Therefore, the Company's growth should be both sales and earnings per share (EPS).
2) Investors' happiness is dividend payment and good stock price which the Company will make an effort as requested.

Mr.Supakorn Chinpongpaiboon, asked about new plant.

Dr.Somchai Thaisa-nguanvorakul, clarified that the new plant posses 30,000 square meters located on 30 rais. The Company asked lessor to adjust land to protect flood and change landscape. The new plant will have office for staff training and to support new business for automobile.

A shareholder asked 2 questions as follows:

1) How is ODM (Original Design Manufacturer) of Fujitsu General (Thailand) Company Limited?
2) In 2012, will be any joint venture?

Dr.Somchai Thaisa-nguanvorakul, clarified that

1) With regard to ODM (Original Design Manufacturer) of Fujitsu General (Thailand) Company Limited, the Company has designed to lower cost 20% which is under demonstration. The Company expects to start the production in May 2012.
2) There are 2 joint ventures under negotiation. The Company wants to joint venture for the benefit of marketing and production technology.

Mr.Wuttichai Perapattanapoom asked 2 questions as follows:

1) The government is under consideration process to adjust excise tax for air conditioner from 0% to 15%, how the Company will be affected.
2) Price of copper which is major raw material has increased, any affect to the Company? Samsung and LG changed to use aluminum instead of copper, any positive or negative impact to the Company?

Dr.Somchai Thaisa-nguanvorakul

1) The Company will not affect from the change of excise tax since most of its products for export.
2) The Company has not affected from the change of copper price since burden of raw material cost will be at the customer. The Company will match its purchase price of copper with the price that set for its sales price. With regard to using aluminum instead of copper, aluminum can be replaced copper for some parts not all parts.

No further questions or comments from shareholders.

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

The meeting was adjourned at 15.20 hrs. (1 hr 20 minutes)

Certified for the correctness of the minutes

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

Kesarin Dechpan

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

.....

(Dr.Somchai Thaisa-nguanvorakul) (Mr.Surapol Yamkasem)
Director

Articles of Association regarding the Shareholder Meeting

Chapter 5
Shareholder Meeting

Section 30. The board of directors shall call a shareholder meeting which is an annual ordinary general meeting of shareholders within four (4) months of the last day of the fiscal year of the Company.

Shareholder meetings other than the one referred to in the first paragraph shall be called extraordinary general meetings.

Shareholders holding shares amounting to not less than one-fifth (1/5) of the total number of shares sold or shareholders numbering not less than twenty-five (25) persons holding shares amounting to not less than one-tenth (1/10) of the total number of shares sold may submit their names in a request directing the board of directors to call an extraordinary general meeting at any time, but reasons for calling such meeting shall be clearly stated in such request. The board of directors shall proceed to call a shareholder meeting to be held within one (1) month of the date of receipt of such request from the said shareholders.

Section 31. In calling a shareholder meeting, the board of directors shall prepare a written notice calling the meeting that states the place, date, time, agenda of the meeting and the matters to be proposed to the meeting with reasonable detail by indicating clearly whether it is the matter proposed for information, for approval or for consideration, as the case may be, including the opinions of the board of directors in the said matters, and the said notice shall be delivered to the shareholders and the registrar for their information at least seven (7) days prior to the date of the meeting. The notice calling for the meeting shall also be published in a newspaper at least three (3) days prior to the date of the meeting.

The shareholder meeting can be convened at the province where the Company's head office is places as determined by the board of directors.

Section 32. In order to constitute a quorum, there shall be shareholders and proxies (if any) attending at a shareholder meeting amounting to not less than twenty-five (25) persons or not less than one half of the total number of shareholders and such shareholders shall hold shares amounting to not less than one-third (1/3) of the total number of shares sold of the Company.

At any shareholder meeting, if one hour passed since the time specified for the meeting and the number of shareholders attending the meeting is still inadequate for a quorum as defined, and if such shareholder meeting was called as a result of a request by the shareholders, the meeting shall be cancelled. If such meeting was not called as a result of a request by the shareholders, the meeting shall be called once again and the notice calling such meeting shall be delivered to shareholders not less than seven (7) days prior to the date of the meeting. In the subsequent meeting a quorum is not required.

Section 33. The chairman of the board of directors shall be the chairman of shareholder meetings. If the chairman of the board is not present at a meeting or cannot perform his duty, the vice-chairman present at the meeting shall be the chairman of the meeting. If there is no vice-chairman or there is a vice-chairman who is not present at the meeting or cannot perform his duty, the shareholders present at the meeting shall elect one shareholder to be the chairman of the meeting.

Section 34. A resolution of the shareholder meeting shall require:

(1) in an ordinary event, 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.

(2) in the following events, a vote of not less than three quarters (3/4) of the total number of votes of shareholders who attend the meeting and have the right to vote by counting one share for one vote:

(a) The sale or transfer of the whole or important parts of the business of the Company to other persons;

(b) The purchase or acceptance of transfer of the business of other companies or private companies by the Company;

(c) The making, amending or terminating of contracts with respect to the granting of a lease of the whole or important parts of the business of the Company, the assignment of the management of the business of the Company to any other persons or the amalgamation of the business with other persons with the purpose of profit and loss sharing;

(d) The amending of the memorandum of association or the article of association;

(e) The capital increase or capital decrease of the Company

(f) The liquidation of the Company.

(g) The amalgamation of the Company.

Section 35. The agendas that shall be included in the annual ordinary general meeting of shareholders are as follows:

(a) To consider the reports of the board of directors regarding the Company's business in the past year;

(b) To approve the balance sheet and the profit and loss statement of the Company;

(c) To approve the profit allocation and dividend payment;

(d) To appoint new directors to replace the vacated directors and to specify the director's remunerations;

(e) To appoint the auditor and to specify the remuneration of such auditor; and

(f) Other matters.

SNC Former Public Company Limited and its Subsidiaries

Financial statements for the year ended

31 December 2012

and

Independent Auditor's Report

KPMG

KPMG Phoomchai Audit Ltd.
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Bangkok 10120, Thailand

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Independent Auditor's Report

To the shareholders of SNC Former Public Company Limited

I have audited the accompanying consolidated and separate financial statements of SNC Former Public Company Limited and its subsidiaries, and of SNC Former Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPMG Phoomchai Audit Ltd., a Thai limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of SNC Former Public Company Limited and its subsidiaries, and of SNC Former Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Other Matter

The financial statements of SNC Former Public Company Limited and its subsidiaries, and of SNC Former Public Company Limited for the year ended 31 December 2011, were audited by another auditor who expressed an unmodified opinion on those statements on 1 February 2012 with emphasis of matter in relation to the adoption of the revised and new accounting standards issued by the Federation of Accounting Professions during the year 2011.

(Vipavan Pattavanvivek)
Certified Public Accountant
Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok
1 February 2013

SNC Former Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements 31 December 2012	Consolidated financial statements 31 December 2011	Separate financial statements 31 December 2012	Separate financial statements 31 December 2011
		(in Baht)			
Current assets					
Cash and cash equivalents	6	577,247,439	391,015,763	309,397,310	259,377,466
Current investments	7	207,535	395,203,912	207,535	395,203,913
Trade and other accounts receivable	8	1,232,135,693	721,897,878	837,378,791	564,207,067
Short-term loans to related parties	5	5,000,000	-	446,024,127	162,618,030
Inventories	9	229,119,491	216,345,701	74,595,151	49,605,991
Other current assets	10	42,058,046	27,229,079	11,919,198	10,446,621
Assets classified as held for sale		-	1,886,403	-	-
Total current assets		**2,085,768,204**	**1,753,578,736**	**1,679,522,112**	**1,441,459,088**
Non-current assets					
Investments in subsidiaries	11	-	-	463,009,141	356,008,441
Investment in jointly-controlled entity	12	34,494,415	47,864,399	49,000,000	49,000,000
Investment properties	13	75,095,444	90,703,791	-	-
Property, plant and equipment	14	1,648,688,076	1,145,452,795	885,916,865	789,420,232
Intangible assets	15	18,944,324	10,808,402	6,858,204	7,130,094
Other non-current assets	16	38,676,011	38,942,019	28,338,124	25,629,891
Total non-current assets		**1,815,898,270**	**1,333,771,406**	**1,433,122,334**	**1,227,188,658**
Total assets		**3,901,666,474**	**3,087,350,142**	**3,112,644,446**	**2,668,647,746**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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 31 December 2012	Consolidated financial statements 31 December 2011	Separate financial statements 31 December 2012	Separate financial statements 31 December 2011
		(in Baht)			
Current liabilities					
Trade and other accounts payable	*18*	1,508,032,364	883,884,625	1,013,850,963	581,625,403
Current portion of accounts payable					
- acquisition of assets		161,724,665	184,460,459	62,508,929	109,280,391
Current portion of long-term loans	*17*	11,758,500	-	-	-
Current portion of finance lease liabilities	*17*	7,388,912	-	-	-
Short-term loans from related parties	*5,17*	-	-	126,000,000	71,000,000
Income tax payable		1,349,340	8,409,495	-	193,132
Other current liabilities		22,545,914	6,766,170	10,023,547	2,889,913
Total current liabilities		**1,712,799,695**	**1,083,520,749**	**1,212,383,439**	**764,988,839**
Non-current liabilities					
Accounts payable - acquisition of assets		119,416,355	60,566,702	67,571,385	50,050,722
Long-term loans	*17*	13,998,952	-	-	-
Finance lease liabilities	*17*	5,485,500	-	-	-
Employee benefit obligations	*19*	29,539,344	7,445,061	9,009,526	3,285,511
Tax obligation from revaluation of net assets		6,551,461	-	-	-
Total non-current liabilities		**174,991,612**	**68,011,763**	**76,580,911**	**53,336,233**
Total liabilities		**1,887,791,307**	**1,151,532,512**	**1,288,964,350**	**818,325,072**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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 statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	*Note*	2012	2011	2012	2011
		(in Baht)			
Equity					
Share capital:					
Authorised share capital	*20*	287,777,339	301,403,239	287,777,339	301,403,239
Issued and paid-up share capital	*20*	287,777,339	301,403,239	287,777,339	301,403,239
Treasury shares	*21*	-	(57,293,222)	-	(57,293,222)
Premium on ordinary shares	*21*	1,213,596,360	1,257,263,682	1,213,596,360	1,257,263,682
Retained earnings					
Appropriated					
Legal reserve	*22*	61,658,959	53,402,723	30,140,324	30,140,324
Treasury shares reserve	*22*	-	57,293,222	-	57,293,222
Unappropriated		391,960,030	326,935,790	292,166,073	261,515,429
Equity attributable to owners of the Company		**1,954,992,688**	**1,939,005,434**	**1,823,680,096**	**1,850,322,674**
Non-controlling interests		58,882,479	(3,187,804)	-	-
Total equity		**2,013,875,167**	**1,935,817,630**	**1,823,680,096**	**1,850,322,674**
Total liabilities and equity		**3,901,666,474**	**3,087,350,142**	**3,112,644,446**	**2,668,647,746**

SURAPOL YAMKASEM

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

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements For the year ended 31 December 2012	2011	Separate financial statements For the year ended 31 December 2012	2011
		(in Baht)			
Continuing operations					
Revenue from sales of goods and rendering of services	30	7,648,022,479	8,323,933,464	4,544,085,936	5,508,741,638
Cost of sales and rendering of services	9	(6,806,735,605)	(7,468,517,207)	(4,315,977,813)	(5,162,746,664)
Gross profit		**841,286,874**	**855,416,257**	**228,108,123**	**345,994,974**
Interest income		7,749,960	15,797,042	14,837,064	18,240,649
Other income		31,911,852	17,574,157	46,212,979	56,194,807
Dividend income from subsidiaries	11	-	-	329,000,000	351,800,000
Gain on bargain purchase of subsidiary	4	7,076,673	-	-	-
Selling expenses	24	(91,317,289)	(66,630,181)	(43,686,359)	(37,433,886)
Administrative expenses	25	(196,617,044)	(191,380,717)	(73,400,270)	(108,697,801)
Directors and management benefit expenses	5	(65,418,083)	(44,203,840)	(40,204,627)	(27,817,091)
Impairment loss on assets		(12,560,817)	(6,726,714)	(10,400,403)	-
Finance costs	27	(1,604,901)	-	(2,657,680)	(2,777,908)
Doubtful debts		-	-	-	(20,000,000)
Reversal of impairment loss on investment in subsidiary	11	-	-	-	800,000
Share of loss of jointly-controlled entity	12	(13,369,984)	(1,135,601)	-	-
Profit before income tax		**507,137,241**	**578,710,403**	**447,808,827**	**576,303,744**
Income tax expense	29	(9,975,271)	(62,174,826)	(1,126,955)	(39,708,178)
Profit for the year		**497,161,970**	**516,535,577**	**446,681,872**	**536,595,566**
Other comprehensive income					
Defined benefit plan actuarial losses	19	(17,378,473)	-	(12,880,708)	-
Total comprehensive income for the year		**479,783,497**	**516,535,577**	**433,801,164**	**536,595,566**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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

SNC Former Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements For the year ended 31 December 2012	Consolidated financial statements For the year ended 31 December 2011	Separate financial statements For the year ended 31 December 2012	Separate financial statements For the year ended 31 December 2011
		(in Baht)			
Profit (loss) attributable to:					
Owners of the Company		493,809,469	519,735,430	446,681,872	536,595,566
Non-controlling interests		3,352,501	(3,199,853)	-	-
Profit for the year		**497,161,970**	**516,535,577**	**446,681,872**	**536,595,566**
Total comprehensive income attributable to:					
Owners of the Company		476,430,996	519,735,430	433,801,164	536,595,566
Non-controlling interests		3,352,501	(3,199,853)	-	-
Total comprehensive income for the year		**479,783,497**	**516,535,577**	**433,801,164**	**536,595,566**
Earnings per share					
Basic earnings per share *(in Baht)*	*31*	**1.72**	**1.81**	**1.55**	**1.86**

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

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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	Treasury shares reserve	Unappropriated *(in Baht)*	Treasury shares	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Year ended 31 December 2011										
Balance at 1 January 2011		**301,403,239**	**1,257,263,682**	**37,692,482**	**57,293,222**	**211,391,100**	**(57,293,222)**	**1,807,750,503**	**12,049**	**1,807,762,552**
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Dividends to owners of the Company	*32*	-	-	-	-	(388,480,499)	-	(388,480,499)	-	(388,480,499)
Total contributions by and distributions to owners of the Company		**-**	**-**	**-**	**-**	**(388,480,499)**	**-**	**(388,480,499)**	**-**	**(388,480,499)**
Comprehensive income for the year										
Profit or loss		-	-	-	-	519,735,430	-	519,735,430	(3,199,853)	516,535,577
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**519,735,430**	**-**	**519,735,430**	**(3,199,853)**	**516,535,577**
Appropriated for legal reserve		-	-	15,710,241	-	(15,710,241)	-	-	-	-
Balance at 31 December 2011		**301,403,239**	**1,257,263,682**	**53,402,723**	**57,293,222**	**326,935,790**	**(57,293,222)**	**1,939,005,434**	**(3,187,804)**	**1,935,817,630**

SURAPOL YAMKASEM

SAMITT PALITAGRAM

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	Treasury shares reserve	Unappropriated *(in Baht)*	Treasury shares	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Year ended 31 December 2012										
Balance at 1 January 2012		**301,403,239**	**1,257,263,682**	**53,402,723**	**57,293,222**	**326,935,790**	**(57,293,222)**	**1,939,005,434**	**(3,187,804)**	**1,935,817,630**
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Reduction of ordinary shares	*20,21*	(13,625,900)	(43,667,322)	-	-	-	57,293,222	-	-	-
Treasury shares reserve	*22*	-	-	-	(57,293,222)	57,293,222	-	-	-	-
Dividends to owners of the Company	*32*	-	-	-	-	(460,443,742)	-	(460,443,742)	-	(460,443,742)
Total contributions by and distributions to owners of the Company		**(13,625,900)**	**(43,667,322)**	**-**	**(57,293,222)**	**(403,150,520)**	**57,293,222**	**(460,443,742)**	**-**	**(460,443,742)**
Changes in ownership interests in subsidiary										
Acquisition of non-controlling interests with a change in control		-	-	-	-	-	-	-	58,717,782	58,717,782
Total transactions with owners, recorded directly in equity		**(13,625,900)**	**(43,667,322)**	**-**	**(57,293,222)**	**(403,150,520)**	**57,293,222**	**(460,443,742)**	**58,717,782**	**(401,725,960)**
Comprehensive income for the year										
Profit or loss		-	-	-	-	493,809,469	-	493,809,469	3,352,501	497,161,970
Other comprehensive income		-	-	-	-	(17,378,473)	-	(17,378,473)	-	(17,378,473)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**476,430,996**	**-**	**476,430,996**	**3,352,501**	**479,783,497**
Appropriated for legal reserve		-	-	8,256,236	-	(8,256,236)	-	-	-	-
Balance at 31 December 2012		**287,777,339**	**1,213,596,360**	**61,658,959**	**-**	**391,960,030**	**-**	**1,954,992,688**	**58,882,479**	**2,013,875,167**

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

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC

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	Treasury shares reserve	Unappropriated	Treasury shares	Total equity
					(in Baht)			
Year ended 31 December 2011								
Balance at 1 January 2011		**301,403,239**	**1,257,263,682**	**30,140,324**	**57,293,222**	**113,400,270**	**(57,293,222)**	**1,702,207,515**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Dividends to owners of the Company	32	-	-	-	-	(388,480,407)	-	(388,480,407)
Total contributions by and distributions to owners of the Company		**-**	**-**	**-**	**-**	**(388,480,407)**	**-**	**(388,480,407)**
Comprehensive income for the year								
Profit or loss		-	-	-	-	536,595,566	-	536,595,566
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**536,595,566**	**-**	**536,595,566**
Balance at 31 December 2011		**301,403,239**	**1,257,263,682**	**30,140,324**	**57,293,222**	**261,515,429**	**(57,293,222)**	**1,850,322,674**

SURAPOL YAMKASEM

SAMITT PALITAGRAM

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	Treasury shares reserve	Unappropriated	Treasury shares	Total equity
					(in Baht)			
Year ended 31 December 2012								
Balance at 1 January 2012		**301,403,239**	**1,257,263,682**	**30,140,324**	**57,293,222**	**261,515,429**	**(57,293,222)**	**1,850,322,674**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Reduction of ordinary shares	*20*	(13,625,900)	(43,667,322)	-	-	-	57,293,222	-
Treasury shares reserve	*22*	-	-	-	(57,293,222)	57,293,222	-	-
Dividends to owners of the Company	*32*	-	-	-	-	(460,443,742)	-	(460,443,742)
Total contributions by and distributions to owners of the Company		**(13,625,900)**	**(43,667,322)**	**-**	**(57,293,222)**	**(403,150,520)**	**57,293,222**	**(460,443,742)**
Comprehensive income for the year								
Profit or loss		-	-	-	-	446,681,872	-	446,681,872
Other comprehensive income		-	-	-	-	(12,880,708)	-	(12,880,708)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**433,801,164**	**-**	**433,801,164**
Balance at 31 December 2012		**287,777,339**	**1,213,596,360**	**30,140,324**	**-**	**292,166,073**	**-**	**1,823,680,096**

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

SURAPOL YAMKASEM

SAMITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2012	2011	2012	2011
	(in Baht)			
Cash flows from operating activities				
Profit for the year	497,161,970	516,535,577	446,681,872	536,595,566
Adjustments for				
Depreciation	183,878,828	155,759,758	102,922,261	97,821,625
Depreciation of investment properties	1,608,347	-	-	-
Amortisation of intangible assets	1,511,246	1,311,693	833,780	918,131
(Reversal of) allowance for decline in value of inventories	3,374,345	3,581,199	693,088	(789,448)
Reversal of impairment loss on investment in subsidiary	-	-	-	(800,000)
Reversal of impairment loss on investment property	-	(800,000)	-	-
Impairment loss of machinery and equipment	-	6,048,200	-	-
Loss from disposal of assets	12,560,817	-	10,400,403	-
Unrealised (gain) loss on exchange	(878,528)	(6,841)	87,247	(31,972)
Impairment loss of intangible assets	-	678,514	-	-
Interest income	(7,749,960)	(15,797,042)	(14,837,064)	(18,240,649)
Employee benefits	5,072,165	7,445,061	(6,800,338)	3,285,511
Finance costs	1,604,901	-	2,657,680	2,777,908
Doubtful debts	-	-	-	20,000,000
(Gain) loss on disposal of property, plant and equipment	(2,815,607)	2,914,769	(1,155,669)	(162,694)
Gain on a bargain purchase of subsidiary	(7,076,673)	-	-	-
Dividend income from subsidiaries	-	-	(329,000,000)	(351,800,000)
Gain on sale of investment in subsidiary	-	-	(1,000,700)	-
Gain on sale of net assets in subsidiary	(934,178)	-	-	-
Share of loss of jointly-controlled entity, net of income tax	13,369,984	1,135,601	-	-
Income tax expense	9,975,271	62,174,826	1,126,955	39,708,178
	710,662,928	740,981,315	212,609,515	329,282,156

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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 For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2012	2011	2012	2011
	(in Baht)			
Changes in operating assets and liabilities				
Trade and other accounts receivable	(486,105,924)	401,006,247	(270,583,669)	339,084,044
Inventories	(4,380,079)	45,427,604	(25,682,248)	98,024,696
Other current assets	(17,880,811)	(2,091,778)	(1,828,932)	931,532
Other non-current assets	863,640	(9,603,761)	(2,708,234)	3,372,369
Trade and other accounts payable	615,289,972	(521,515,536)	432,527,609	(461,056,204)
Other current liabilities	579,374	(9,491,680)	4,100,553	(7,649,749)
Cash generated from operating activities	819,029,100	644,712,411	348,434,594	301,988,844
Income tax paid	(18,715,104)	(85,456,886)	(1,320,087)	(53,357,457)
Net cash from operating activities	**800,313,996**	**559,255,525**	**347,114,507**	**248,631,387**
Cash flows from investing activities				
Interest received	8,988,937	14,963,421	12,234,920	16,379,497
Dividend received	-	-	329,000,000	351,800,000
Purchase of property, plant and equipment	(542,557,387)	(232,355,611)	(269,936,228)	(255,472,509)
Sale of property, plant and equipment	22,404,297	449,472	32,021,802	102,433,239
Proceeds from loans to related parties	-	-	397,508,097	844,002,000
Loans to related parties	(5,000,000)	-	(680,914,000)	(884,291,116)
(Increase) decrease in current investments	394,996,378	(395,002,960)	394,996,378	(395,002,961)
Sale of investment in subsidiary	-	-	15,000,000	-
Sale of net assets in subsidiary	16,820,581	-	-	-
Cash received from business combination	(6,874,073)	-	-	-
Purchase of increased shares in subsidiary	-	-	(121,000,000)	(79,999,560)
Purchase of increased shares in jointly-controlled entity	-	(49,000,000)	-	(49,000,000)
Purchase of intangible assets	(9,647,168)	(3,210,594)	(561,890)	(3,266,200)
Proceeds from sale of intangible assets	-	-	-	919,299
Net cash from (used in) investing activities	**(120,868,435)**	**(664,156,272)**	**108,349,079**	**(351,498,311)**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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 For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2012	2011	2012	2011
	(in Baht)			
Cash flows from financing activities				
Interest paid	(1,604,901)	-	-	(1,413,043)
Repayment of loans from financial institution	(22,279,623)	-	-	-
Repayment of finance lease liabilities	(8,885,619)	-	-	-
Proceeds from short-term loans from related parties	-	-	116,000,000	396,377,439
Repayment of short-term loans from related parties	-	-	(61,000,000)	(387,086,000)
Dividends to owners of the Company	(460,443,742)	(388,480,499)	(460,443,742)	(388,480,407)
Net cash used in financing activities	**(493,213,885)**	**(388,480,499)**	**(405,443,742)**	**(380,602,011)**
Net increase (decrease) in cash and cash equivalents	**186,231,676**	**(493,381,246)**	**50,019,844**	**(483,468,935)**
Cash and cash equivalents at 1 January	391,015,763	884,397,009	259,377,466	742,846,401
Cash and cash equivalents at 31 December	**577,247,439**	**391,015,763**	**309,397,310**	**259,377,466**
Non-cash transactions				
Liabilities from construction of plant and purchase of equipment	115,334,474	60,157,407	48,523,613	7,098,892
Transfer property and plant to investment properties	-	63,703,791	-	-
Transfer equipment to properties held for sale	-	1,886,403	-	-

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Acquisition of a subsidiary
5	Related parties
6	Cash and cash equivalents
7	Current investments
8	Trade and other accounts receivable
9	Inventories
10	Other current assets
11	Investments in subsidiaries
12	Investment in jointly-controlled entity
13	Investment properties
14	Property, plant and equipment
15	Intangible assets
16	Other non-current assets
17	Interest-bearing liabilities
18	Trade and other accounts payable
19	Employee benefit obligations
20	Share capital
21	Treasury shares
22	Reserves
23	Segment information
24	Selling expenses
25	Administrative expenses
26	Employee benefit expenses
27	Finance costs
28	Expenses by nature
29	Income tax
30	Promotional privileges
31	Earnings per share
32	Dividends
33	Financial instruments
34	Commitments with non-related parties
35	Events after the reporting period
36	Thai Financial Reporting Standards (TFRS) not yet adopted

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

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 1 February 2013.

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 (30% shareholding), incorporated in Thailand.

The principal businesses of the Company and its subsidiaries are engaged in the production of component parts for cooling machines, component parts for air conditioners for automobile, contract manufacturing and assembly of air conditioners for household use and manufacturing tools and equipment that are made for metal, steel, tungsten and carbide.

Details of the Company's subsidiaries and jointly-controlled entity as at 31 December 2012 and 31 December 2011 are given in notes 5, 11 and 12.

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.

As at 31 December 2012, the FAP had issued a number of new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 36.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Presentation currency

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

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4	Acquisition of a subsidiary
Note 13	Valuation of investment properties
Note 19	Measurement of defined benefit obligations
Note 33	Valuation of financial instruments

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 jointly-controlled entity.

Business combinations

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. 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.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

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 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.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non- controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in jointly-controlled entities are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

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 jointly-controlled entities 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 Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

(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 Thai Baht 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

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.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

(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 and jointly-controlled entity

Investments in subsidiaries and jointly-controlled entity in the separate financial statements of the Company are accounted for using the cost method. Investment in jointly-controlled entity in the consolidated financial statements is 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.

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	30 years

No depreciation is provided on investment properties - land.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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. Property, plant and 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.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

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.

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	years
Buildings	20 and 30	years
Building improvement	5	Years
Machinery, tool and equipment	5 and 10	years
Office equipment	5	years
Vehicles	5	years

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

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	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.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

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 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) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

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

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

(o) 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 flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

(p) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(q) 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.

(r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration,

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

SURAPOL YAMKASEM

SNC FORMER PUBLIC COMPANY LIMITED

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

(s) 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 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.

(t) Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current 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.

(u) 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.

4 Acquisition of a subsidiary

On 30 May 2012, the Group obtained control of Toptech Diamond Tools Co., Ltd., a service provider for producing and repairing and manufacturing tools and equipment that are made of metal, steel, tungsten and carbide by acquiring 60% of the shares.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Taking control of Toptech Diamond Tools Co., Ltd. creates synergies from combining operations, leads the Group to new business in order to increase its opportunities to generate the revenue, saves time and reduces process of building new teamwork and organisation as well as reducing costs of production from expanding the utilisation of its resources. Bargaining power will be increased. It will also diversify the risk from depending on any particular business to create compensation revenue from other sources.

In the seven months to 31 December 2012, Toptech Diamond Tools Co., Ltd. contributed revenue of Baht 107 million to the Group's results. If the acquisition had occurred on 1 January 2012, management estimates that consolidated revenue would have been Baht 165 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 2012.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Carrying amounts	Fair value adjustments	Recognised values
		(in thousand Baht)	
Cash and cash equivalents	74,126	-	74,126
Trade and other accounts receivable	24,130	-	24,130
Inventories	6,877	4,891	11,768
Property, plant and equipment	88,201	51,640	139,841
Intangible assets	751	-	751
Other assets	1,054	-	1,054
Trade and other accounts payable	(17,417)	-	(17,417)
Tax obligation from revaluation of net assets	-	(9,831)	(9,831)
Bank overdraft and loans from financial institution	(48,037)	-	(48,037)
Finance lease liabilities	(21,760)	-	(21,760)
Other liabilities	(7,831)	-	(7,831)
Total identifiable net assets	**100,094**	**46,700**	**146,794**
Interest in acquire			60%
Net identifiable assets acquired and liabilities assumed			**88,076**
Gain on a bargain purchase			(7,076)
Total consideration			**81,000**

Gain on a bargain purchase

The excess of the Group's interest in the net identified assets and liabilities of the company acquired over cost is considered by management as gain on a bargain purchase, and is recognised in the consolidated statement of comprehensive income.

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.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

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 and jointly-controlled entity are described in notes 11 and 12. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	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).
SAS Innovation 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	3% per annum (*2011: 2% - 3% per annum*)
Interest expense	3% per annum (*2011: 2% - 3%per annum*)
Sales of investment in subsidiary / net assets in subsidiary	Agreed price
Dividend income	Declared rate

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	*Note*	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
		(in thousand Baht)			
Subsidiaries					
Sales of goods		-	-	83,093	190,079
Rendering of services		-	-	30,694	43,457
Purchases of goods		-	-	695,956	578,717
Services fee		-	-	6,460	4,168
Sales of machinery and equipment		-	-	13,635	103,685
Purchases of machinery and equipment		-	-	13,857	57,736
Interest income		-	-	8,187	3,791
Interest expense		-	-	2,658	2,778
Dividend income		-	-	329,000	351,800
Jointly-controlled entity					
Rendering of services		10,003	-	-	-
Rental income		5,540	1,395	-	-
Purchases of goods		20,219	-	-	-
Services fee		213	-	-	-
Sales of machinery and equipment		23,157	-	-	-
Directors and management					
Sales of investment in subsidiary	*11*	-	-	15,000	-
Sales of net assets in subsidiary		14,934	-	-	-
Directors and management benefit expenses					
Short-term employee benefits		63,351	43,721	38,787	27,552
Post-employment benefits		2,067	2,067	1,418	1,418
Total directors and management benefit expenses		65,418	45,788	40,205	28,970

Balances as at 31 December with related parties were as follows:

Trade accounts receivable from related parties	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
	(in thousand Baht)			
Subsidiaries				
SNC Pyongsan Evolution Co., Ltd.	-	-	-	3,492
SNC Cooling Supply Co., Ltd.	-	-	1,171	1,171
Immortal Part Co., Ltd.	-	-	-	211
Infinity Parts Co., Ltd.	-	-	17,004	-
	-	-	18,175	4,874
Less allowance for doubtful accounts	-	-	-	-
Net	-	-	**18,175**	**4,874**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Other receivables from related parties	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Subsidiaries				
SNC Pyongsan Evolution Co., Ltd.	-	-	1,734	9,649
SNC Santec Co., Ltd.	-	-	-	2,368
SNC Cooling Supply Co., Ltd.	-	-	15,505	31,352
Immortal Part Co., Ltd.	-	-	12,024	90,531
Paradise Plastic Co., Ltd.	-	-	8,355	68
Ultimate Part Co., Ltd.	-	-	253	10,370
Infinity Parts Co., Ltd.	-	-	9,208	3,909
Toptech Diamond Tools Co., Ltd.	-	-	217	-
Jointly-controlled entity				
SSM Automation Co., Ltd.	21,754	876	19,493	106
	21,754	876	66,789	148,353
Less allowance for doubtful accounts	-	-	-	-
Net	**21,754**	**876**	**66,789**	**148,353**

Short-term loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011	2012	2011
	(% per annum)		*(in thousand Baht)*			
Subsidiaries						
SNC Pyongsan Evolution Co., Ltd.	3.0	2.0 - 3.0	-	-	146,000	115,294
SNC Santec Co., Ltd.	3.0	2.0 - 3.0	-	-	19,733	26,033
SNC Cooling Supply Co., Ltd.	3.0	2.0 - 3.0	-	-	146,377	21,377
Immortal Part Co., Ltd.	3.0	2.0 - 3.0	-	-	148,914	19,914
Jointly-controlled entity						
SSM Automation Co., Ltd.	3.0	-	5,000	-	5,000	-
			5,000	-	466,024	182,618
Less allowance for doubtful accounts			-	-	(20,000)	(20,000)
Short-term loans to related parties, net			**5,000**	**-**	**446,024**	**162,618**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Movements during the years ended 31 December of short-term loans to related parties were as follows:

Short-term loans to related parties	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Subsidiaries				
At 1 January	-	-	162,618	142,329
Increase	-	-	675,914	884,291
Decrease	-	-	(397,508)	(844,002)
Allowance for doubtful accounts	-	-	-	(20,000)
At 31 December	**-**	**-**	**441,024**	**162,618**
Jointly-controlled entity				
At 1 January	-	-	-	-
Increase	5,000	-	5,000	-
Decrease	-	-	-	-
At 31 December	**5,000**	**-**	**5,000**	**-**
Total short-term loans to related parties	**5,000**	**-**	**446,024**	**162,618**

Short-term loans to related parties as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

Trade accounts payable - related parties	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Subsidiaries				
SNC Pyongsan Evolution Co., Ltd.	-	-	-	7,895
SNC Cooling Supply Co. Ltd.	-	-	3	3
Immortal Part Co., Ltd.	-	-	19,065	56,829
Ultimate Part Co., Ltd.	-	-	89,828	33,968
Infinity Parts Co., Ltd.	-	-	40,246	-
Paradise Plastic Co., Ltd.	-	-	50,914	-
Total	**-**	**-**	**200,056**	**98,695**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Other payables to related parties	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Subsidiaries				
SNC Pyongsan Evolution Co., Ltd.	-	-	2,389	8,212
SNC Cooling Supply Co., Ltd.	-	-	214	7,960
Immortal Part Co., Ltd.	-	-	52,661	92,727
Paradise Plastic Co., Ltd.	-	-	431	-
International Techno Pipe Co., Ltd.	-	-	73	-
Jointly-controlled entity				
SSM Automation Co., Ltd.	3,226	-	3,226	-
Total	**3,226**	**-**	**58,994**	**108,899**

Short-term loans from related parties	Interest rate		Separate financial statements	
	2012	2011	2012	2011
	(% per annum)		*(in thousand Baht)*	
Subsidiaries				
Immortal Part Co. Ltd.	3.0	2.0 - 3.0	106,000	41,000
Paradise Plastic Co., Ltd.	3.0	2.0 - 3.0	1,000	30,000
International Techno Pipe Co., Ltd.	3.0	2.0 - 3.0	19,000	-
Total short-term loans from related parties			**126,000**	**71,000**

Movements during years ended 31 December of short-term loans from related parties were as follows:

Short-term loans from related parties	Separate financial statements	
	2012	2011
	(in thousand Baht)	
Subsidiaries		
At 1 January	71,000	61,709
Increase	116,000	396,377
Decrease	(61,000)	(387,086)
At 31 December	**126,000**	**71,000**

Short-term loans from related parties as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Cash on hand	856	337	135	259
Cash at banks – current accounts	38,374	560	161	175
Cash at banks – savings accounts	338,031	230,119	129,101	98,943
Highly liquid short-term investments	199,986	160,000	180,000	160,000
Total	**577,247**	**391,016**	**309,397**	**259,377**

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Thai Baht (THB)	576,820	390,575	309,063	259,032
United States Dollars (USD)	427	441	334	345
Total	**577,247**	**391,016**	**309,397**	**259,377**

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Fixed deposits	208	204	208	204
Bill of exchange	-	395,000	-	395,000
Total	**208**	**395,204**	**208**	**395,204**

Current investments of the Group as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

8 Trade and other accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
		(in thousand Baht)			
Trade accounts receivable					
Related parties	*4*	-	-	18,175	4,874
Other parties		1,201,126	698,103	746,528	389,694
Total		**1,201,126**	**698,103**	**764,703**	**394,568**
Less allowance for doubtful accounts		-	-	-	-
Net		**1,201,126**	**698,103**	**764,703**	**394,568**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

	Note	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
		(in thousand Baht)			
Other accounts receivable					
Related parties	4	21,754	876	66,789	148,353
Other parties		9,256	22,919	5,887	21,286
Total		**31,010**	**23,795**	**72,676**	**169,639**
Less allowance for doubtful accounts		-	-	-	-
Net		**31,010**	**23,795**	**72,676**	**169,639**
Total trade and other accounts receivable		**1,232,136**	**721,898**	**837,379**	**564,207**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
	(in thousand Baht)			
Related parties				
Within credit terms*	-	-	18,175	4,874
	-	-	18,175	4,874
Less allowance for doubtful accounts	-	-	-	-
	-	-	**18,175**	**4,874**
Other parties				
Within credit terms*	1,201,109	698,103	746,512	389,694
Overdue:**				
Less than 3 months	17	-	16	-
	1,201,126	698,103	746,528	389,694
Less allowance for doubtful accounts	-	-	-	-
	1,201,126	**698,103**	**746,528**	**389,694**
Total	**1,201,126**	**698,103**	**764,703**	**394,568**

The normal credit terms granted by the Group range from 30 days to 90 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.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

The currency denomination of trade and other accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Thai Baht (THB)	1,215,111	717,419	828,584	563,983
United States Dollars (USD)	16,066	1,681	8,795	224
Euro (EUR)	959	2,798	-	-
Total	**1,232,136**	**721,898**	**837,379**	**564,207**

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Finished goods	36,188	34,709	10,780	9,643
Work in progress	107,662	81,806	29,542	11,627
Raw materials	91,361	104,374	33,618	27,852
Factory supplies	4,397	2,571	1,656	792
	239,608	223,460	75,596	49,914
Less : Allowance for decline in value of inventories	(10,489)	(7,114)	(1,001)	(308)
Net	**229,119**	**216,346**	**74,595**	**49,606**
Inventories recognised as an expense in 'cost of sales':				
- Cost	6,803,362	7,464,936	4,315,285	5,163,536
- Write-down to net realisable value	9,292	6,459	707	14
- Reversal of write-down	(5,918)	(2,878)	(14)	(803)
Net	**6,806,736**	**7,468,517**	**4,315,978**	**5,162,747**

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Prepaid rent	7,999	7,959	7,999	7,281
Revenue department receivable	17,283	4,814	833	-
Excise department receivable	5,155	5,714	-	-
Raw material deposit	4,716	-	-	-
Others	6,905	8,742	3,087	3,166
Total	**42,058**	**27,229**	**11,919**	**10,447**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

11 Investments in subsidiaries

	Note	Separate financial statements 2012	2011
		(in thousand Baht)	
At 1 January		356,008	275,208
Business acquisition	*4*	81,000	-
Additional investment		40,000	80,000
Reversal of allowance for impairment		-	800
Disposals		(13,999)	-
At 31 December		**463,009**	**356,008**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

Investments in subsidiaries as at 31 December 2012 and 2011, and dividend income from those investments for the years then ended, were as follows:

	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
		(%)				(in thousand Baht)							
Direct subsidiaries													
SNC Pyongsan Evolution Co., Ltd.	Production of cooling parts and OEM for cooling machines	99.99	99.99	220,000	220,000	212,010	212,010	-	-	212,010	212,010	79,000	91,000
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	70,000	108,000
Immortal Part Co., Ltd.	Production of cooling parts	99.99	99.99	70,000	70,000	70,000	70,000	-	-	70,000	70,000	180,000	152,800
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	-	-
SAS Innovation Co., Ltd.	Not commenced operations	-	99.99	14,000	14,000	-	13,999	-	-	-	13,999	-	-
Toptech Diamond Tools Co.,Ltd.	Production of metal, steel, tungsten and carbide tools and equipment	60.00	-	80,000	10,000	81,000	-	-	-	81,000	-	-	-
International Techno Pipe Co., Ltd.	Not commenced operations	99.99	-	20,000	-	20,000	-	-	-	20,000	-	-	-
SNC Creativity Anthology Co., Ltd.	Not commenced operations	99.99	-	20,000	-	20,000	-	-	-	20,000	-	-	-
Total						**479,009**	**372,008**	**(16,000)**	**(16,000)**	**463,009**	**356,008**	**329,000**	**351,800**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

	Type of business	Ownership interest 2012	Ownership interest 2011	Paid-up capital 2012	Paid-up capital 2011	Cost 2012	Cost 2011	Impairment 2012	Impairment 2011	At cost - net of impairment 2012	At cost - net of impairment 2011	Dividend income 2012	Dividend income 2011
		(%)				(in thousand Baht)							
Indirect subsidiaries													
Ultimate Part Co., Ltd.	Production of cooling parts	99.99	99.99	40,000	40,000	-	-	-	-	-	-	-	-
Infinity Parts Co., Ltd.	Production of cooling parts	99.99	99.99	20,000	20,000	-	-	-	-	-	-	-	-
Total						-	-	-	-	-	-	-	-

All subsidiaries were incorporated in Thailand.

At the annual general meeting of the shareholders of the Company held on 1 April 2011, the shareholders approved to sell investment in SAS Innovation Co., Ltd. to a director at a price of Baht 15.0 million. The investment was sold in March 2012. Net book value of investment in such subsidiary amounted to Baht 14.0 million. The Company recognised gain on sale of investment in the subsidiary amounting to Baht 1.0 million in the statement of comprehensive income for the year ended 31 December 2012 of the separate financial statements.

On 14 September 2012, the Company invested in International Techno Pipe Co., Ltd. of 199,995 ordinary shares with a par value of Baht 100 per share (call-up of Baht 100 per share), totalling Baht 20 million. Total invested shares represent 99.99% ownership.

On 2 October 2012, the Company invested in SNC Creativity Anthology Co., Ltd. of 199,996 ordinary shares with a par value of Baht 100 per share (call-up of Baht 100 per share), totalling Baht 20 million. Total invested shares represent 99.99% ownership.

SURAPOL YAMKASEM

SAMITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

12 Investment in jointly-controlled entity

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	47,864	-	49,000	-
Acquisitions	-	49,000	-	49,000
Share of net losses of equity-accounted jointly-controlled entity	(13,370)	(1,136)	-	-
At 31 December	**34,494**	**47,864**	**49,000**	**49,000**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Investment in jointly-controlled entity as at 31 December 2012 and 2011, and dividend income from that investment 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	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
		(%)				(in thousand Baht)									
Jointly-controlled entity															
SSM Automation Co., Ltd.	Production of metal fabrication parts for electric appliance and automobile	49.00	49.00	100,000	100,000	49,000	49,000	34,494	47,864	-	-	34,494	47,864	-	-
Total						**49,000**	**49,000**	**34,494**	**47,864**	**-**	**-**	**34,494**	**47,864**	**-**	**-**

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(%)				(in thousand Baht)							
Jointly-controlled entity												
SSM Automation Co., Ltd.	49.00	49.00	100,000	100,000	49,000	49,000	-	-	49,000	49,000	-	-
					49,000	**49,000**	**-**	**-**	**49,000**	**49,000**	**-**	**-**

The jointly-controlled entity was incorporated in Thailand.

SURAPOL YAMKASEM

SAMITT PALITAGRAM

SURAPOL YAMKASEM

The following summarised financial information on equity-accounted jointly-controlled entity is not adjusted for the percentage ownership held by the Group:

	Reporting date	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net loss
			(in thousand Baht)								
2012											
SSM Automation Co., Ltd.	31 December	49.00	66,425	265,738	332,164	209,096	262,293	471,389	87,616	114,901	27,285
			66,425	**265,738**	**332,164**	**209,096**	**262,293**	**471,389**	**87,616**	**114,901**	**27,285**
2011											
SSM Automation Co., Ltd.	31 December	49.00	91,792	48,506	140,298	43,143	-	43,143	75	2,921	2,844
			91,792	**48,506**	**140,298**	**43,143**	**-**	**43,143**	**75**	**2,921**	**2,844**

SAMIITT PALITAGRAM

SNC

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

13 Investment properties

	Note	Consolidated financial statements 2012	2011
		(in thousand Baht)	
Cost			
At 1 January		107,865	27,000
Reclassification from property, plant and equipment	*14*	-	80,865
Disposals		(14,000)	-
At 31 December		**93,865**	**107,865**
Depreciation and impairment losses			
At 1 January		17,161	800
Reversal of impairment loss		-	(800)
Depreciation charge for the year		1,609	-
Reclassification from property, plant and equipment	*14*	-	17,161
At 31 December		**18,770**	**17,161**
Net book value			
At 1 January		**90,704**	**26,200**
At 31 December		**75,095**	**90,704**

During 2011, some land and factory has been transferred from property, plant and equipment (see note 14) to investment property, since the factory was no longer used by the Group and as such it was decided that the factory would be leased to a jointly-controlled entity. The monthly rental income was Baht 0.5 million *(2011 : Baht 0.4 million)*. Total rental income in 2012 was Baht 5.5 million *(2011 : Baht 0.6 million)*. Total direct cost of these investment properties was Baht 1.6 million *(2011: Baht 0.2 million)*. The leases contain an initial non-cancellable period of 1 year.

As at 31 December 2012, the aforesaid land and factory for rent had fair value of Baht 80.22 million, which comprised of fair value of the factory of Baht 59.14 million, appraised by the independent valuer using replacement cost approach and fair value of land of Baht 21.08 million, appraised by Group management using market approach.

Another investment property was land held for a currently undetermined future use which had fair value of Baht 19.6 million as at 31 December 2012. The fair value determined by the independent valuer using market approach.

As at 31 December 2012, investment properties of a subsidiary with a total net book value of Baht 62.09 million *(2011: Baht 63.7 million)* are mortgaged with a bank to secure credit facilities.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

14 Property, plant and equipment

		Consolidated financial statements							
	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment	Office equipment	Vehicles	Assets under installation	Total
					(in thousand Baht)				
Cost									
At 1 January 2011		26,996	393,157	1,057,577	225,627	48,111	9,815	11,489	1,772,772
Additions		11,003	15,118	177,364	26,609	2,423	-	32,091	264,608
Transfers		-	-	11,441	-	6	-	(11,447)	-
Transfer to investment property	*13*	(17,434)	(63,431)	-	-	-	-	-	(80,865)
Transfer to assets held for sale		-	-	(3,786)	-	-	-	-	(3,786)
Disposals		-	(2,480)	(105)	(16,166)	(658)	(410)	-	(19,819)
At 31 December 2011 and 1 January 2012		**20,565**	**342,364**	**1,242,491**	**236,070**	**49,882**	**9,405**	**32,133**	**1,932,910**
Additions		1,182	114,743	355,744	38,225	10,569	3,795	58,489	582,747
Acquisitions through business combinations	*4*	25,799	13,701	88,667	-	3,944	2,527	5,203	139,841
Transfers		-	5,733	17,881	1,466	-	-	(25,080)	-
Disposals		-	(40,419)	(28,337)	(9,981)	(4,618)	-	(3,918)	(87,273)
At 31 December 2012		**47,546**	**436,122**	**1,676,446**	**265,780**	**59,777**	**15,727**	**66,827**	**2,568,225**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment	Office equipment	Vehicles	Assets under installation	Total
					Consolidated financial statements (in thousand Baht)				
Depreciation and impairment losses									
At 1 January 2011		914	102,688	381,186	136,818	35,575	3,982	-	661,163
Depreciation charge for the year		241	18,865	95,929	34,197	5,222	1,306	-	155,760
Impairment losses		-	-	4,088	1,348	-	-	-	5,436
Transfer to investment property	13	-	(17,161)	-	-	-	-	-	(17,161)
Transfer to assets held for sale		-	-	(1,289)	-	-	-	-	(1,289)
Disposals		-	(1,299)	(38)	(14,379)	(436)	(299)	-	(16,451)
At 31 December 2011 and 1 January 2012		**1,155**	**103,093**	**479,876**	**157,984**	**40,361**	**4,989**	**-**	**787,458**
Depreciation charge for the year		51	18,634	123,197	33,762	5,656	2,578	-	183,878
Disposals		-	(29,051)	(9,489)	(8,790)	(4,469)	-	-	(51,799)
At 31 December 2012		**1,206**	**92,676**	**593,584**	**182,956**	**41,548**	**7,567**	**-**	**919,537**
Net book value									
At 1 January 2011									
Owned assets		26,082	290,469	676,391	88,809	12,536	5,833	11,489	1,111,609
		26,082	**290,469**	**676,391**	**88,809**	**12,536**	**5,833**	**11,489**	**1,111,609**
At 31 December 2011 and 1 January 2012									
Owned assets		19,410	239,271	762,615	78,086	9,521	4,416	32,133	1,145,452
		19,410	**239,271**	**762,615**	**78,086**	**9,521**	**4,416**	**32,133**	**1,145,452**
At 31 December 2012									
Owned assets		46,340	343,446	1,069,745	82,824	18,229	6,029	66,827	1,633,440
Assets under finance leases		-	-	13,117	-	-	2,131	-	15,248
		46,340	**343,446**	**1,082,862**	**82,824**	**18,229**	**8,160**	**66,827**	**1,648,688**

SURAPOL YAMKASEM

SAMITT PALITAGRAM

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2012 amounted to Baht 126.27 million *(2011: Baht 94.67 million).*

Security

At 31 December 2012, the Group's properties with a net book value of Baht 228.9 million *(2011: Baht 197.0 million)* have been mortgaged with banks to secure credit facilities.

		Separate financial statements							
	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment	Office equipment	Vehicles	Assets under installation	Total
					(in thousand Baht)				
Cost									
At 1 January 2011		-	222,990	700,104	128,381	28,288	6,920	11,446	1,098,129
Additions		11,004	12,504	154,955	25,193	1,720	-	8,263	213,639
Transfers		-	-	19,650	(8,204)	-	-	(11,446)	-
Disposals		-	-	(201,122)	(41,752)	(13,111)	(4,337)	-	(260,322)
At 31 December 2011 and 1 January 2012		**11,004**	**235,494**	**673,587**	**103,618**	**16,897**	**2,583**	**8,263**	**1,051,446**
Additions		1,181	35,159	143,463	15,530	3,199	5,180	36,974	240,686
Transfer		-	-	6,478	1,466	-	-	(7,944)	-
Disposals		-	(38,733)	(45,232)	(7,087)	(4,433)	-	-	(95,485)
At 31 December 2012		**12,185**	**231,920**	**778,296**	**113,527**	**15,663**	**7,763**	**37,293**	**1,196,647**

SURAPOL YAMKASEM

SAMITT PALITAGRAM

SNC

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

	Note	Separated financial statements							
		Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment	Office equipment	Vehicles	Assets under installation	Total
		(in thousand Baht)							
Depreciation and impairment losses									
At 1 January 2011		-	48,121	181,125	71,685	19,836	1,485	-	322,252
Depreciation charge for the year		-	14,331	60,370	19,440	2,751	930	-	97,822
Disposals		-	-	(116,566)	(28,605)	(11,243)	(1,634)	-	(158,048)
At 31 December 2011 and 1 January 2012		-	**62,452**	**124,929**	**62,520**	**11,344**	**781**	-	**262,026**
Depreciation charge for the year	21		14,345	64,560	20,112	2,672	1,213	-	102,923
Disposals		-	(28,298)	(15,051)	(6,466)	(4,404)	-	-	(54,219)
At 31 December 2012		**21**	**48,499**	**174,438**	**76,166**	**9,612**	**1,994**	-	**310,730**
Net book value									
At 1 January 2011									
Owned assets		-	174,869	518,979	56,696	8,452	5,435	11,446	775,877
		-	**174,869**	**518,979**	**56,696**	**8,452**	**5,435**	**11,446**	**775,877**
At 31 December 2011 and 1 January 2012									
Owned assets		11,004	173,042	548,658	41,098	5,553	1,802	8,263	789,420
		11,004	**173,042**	**548,658**	**41,098**	**5,553**	**1,802**	**8,263**	**789,420**
At 31 December 2012									
Owned assets		12,164	183,421	603,858	37,361	6,051	5,769	37,293	885,917
		12,164	**183,421**	**603,858**	**37,361**	**6,051**	**5,769**	**37,293**	**885,917**

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2012 amounted to Baht 18.22 million *(2011: Baht 20.72 million).*

Security

At 31 December 2012 the Company's properties with a net book value of Baht 115.7 million *(2011: Baht 123.6 million)* have been mortgaged with banks to secure credit facilities.

SURAPOL YAMKASEM

SAMITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

15 Intangible assets

	Consolidated financial statements	Separate financial statements
	Software licenses	Software licenses
	(in thousand Baht)	
Cost		
At 1 January 2011	12,022	7,243
Additions	3,211	3,267
Disposals	-	(1,066)
At 31 December 2011 and 1 January 2012	**15,233**	**9,444**
Acquisitions through business combinations	751	-
Additions	8,896	562
At 31 December 2012	**24,880**	**10,006**
Amortisation and impairment losses		
At 1 January 2011	2,434	1,542
Amortisation for the year	1,312	918
Impairment loss	679	-
Disposals	-	(146)
At 31 December 2011 and 1 January 2012	**4,425**	**2,314**
Amortisation for the year	1,511	834
At 31 December 2012	**5,936**	**3,148**
Net book value		
At 1 January 2011	**9,588**	**5,701**
At 31 December 2011 and 1 January 2012	**10,808**	**7,130**
At 31 December 2012	**18,944**	**6,858**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Advance payment for equipment	3,353	13,933	-	2,726
Land and factory rental deposit	19,136	18,634	18,536	18,634
Prepaid corporate income tax	10,462	-	8,187	
Others	5,725	6,375	1,615	4,270
Total	**38,676**	**38,942**	**28,338**	**25,630**

17 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
		(in thousand Baht)			
Current					
Current portion of long-term loan from financial institution					
Secured		11,759	-	-	-
Current portion of long-term loan		**11,759**	-	-	-
Short-term loans from related parties					
Unsecured		-	-	126,000	71,000
Short-term loans		-	-	**126,000**	**71,000**
Current portion of finance lease liabilities		**7,389**	-	-	-
Total current interest-bearing liabilities		**19,148**	-	**126,000**	**71,000**
Non-current					
Long-term loan from financial institutions					
Secured		13,999	-	-	-
Long-term loan		**13,999**	-	-	-
Finance lease liabilities		**5,486**	-	-	-
Total non-current interest-bearing liabilities		**19,485**	-	-	-

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Within one year	11,759	-	126,000	71,000
After one year but within five years	13,999	-	-	-
Total	**25,758**	**-**	**126,000**	**71,000**

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Property, plant and equipment	38,631	-	-	-

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2012			2011		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	8,095	706	7,389	-	-	-
After one year but within five years	6,006	502	5,486	-	-	-
Total	**14,101**	**1,226**	**12,875**	**-**	**-**	**-**

Interest-bearing liabilities of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

18 Trade and other accounts payable

	Note	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
		(in thousand Baht)			
Trade accounts payable					
Related parties	4	-	-	200,056	98,695
Other parties		1,404,211	821,875	712,568	349,475
Total		**1,404,211**	**821,875**	**912,624**	**448,170**
Other accounts payable					
Related parties	4	3,226	-	58,994	108,899
Other parties		100,595	62,010	42,233	24,556
Total		**103,821**	**62,010**	**101,227**	**133,455**
Total trade and other accounts payable		**1,508,032**	**883,885**	**1,013,851**	**581,625**

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
	(in thousand Baht)			
Thai Baht (THB)	1,461,787	844,142	991,910	561,648
United States Dollars (USD)	45,367	39,436	21,941	19,977
Japanese (JPY)	784	267	-	-
Pound Sterling (GBP)	94	40	-	-
Total	**1,508,032**	**883,885**	**1,013,851**	**581,625**

19 Employee benefit obligations

	Note	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
		(in thousand Baht)			
Statement of financial position obligations for:					
Post-employment benefits		29,539	7,445	9,010	3,286
Year ended 31 December					
Statement of comprehensive income:					
Recognised in profit or loss:					
Post-employment benefits		5,072	7,445	(6,800)	3,286
Recognised in other comprehensive income:					
Actuarial losses recognised in the year		17,378	-	12,881	-

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

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 year on the provision for the unrecognised transitional obligation were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Unrecognised transitional obligation as at 1 January	17,728	22,108	14,812	16,775
Recognised through profit or loss for the year	(4,464)	(4,380)	(4,747)	(1,963)
Unrecognised transitional obligation as at 31 December	**13,264**	**17,728**	**10,065**	**14,812**

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 statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Present value of unfunded obligations	42,803	25,173	19,075	18,098
Unrecognised transitional obligation	(13,264)	(17,728)	(10,065)	(14,812)
Statement of financial position obligation	**29,539**	**7,445**	**9,010**	**3,286**

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Defined benefit obligations at 1 January	7,445	-	3,286	-
Transitional obligation recognised	4,464	4,380	4,747	1,963
Benefits paid by the plan	(356)	-	(356)	-
Current service costs and interest	4,855	3,065	1,896	1,323
Curtailment gain	(4,247)	-	(13,444)	-
Actuarial losses in other comprehensive income	17,378	-	12,881	-
Defined benefit obligations at 31 December	**29,539**	**7,445**	**9,010**	**3,286**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

Expense recognised in profit or loss (note 26)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Transitional obligation recognised	4,464	4,380	4,747	1,963
Current service costs	3,400	2,080	1,175	928
Interest on obligation	1,455	985	722	395
Curtailment gain	(4,247)	-	(13,444)	-
Total	**5,072**	**7,445**	**(6,800)**	**3,286**

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Included in retained earnings:				
At 1 January	-	-	-	-
Recognised during the year	17,378	-	12,881	-
At 31 December	**17,378**	**-**	**12,881**	**-**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	%			
Discount rate	3.5	4.5	3.5	4.5
Future salary increases	4.0	4.0	4.0	4.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

20 Share capital

	Par value per share *(in Baht)*	2012 Number	2012 Amount	2011 Number	2011 Amount
		(in thousand shares / in thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	*1*	301,403	301,403	301,403	301,403
Reduction of shares *(note 21)*	*1*	(13,626)	(13,626)	-	-
At 31 December					
- ordinary shares	*1*	**287,777**	**287,777**	**301,403**	**301,403**
Issued and paid-up					
At 1 January					
- ordinary shares	*1*	301,403	301,403	301,403	301,403
Reduction of shares *(note 21)*		(13,626)	(13,626)	-	-
At 31 December					
- ordinary shares	*1*	**287,777**	**287,777**	**301,403**	**301,403**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

21 Treasury shares

The treasury shares account within equity comprises the cost of the Company's shares held by the Group.

As at 31 December 2012 and 2011, details of treasury shares were as follows:

	Consolidated and separate financial statements	
	2012	2011
	(in thousand Baht)	
Cost of treasury shares *(in thousand Baht)*	-	57,293
Number of treasury shares *(in thousand shares)*	-	13,626
Average price per share *(in Baht)*	-	4.20
Percentage of number of treasury shares to the share capital issued by the Company	-	4.52

In October 2008, the Board of Directors of the Company approved a treasury share plan ('Plan') to re-purchase not more than 9.95 percent, or 30 million shares of the Company's shares then in issue. The purpose of the Plan is to manage the Company's excess liquidity. The maximum amount approved for share purchase under the Plan is Baht 175 million. The shares purchased may be resold after 6 months but within 3 years from the date of purchase (by 28 June 2012).

On 4 May 2012, the Board of Directors' meeting of the Company No. 2/2012 approved the sales of treasury shares, which would be resold in the Stock Exchange of Thailand from 21 May 2012 to 25 May 2012 and determined the resale price by considering the prevailing market price at the time of sale.

On 28 May 2012, the Board of Directors' meeting of the Company No. 3/2012 approved to reduce its authorised and issued and paid-up share capital by way of writing off all 13,625,900 treasury shares with a par value of Baht 1 per share which remain unsold. This capital reduction resulted in a decrease in the Company's authorised and issued and paid-up share capital from 301,403,239 ordinary shares (Baht 1 per share) to 287,777,339 ordinary shares (Baht 1 per share). The Company registered the reduction of its authorised share capital with the Ministry of Commerce on 6 June 2012.

22 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.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Group. The treasury shares reserve is not available for dividend distribution.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

23 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

Segment 1	Production of component parts of air conditioners for automobile use
Segment 2	Contract assembly and production of component parts of cooling machines

Geographical segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

Revenue and results based on business segment in the consolidated financial statements for the years ended 31 December 2012 and 2011 were as follows:

	Production of component parts of air conditioners automobile use		Cooling machines				Other segments		Eliminations		Total	
			Contract Assembly		Production of component parts							
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
						(in thousand Baht)						
Revenue from external customers	954,139	673,306	3,092,626	4,667,557	3,167,586	2,661,343	433,671	321,727	-	-	7,648,022	8,323,933
Inter-segment revenue	24	865	12,871	784	156,794	225,854	570	2,327	(170,259)	(229,830)	-	-
Total revenues	**954,163**	**674,171**	**3,105,497**	**4,668,341**	**3,324,380**	**2,887,197**	**434,241**	**324,054**	**(170,259)**	**(229,830)**	**7,648,022**	**8,323,933**
Segment results	**99,152**	**99,198**	**54,197**	**192,182**	**335,862**	**280,678**	**32,901**	**7,789**	**-**	**-**	**522,112**	**579,847**
Unallocated expenses												
Net finance costs											(1,605)	-
Share of loss of jointly-controlled entity											(13,370)	(1,136)
Income tax expense											(9,975)	(62,175)
Profit for the year											**497,162**	**516,536**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

	Production of component parts of air conditioners for automobile use		Cooling machines				Other segments		Total	
			Contract Assembly		Production of component parts					
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(in thousand Baht)									
Assets and liabilities										
Segment assets	353,703	213,678	894,090	904,394	1,628,293	1,002,430	233,857	55,785	3,109,943	2,176,287
Unallocated assets	98,604	73,694	319,603	510,869	327,350	291,287	44,817	35,213	791,723	911,063
Total assets	**452,307**	**287,372**	**1,213,693**	**1,415,263**	**1,955,643**	**1,293,717**	**278,674**	**90,998**	**3,901,666**	**3,087,350**
Segment liabilities	111,287	109,555	646,263	342,106	670,413	603,424	80,454	13,260	1,508,417	1,068,345
Unallocated liabilities	163,250	6,729	52,504	46,646	84,791	26,597	78,829	3,216	379,374	83,188
Total liabilities	**274,537**	**116,284**	**698,767**	**388,752**	**755,204**	**630,021**	**159,283**	**16,476**	**1,887,791**	**1,151,533**

SURAPOL YAMKASEM

SAMITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

24 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Transportation	62,026	42,975	34,077	27,402
Marketing expenses	322	182	36	49
Commission	13,418	4,289	761	288
Export expenses	3,157	1,959	981	1,241
Entertainment expenses	4,660	5,790	2,355	4,026
Others	7,734	11,435	5,476	4,428
Total	**91,317**	**66,630**	**43,686**	**37,434**

25 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Employee benefit expense	103,488	86,129	38,368	54,968
Net loss on foreign exchange	696	5,929	1,237	3,345
Rental and service	13,906	13,959	5,299	6,001
Consulting fee	10,594	13,428	8,574	11,144
Depreciation	8,234	6,528	3,885	3,681
Gasoline	11,360	8,651	3,569	2,619
Security expenses	10,084	7,959	4,270	4,397
Others	38,255	48,797	8,198	22,543
Total	**196,617**	**191,380**	**73,400**	**108,698**

26 Employee benefit expense

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
		(in thousand Baht)			
Wages and salaries		299,720	280,597	121,665	141,540
Overtime		125,697	98,705	46,452	45,594
Welfare		96,375	80,671	35,870	39,638
Bonus		67,125	43,100	24,084	17,474
Incentive		14,853	13,298	2,681	3,817
Contribution to defined contribution plan		7,076	5,411	2,819	2,416
Contribution to Employee Joint Investment Program ("EJIP")		6,776	6,318	1,673	2,032
Employee retirement benefits	*19*	5,072	7,445	(6,800)	3,286
Others		15,080	17,022	2,515	6,452
Total		**637,774**	**552,567**	**230,959**	**262,249**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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 rate 3% of their basic salaries and by the Group at rate 3% 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.

The Employee Joint Investment Program

On 30 July 2010, the Company's Board of Directors meeting No. 3/2010 passed the resolution to approve the Employee Joint Investment Program ("EJIP"). This program is an installment plan for investment in the Company's shares, provided as a benefit of the staff and management of the Group, excluding directors. The program runs for 3 years, from 1 October 2010 to 30 September 2013 and is conducted in accordance with the notification of the Office of the Securities and Exchange Commission No. Sor. Jor. 12/2552 dated 10 September 2009.

27 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
		(in thousand Baht)			
Interest expense:					
Subsidiaries		-	-	2,658	2,778
Bank loans and overdrafts		1,605	-	-	-
Total		**1,605**	**-**	**2,658**	**2,778**

28 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Changes in finished goods and work in progress	3,134	(6,696)	(19,052)	32,538
Raw materials and consumables used	6,594,431	6,518,282	3,770,844	4,689,951
Depreciation of property, plant and equipment	183,878	155,760	102,923	97,822
Amortisation of intangible assets	1,511	1,312	834	918
Salary, wage and other employee benefit expenses	637,774	552,567	230,959	262,249
Minimum lease payments recognised as an operating lease expense	85,153	64,871	35,388	19,504

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

29 Income tax

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

The current tax expense in the consolidated and separate statements of comprehensive income is less than the amount determined by applying the Thai corporation tax rate to the accounting profit for the year principally because:

- The different treatment for accounting and taxation purposes of certain items of income and expense, in particular, dividend income and share of losses of equity accounted jointly-controlled entities.
- The Group has significant profit for the year ended 31 December 2012 from promotional privileges and this profit is exempted from corporate income tax.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

30 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:

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 Former Public Company Limited				
7011/Aor/2550	Manufacture of air-conditioners and air-conditioner parts for household use	8 December 2000	8 years (A)	5 years
1381/2552	Manufacture of parts for electrical appliances	1 February 2010	5 years	5 years
SNC Pyongsan Evolution Co., Ltd.				
1620(2)/2550	Providing service to assemble air-conditioners for household use	21 March 2007	6 years	5 years
2091(2)/2550	Manufacture of steel for compressor and cooling machines	3 January 2008	7 years	5 years
1559(2)/2553	Manufacture of steel for cooling machines	10 June 2010	6 years	5 years
SNC Santec Co., Ltd.				
1549(2)/2550	Manufacture and maintenance of moulds	22 March 2007	8 years	5 years

SURAPOL YAMKASEM

SAMITT PALITAGRAM

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 Cooling Supply Co., Ltd				
1815(5)/2553	Manufacture of automobile air-conditioner parts	1 August 2010	8 years	5 years
1865(5)/2553	Manufacture of automobile air-conditioner parts	1 August 2010	8 years	5 years
Immortal Parts Co., Ltd.				
1038(5)/2554	Manufacture of air-conditioner parts for household use	1 December 2010	8 years	5 years
2059(5)/2554	Manufacture of parts for electrical appliances	25 April 2011	8 years	5 years
Paradise Plastic Co., Ltd.				
1326(5)/2555	Manufacture of plastic and plastic enamel products	1 September 2012	8 years	5 years

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC

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	Manufacture of air-conditioner parts for household use	1 December 2010	8 years	5 years
1570(5)/2555	Manufacture of machinery, equipment, and parts for household use	23 December 2011	8 years	5 years
Infinity Parts Co., Ltd.				
1295(5)/2555	Manufacture of steel and parts for steel	2 May 2012	8 years	5 years
1296(5)/2555	Manufacture of parts for electrical appliances	6 April 2012	8 years	5 years

(A) Within the five-year period when a 50% reduction is applied on the normal corporate income tax rate, which commenced from the date that the period exemption from corporate income tax expired.

SURAPOL YAMKASEM

SAMITT PALITAGRAM

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2012			2011		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	110,583	4,973	115,556	61,459	9,271	70,730
Local sales	7,073,842	458,624	7,532,466	6,671,599	1,581,604	8,253,203
Total revenues	**7,184,425**	**463,597**	**7,648,022**	**6,733,058**	**1,590,875**	**8,323,933**

	Separate financial statements					
	2012			2011		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	48,859	6	48,865	52,429	8,582	61,011
Local sales	3,789,093	706,128	4,495,221	4,082,873	1,364,858	5,447,731
Total revenues	**3,837,952**	**706,134**	**4,544,086**	**4,135,302**	**1,373,440**	**5,508,742**

31 Earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 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	
	2012	2011	2012	2011
	(in thousand shares / in thousand Baht)			
Profit attributable to ordinary shareholders of the Company (basic)	493,809	519,735	446,682	536,596
Number of ordinary shares outstanding	287,777	287,777	287,777	287,777
Earnings per share (basic) ***(in Baht)***	**1.72**	**1.81**	**1.55**	**1.86**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

32 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 2012	Board of Directors' Meeting on 27 July 2012	287,779	1.00	27 August 2012
Dividend paid from the profit of last six months of 2011	Annual General Meeting of shareholders on 3 April 2012	172,665	0.60	27 April 2012
Total dividend paid during 2012		**460,444**	**1.60**	
Dividend paid from the profit of first six months of 2011	Board of Directors' Meeting on 29 July 2011	287,758	1.00	29 August 2011
Dividend paid from the profit of last six months of 2010	Annual General Meeting of shareholders on 1 April 2011	100,722	0.35	25 April 2011
Total dividend paid during 2011		**388,480**	**1.35**	

33 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.

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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 because 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 (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2012					
Current					
Cash and cash equivalents	0.50-2.85	577,247	-	-	577,247
Current investments	1.90-2.85	208	-	-	208
Short - term loans to - related parties	3	5,000	-	-	5,000
Total		**582,455**	**-**	**-**	**582,455**
2011					
Current					
Cash and cash equivalents	0.75-2.85	391,016	-	-	391,016
Current investments	1.8-3.0	395,204	-	-	395,204
Total		**786,220**	**-**	**-**	**786,220**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

	Effective interest rate (% per annum)	Separate financial statements: Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2012					
Current					
Cash and cash equivalents	0.50-2.85	309,397	-	-	309,397
Current investments	1.90-2.85	208	-	-	208
Short-term loans to related parties	3	446,024	-	-	446,024
Total		**755,629**	-	-	**755,629**
2011					
Current					
Cash and cash equivalents	0.75-2.85	259,377	-	-	259,377
Current investments	1.8-3.0	395,204	-	-	395,204
Short-term loans to related parties	3	162,618	-	-	162,618
Total		**817,199**	-	-	**817,199**

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements: Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2012					
Current					
Current portion of long-term loans from financial institution	7	11,759	-	-	11,759
Current portion of finance lease liabilities	5.82-15.21	7,389	-	-	7,389
Total		**19,148**	-	-	**19,148**
Non-current					
Long-term loans from financial institution	7	-	13,999	-	13,999
Finance lease liabilities	5.82-15.21	-	5,486	-	5,486
Total		-	**19,485**	-	**19,485**
2011					
Current					
Long-term loans from financial institution		-	-	-	-
Total		-	-	-	-
Non-current					
Long-term loans from financial institution		-	-	-	-
Total		-	-	-	-

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

	Effective interest rate (% per annum)	Separate financial statements: Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2012					
Current					
Short-term loans from related parties	3	126,000	-	-	126,000
Total		**126,000**	**-**	**-**	**126,000**
2011					
Current					
Short-term loans from related parties	3	71,000	-	-	71,000
Total		**71,000**	**-**	**-**	**71,000**

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 utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

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:

	Note	Consolidated financial statements 2012	2011	Separate financial statements 2012	2011
		(in thousand Baht)			
United States Dollars					
Cash and cash equivalents	*6*	427	441	334	345
Trade and other accounts receivable	*8*	16,066	1,681	8,795	224
Trade and other accounts payable	*18*	(45,367)	(39,436)	(21,941)	(19,977)
Accounts payable – acquisition of assets		(210,437)	(208,101)	(114,741)	(150,812)
Gross balance sheet exposure		(239,311)	(245,415)	(127,553)	(170,220)
Currency forwards		251,739	257,544	128,654	169,746
Net exposure		**12,428**	**12,129**	**1,101**	**(474)**
Euro					
Trade and other accounts receivable	*8*	959	2,798	-	-
Gross balance sheet exposure		959	2,798	-	-
Currency forwards		(1,137)	(2,832)	-	-
Net exposure		**(178)**	**(34)**	**-**	**-**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements

	Note	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
		(in thousand Baht)			
Japanese Yen					
Trade and other accounts payable	*18*	(784)	(267)	-	-
Accounts payable – acquisition of assets		(14,960)	(12,246)		
Gross balance sheet exposure		(15,744)	(12,513)	-	-
Currency forwards		19,054	2,747	-	-
Net exposure		**3,310**	**(9,766)**	**-**	**-**
Pound Sterling					
Trade and other accounts payable	*18*	(94)	(40)	-	-
Gross balance sheet exposure		(94)	(40)	-	-
Currency forwards		-	-	-	-
Net exposure		**(94)**	**(40)**	**-**	**-**

As at 31 December 2012, outstanding forward exchange contracts are presented below.

Foreign currency	Consolidated financial statements: Bought amount (thousand)	Consolidated financial statements: Contractual exchange rate bought (Baht per 1 foreign currency)	Separate financial statements: Bought amount (thousand)	Separate financial statements: Contractual exchange rate bought (Baht per 1 foreign currency)
United States Dollars	8,004	30.79-33.40	4,173	30.79-33.40
Japanese Yen	47,037	0.3605-0.4105	-	-

Foreign currency	Consolidated financial statements: Sold amount (thousand)	Consolidated financial statements: Contractual exchange rate sold (Baht per 1 foreign currency)	Separate financial statements: Sold amount (thousand)	Separate financial statements: Contractual exchange rate sold (Baht per 1 foreign currency)
United States Dollars	206	30.61-30.8	188	30.61
Euro	28	40.60	-	-

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

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 positions. 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. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. 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.

34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for:				
Buildings and other constructions	20,660	5,371	20,415	-
Machinery and equipment	4,877	4,485	3,119	670
Total	**25,537**	**9,856**	**23,534**	**670**
Non-cancellable operating lease commitments				
Within one year	64,324	32,969	26,512	20,660
After one year but within five years	113,275	52,800	63,405	44,800
After five years	-	7,212	-	7,212
Total	**177,599**	**92,981**	**89,917**	**72,672**

SURAPOL YAMKASEM

SAMIITT PALITAGRAM

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Other commitments	*(in thousand Baht)*			
Unused letters of credit to guarantee payments due to creditors	238,538	228,256	114,740	151,267
Bank guarantees for land rental, electricity used and others	24,098	20,748	17,118	17,522
Total	**262,636**	**249,004**	**131,858**	**168,789**

35 Events after the reporting period

On 1 February 2013, the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of shareholders to be held on 3 April 2013 adopt a resolution to pay a year-end dividend of Baht 0.6 per share in respect of the operating result of 2012, or a total of Baht 172.67 million. The dividend payment is scheduled for 26 April 2013 and represented a total dividend payment of Baht 1.6 per share, inclusive of the interim dividend of Baht 1.0 per share.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

36 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new TFRS that have been issued as of the reporting date but are not yet effective. The new TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 12	Income taxes	2013
TAS 21	The effects of changes in foreign exchange rates	2013
TFRS 8	Operating segments	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 12 - Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carry forward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effect from 1 January 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at 31 December 2012 and 2011 will be adjusted accordingly. Management estimates that the impact on the statements of financial position as at 31 December 2012 and 2011 will be as follows:

SURAPOL YAMKASEM SAMITT PALITAGRAM

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Statement of financial position				
Estimated changes as a result of the adoption retrospectively of TAS 12 – Income taxes:				
Increase in deferred tax assets	5,149	5,919	1,213	3,899
Increase in deferred tax liabilities	(1,346)	(1,432)	(35)	-
Increase in retained earnings	3,803	4,487	1,178	3,899
Increase in equity	3,840	4,487	1,178	3,899
Decrease in non-controlling interests	(37)	-	-	-
Increase in total equity	3,803	4,487	1,178	3,899

The impact on the statement of comprehensive income for 2013 and subsequent periods is not presently determinable.

TAS 21 – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency; reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's reported assets, liabilities, or retained earnings.

TFRS 8 - Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group's financial statements.

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