

SNC Former Public Company Limited
One Report Year 2020

รายงานประจำปี 2020



SNC

บริษัท เอส เอ็น ซี ฟอเมอร์ จำกัด (มหาชน)

Committed to Innovative & Environmentally Friendly Ecosystem
www.sncformer.com

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Message from the Chairman

Dear Shareholders,

COVID-19 outbreak has caused the world to experience an economic crisis. Thailand's economy in 2020 was minus 6.1 percent, the number of tourists dropped from 39.9 million in 2019 to 6.7 million, and export value decreased 6.1 percent. Along with the export and tourism sectors, which have a high economic value, is the country's GDP, causing widespread impacts at all levels across the nation. Termination of employment of the businesses and declining purchasing power both domestic and abroad has affected the Company's primary business such as the air conditioner industry group, total production of 20.9 million units, decreased 9.0 percent compared to 2019. The automotive industry had only produced 1.4 million vehicles, a 29 percent drop compared to 2.0 million in 2019, and this was the second consecutive year of decline.



Although the domestic industry's contraction has affected part of the Company's operations, it is due to the expansion of the business and investment from 2019 to 2020 to accommodate a wide variety of new customers and new products and production for export directly. As a result, the 2020 operating results grew with a total income of Baht 8,961 million, the profit of Baht 407 million, an increase of 35 and 20 percent, respectively. It is expanding the customer base and product categories and reducing the business risk.

In 2021, the Company has announced a capital increase to fund the ongoing expansion as planned. Therefore, the Board of Directors and the Management believe that the business will grow steadily over the long term and appreciate the shareholders, partners, and all stakeholders who have always given generous support.

A handwritten signature in blue ink, which appears to read 'Satit Chanchaowakun', is placed above the printed name.

Mr. Satit Chanchaowakun

Chairman of the Board of Directors

Directors, Executives and Authorized Persons



Forefront, from left

1) Mr. Sirote Swasdipanich Independent Director 2) Mrs. Chanisa Chutipat Audit Committee / Independent Director 3) Dr. Somchai Thaisa-nguanvorakul Chairman of the Executive Committee/ Director 4) Mr. Satit Chanjavanakul Chairman of the Board of Directors / Independence Director 5) Mr. Somchai Ngamkitcharoenlap / Director / Chairman of Risk Management Committee / ESG Committee / Vice Chairman of the Executive Committee

Backside, from left

1) Mr. Somjai Chaopanich Independent Director 2) Mr. Wisan Wuttisaksin Nomination and Remuneration Committee / Independent Director 3) Mr. Chaisak Ankasuwan Chairman of Nomination and Remuneration Committee / Audit Committee / Independent Director 4) Mr. Suchat Boonbanjerd Sri Chairman of Audit Committee / Independent Director 5) Pol.Lt.Gen. Nopsak Poovatatanasedj Nomination and Remuneration Committee / Independent Director

Business Operations and Overall result

1. Business Structure and Operation

1.1 Business Overview and Policy

SNC Former Public Company Limited Established in 1994 with registered and paid-up capital of 1 million baht by Dr. Somchai Thaisa-nguanvorakul. The Group mainly engages in the production of air conditioner parts and household appliances as well as car air conditioning equipment parts for sale directly to customers who own the product brand, or to sell to customers who manufacture in-car air conditioners to be assembled a complete set of air conditioners before passing to final car manufacturers. The factory in Samut Prakan province and the factory in Rayong province are located in a strategic location in term of transportation convenience from supplier to downstream chain.

In 2007, the Group expanded its business into OEM business, starting with the production and assembly of air conditioners, which are products that the Group have had knowledge and expertise. In addition, the upstream works of the company, including copper pipes, aluminum pipes, plastics, steelworks and heat exchangers are received these benefits. As a result, the Group is able to use its production capacity efficiently and reduce the risk of relying solely on the business of manufacturing air conditioner parts and electrical appliances. In 2016, the Group expanded its production base to factories in Rayong province to combine with upstream routing to increase production efficiency and reduce freight costs. Currently, the Group manufactures and assembles a wide range of products such as air conditioning, television, refrigerator, etc. and is in the process of preparation to manufacture and assemble washing machines.

With efficient production technology State-of-the-art machine Computer-controlled production systems as well as variety of production line including plastics, steel, copper and aluminum. Together with the flexibility of the production line and management and engineering experience, the Group has earned the trust of a group of customers. Most of them own popular electronics brands who wanted to find domestic manufacturers. The Group has been producing products for more than 27 years. With current capacity, the group can manufacture 1,000,000 Sets of air conditioner, 300,000 pieces of TV refrigerator and tool cabinet per year respectively. The Group is in the process of increasing production capacity for electrical appliance manufacturing and OEM businesses in Rayong factories. Air conditioning capacity is expected to increase to 2,000,000 sets per year, including the start of production and assembly of washing machines with an expected capacity of 300,000 machines per year. With these strategies, the revenue of the group has been increased continuously.

The group of SNC Former Public Company Limited comprises of 14 companies, including SNC. There are 7 subsidiaries held directly by SNC, 6 subsidiaries held by its subsidiary and 1 associated company. At the present, the business operation of the group can be classified in 4 groups as follows.

AUTO	=	Manufacture and sales of air conditioning equipment parts used for vehicles and vehicle equipment parts.
PART	=	Manufacture and sales of electrical equipment parts, including air conditioning parts, fridge parts and Washing Machine parts.
OEM	=	Manufacture and assembly of electrical appliances and toolbox
OTHER	=	Other operations include mold manufacturing and distribution, as well as metal tools and equipment.

Group of Companies	Paid-up Registered Capital (Million Baht)	Business Type			
		AUTO	PART	OEM	OTHER
SNC Former Public Company Limited (SNC)	287				
Branch 2		✓	✓		
<u>Direct Subsidiaries</u>					
SNC Pyongsan Evolution Co., Ltd. (SPEC)	220		✓		
SNC Cooling Supply Co., Ltd. (COOL)	30	✓			
Immortal Part Co., Ltd. (IMP)	70		✓		
Paradise Plastic Co., Ltd. (PRD)	30	✓	✓		
SNC Creativity Anthology Co., Ltd. (SCAN)	835			✓	✓
SNC Atlantic Heat Pump Co., Ltd. (SAHP)	45			✓	
Odin Power Co., Ltd. (ODIN)	200				✓
<u>Indirect subsidiaries</u>					
Infinity Part Co., Ltd. (IPC)	20	✓	✓		
Meisou SNC Precision Co., Ltd. (MSPC)	100				✓
SSM Automation Co., Ltd. (SSMA)	360	✓	✓		
Ultimate Part Co., Ltd. (UMP)	40				✓
Yala Fah saard Co., Ltd. (YALA)	150				✓
Odin Myanmar Co., Ltd. (ODINMM)	1				✓
<u>Associated Company</u>					
SNC Atlantic Water Heater Asia Co., Ltd. (SAWHA)	105				✓

1.1.1 Vision and mission, objectives, goals or strategies

Vision: SNC Superstore SNC: An ultimate ONE STOP SHOP & SERVICE CENTER of variety products and comprehensive service in Automotive, HVAC systems (Heat Ventilation & Air Conditioning), Electrical Appliances and Electronics industries

Mission

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

Objective and Goal

The company draws up a business plan, which has financial goals and revenue growth targets at an average growth rate of 10 percent per annum and maximizes profitability. The company focuses on being a leader in the air conditioner parts manufacturing business and a leader in OEM of the air conditioning, tool cabinet and other electrical appliance by developing and importing modern machinery as well as applying relevant innovations in the production line to ensure the product's quality under efficient cost management, which is the main factor in competition, as well as developing products to meet the needs of the company's target customers.

Strategy

Product Strategy

The company aims to meet the diverse needs of its customers by focusing on two main customer groups as follow

1. Home appliance manufacturers include: Air Conditioner Manufacturers, refrigerator, washing machine from leading brand from Japan Korea, USA etc.. These manufacturers place their major production base in Thailand. Various products are supplied by the Company to this customer group including copper tube, metal sheet parts, plastic parts and heat exchanger. Apart from parts of electric appliance, the Company is engaged as OEM for certain customers.

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

Quality Strategy

In order to establish confidence and optimum satisfaction among the customer, the Company needs to produce product of best quality to meet the customer's requirement. To achieve this, the Company has implemented standard quality management system in order to improve its management and product quality continually based on the Plan-

Do-Check-Action (PDCA) and ISO. Not only will the customer receive product and service of quality as needed but also have trust in the Company.

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

Quick Response Strategy

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

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

Service Strategy

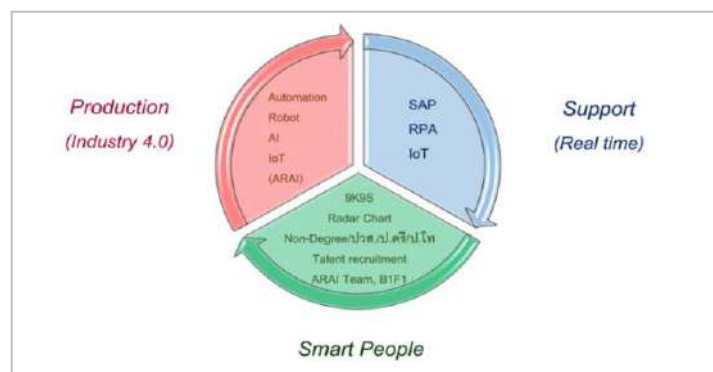
Although the company is considered manufacturing company, but we realize the significance of service mind to help optimize our customer's satisfaction. We therefore have our own motto as follows: "We are the Marketing Team" which means that all personnel are the Company's representative in rendering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

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

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

Industrial Production System Development Strategy 4.0

The development of SNC into 4.0 cover human resource development to understand technology and the changing direction in business and industry which will be fundamental to drive the organization forward.



Key strategies and elements for driving the organization

1. Develop personnel to be able to use technology by providing links between experienced personnel and technological personnel.

2. Application and adoption of technology in accordance with the direction of the organization's drive according to the concept. ARAI

A: Automation

R: Robot

A: Artificial Intelligence (AI)

I: Internet of Things (IoT)

3. Big DATA technology for management and decision making

4. To become a technology organization in production, process and service.

Environmental Strategy

The Company will conduct its business with regard to the impact it will have on the environment inside and outside the company. The key strategies are as follows:

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

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

1.1.2 Major changes and developments

In the year 2018-2019, continued to implement the organization adjustment policy by merging similar businesses together, share human resources and assets. The large production base is in Rayong, which has both water supply systems and solar power systems. The company will maintain the income of upstream work which is a profitable job. And focus on controlling production costs and administrative expenses. Stop business operations that do not generate profits Operate, according to anti-corruption and corruption policies leads to sustainability.

In 2019, the company sold factory buildings, including land leasehold rights in Laem Chabang Industrial Estate to Fujitsu General (Thailand) Co., Ltd., which is not the company stakeholder. Total Value is 606.50 Million Baht. The Company recognized net profit after income tax amount to 420.0 million Baht.

The company moved sheet metal production line from Samutprakarn factory to join the factory in Rayong, where the production base for parts in upstream business is (plastic injection, sheet forming) to acquire cost effectiveness from sharing resources.

The Group has received OEM sale orders for air conditioner products from one of its major customers, who is well-known brand in Vietnam. The group also has received orders for toolboxes from china customer, which are further business from the production of sheet metal to reduce the risk of air conditioner production and assembly, and export to United State.

The Company sold 23.0 percent of all shares of SNC Atlantic Water Heater Asia Co., Ltd. ("SAWHA") to Atlantic SFDT JSC, which is not connected. 66.43 Baht per share, total 16.04 million. The company remain a 26.0 percent stake in SAWHA, giving SAWHA a status as a joint venture of the Group.

In 2020, the Group built a new plant in Rayong province 15,000 sq. m. to support the production of toolboxes with a capacity of up to 300,000 pieces per year.

The Group purchased all remaining shares of SSMA from Sugimoto Metal Manufacturing, giving the Company a 100 percent stake of all registered and paid-up capital. Currently, the Company has appended SSMA as part of the IPC, the Group is under construction of a 40,000 square meter plant to increase the capacity for air conditioners from the current capacity of 1,000,000 sets per year to 2,000,000 sets per year and increase the capacity of televisions, refrigerators, washing machine total of 960,000 pieces per year.

1.1.3 Company General Information

Company name	:	SNC Former Public Company Limited
Company Registration No.	:	0107547000371
Office Location	:	333/3 Moo 6, Bangphriang, Bangbor, Samutprakarn 10560
Phone No.	:	02-108-0360
Fax	:	02-108-0367
Website	:	https://www.sncformer.com
Registered Capital	:	287,777,339 Baht (as of 31 December 2020)
Issued and paid up capital	:	287,777,339 Baht (as of 31 December 2020)

1.2 Nature of Business Operation

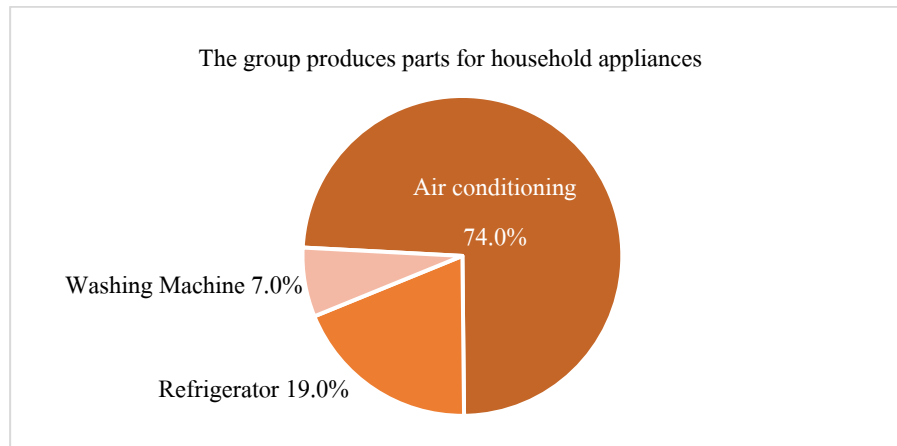
1.2.1 Revenue Structure

Revenue	Year 2018		Year 2019		Year 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of parts:						
Electrical Parts (PART)	3,111.0	47.9	2,983.6	45.0	2,579.7	28.8
Vehicle Parts (AUTO)	1,329.4	20.5	1,082.0	16.3	772.0	8.6
Revenue from Manufacturing & Assembly (OEM)	2,050.5	31.6	2,556.3	38.6	5,605.8	62.6
Other Segment Income (OTHER)	8.0	0.1	3.7	0.1	3.0	0.0
Total sales revenue	6,498.9	100.0	6,625.6	100.0	8,960.5	100.0

1.2.2 Product Information

1.2.2.1 Electrical Parts (PART)

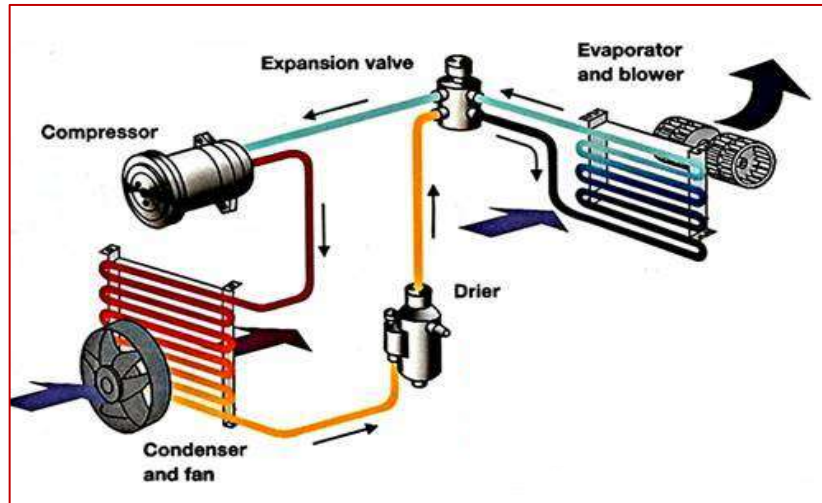
The Group produces parts for household appliances. Most of them are parts of air conditioning. The others are refrigerator and washing machine parts.



The Group produces air conditioning parts for 1) Window A/C air conditioners, which include compressors, evaporator, condense in one machine and able to install the machine by embedding in the wall without using pipe connection. 2) Split A/C air conditioner, which is currently popular in households. Separate the cold coil, which is installed in the room, from the hot coil, which is installed outside the room, providing less noise. 3) Portable air conditioner is an air conditioner that does not need to be installed and can be moved in any area, suitable for small room.



Overall function of Air conditioner



The Group manufacture various parts used to assemble air conditioners, such as 1) copper pipe parts 2) Sheet Metal 3) Plastic Parts 4) Heat Exchanger (Condenser and Evaporator) 5) insulation pipes. All parts together account for approximately 50% of the parts used in one set of air conditioners.

Most products are copper pipe parts, such as refrigerant pipes. Copper pipe, which is used as a connector between the hot coil and the cold coil and also copper pipes in compressors are account for more than 39.0% of revenue from the production of electrical parts and other parts. Second is plastic parts, which are to be assembled into electrical appliances such as air conditioners and fridge are also accounted for 21.0% of revenue from the production of electrical parts. Other parts including sheet metal parts, thermal insulation pipes and heat exchangers are 18.0% 18.0% and 4% of revenue from the production of electrical appliance parts respectively.



Copper Pipe Parts



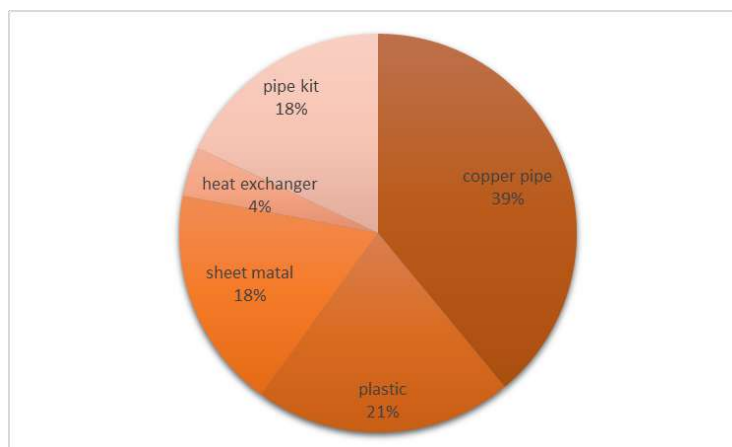
Sheet Metal Parts



Plastic Parts



Heat Exchanger parts



1. Copper Pipe parts. IMP and SCAN, a subsidiary of which the Company holds 100% direct shares, are manufacturers of refrigeration equipment parts using copper pipe as main component.

- 1.1 Inlet -Outlet-Header pipe for condenser connection
- 1.2 Suction pipe or discharge pipe for connecting compressors and hot coils.
- 1.3 Accumulator is used as pressure break pipe
- 1.4 U-Bend is a component of heat exchanger equipment.
- 1.5 Capillary Tube assembly used as a pressure reducing hose in the system.

Most manufactured equipment parts use copper pipes, which have good heat transfer efficiency. Currently, no other parts are more effective enough to replace copper. In addition, the group along with its customer has together developed copper parts to reduce the cost of raw materials by using copper plated steel or aluminum copper connectors to produce compressor parts, as well as developing copper plating processes which is able to plate only specific point to reduce surface grinding processes, which are costly and time consuming to be done. As a result of this development, the company can reduce production costs, making many customers interested in.

2. Sheet Metal. IPC and SSMA, subsidiaries of the Company hold 100% indirect shares via SPEC, are manufacturer of sheet forming metal parts used as a component of electrical appliance manufacturing by cutting and forming large steel plates to match the desired pattern.

3. Plastic Parts. PRD and SPEC, a subsidiary of which the Company holds 100% of the shares, is a manufacturer of plastic parts with injection molding system used in electrical appliances such as air conditioning, refrigerator, washing machine.

4. Heat Exchanger. SCAN, a subsidiary of which the Company holds a 100 percent of the shares, is a manufacturer of heat exchangers, including evaporator and condenser, which transmits and exchanges cold or heat between the surrounding air and the refrigerant inside the air conditioner. Typically, the structure of the coil consists of three parts:

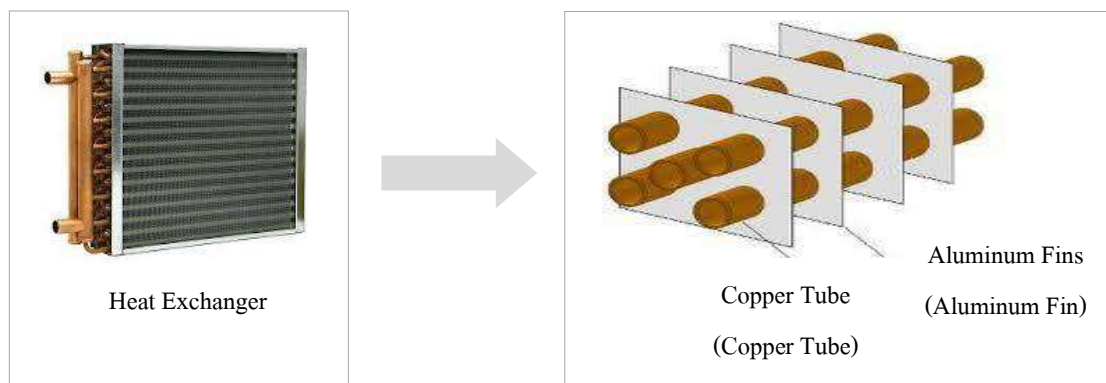
4.1 Aluminum Fin plate acts as a heat exchanger fin plate between the outside air and the refrigerant flowing in the copper pipe.

4.2 Hairpin acts as a refrigerant flow route to create a heat exchange mechanism with external air.

4.3 Side plates are used to splice aluminum sheets and copper pipes together and used as an intermediary to attach the coil to other structures of the air conditioner.

The company produces all 3 main parts and is used as a cold coil and hot coil for further use in the air conditioning process.

Current Condenser (Fin& Tube Condenser)



5. Insulation Pipe. SCAN, a subsidiary of which the Company holds a 100 percent of shares, is a manufacturer of insulated copper tube for air conditioner (pipe kit) which is self-extinguish.

Marketing & Competition

The target group of customers is the owner of the air conditioner brand. By selling part through them to continue assemble into finish goods of air conditioner. Example customers are such as Mitsubishi Consumer Products Co., Ltd., Daikin Industrial Co., Ltd., Am Air Co., Ltd. The company usually provides customers with an average credit term of 30-60 days and its customers have never had default.

Currently, the major electronics manufacturers in Thailand market share are foreign brands such as Daikin (Japan), Mitsubishi (Japan). Electrolux (Sweden), etc. In the past, the company has had strong relationships with almost all major domestic electronics manufacturers.

Distribution & Distribution Channels

The company sells electrical appliance parts directly to customers without going through distributors. Most of them are sold domestically. However, some of them may be assembled and sold abroad in the form of finished goods. Because Thailand is an important manufacturing base for electrical appliance parts for foreign brand, especially Japan and South Korea. Therefore, most electronics manufacturers use domestically produced parts instead of importing parts from abroad to reduce the excess transportation.

In general, electrical appliance manufacturers will source a supplier who has quality, Modern manufacturing technology, various type of product and enough available capacity. Currently, the company is one of the potential manufacturers of parts in Thailand. A full range of products and services are available. It covers copper pipe parts, plastics, sheet metals, and always has standard control over production. By works closely with customers to know the needs of customers, the company always accepted by customers who own leading electronics brands in the industry.

Sale portion of electrical appliance parts	2018	2019	2020
In Thailand	99.87%	99.83%	99.98%
Foreign Country	0.13%	0.17%	0.02%
total	100%	100%	100%

The competitiveness of the electrical parts manufacturing business in Thailand is considered to be a fairly competitive industry especially the competitors from China who have advantage of lower raw material costs. However, electronic components from China still have image of cheap goods, higher labor costs and shipping costs than those produced in Thailand. Although the company has many competitors in China, with company's strength; long experience and expertise in the electrical parts industry, variety of production to meet the need of customer, product quality, enough available capacity, cost effective, applying robot in production for increase efficiency along with taxes barrier problem, very strict welfare law, gone up minimum wage in china, all of these have made the company had an advantage over china competitors.

In addition, the company's main customers are well-known in market. The quality and service are their priority. So, it become unnecessary for them to often change supplier since it might cause quality change which may be harm to their brand image.

There are a few domestic air conditioner parts manufacturers and are mainly a manufacturer of specific types of air conditioner parts such as Amakasaki Pipe Co., Ltd. as a copper pipe manufacturer, Thammarak Co., Ltd., as a manufacturer of sheet metal parts, Golden Sea Co., Ltd., as a manufacturer of plastic parts, etc. While the company's products are diverse, covering the main parts of the air conditioner assembly, they can be delivered on time and have spare capacity that can effectively accommodate increased demand. For competitive opportunities from new entries, the company estimates that there is a low chance to entries, as new entrepreneurs entering the industry face a high level of expertise and understanding of the product, as well as a customer base to achieve a large proportion of production in order to achieve economies of scale.

Sourcing products and services

The main raw materials in the manufacture of electrical appliance parts include copper, steel, plastic pipes. Most of which are purchased from domestic manufacturers. There are some copper pipe ordered from abroad from manufacturers who have already received quality standards from customers and ship the goods directly to the company's factory. After obtaining good raw materials at the appropriate cost level, the company brings the raw materials into the production process according to the procedures of each part according to the specified standards, which are in accordance with iso 9001 quality system and then deliver them to the customer.

Copper pipes are the most engineered metals used to conduct electricity because they have the most effective cooling and heat transfer properties, high pressure resistance compared to other materials, non-corrosive, strong, durable, widely popular in pipe work, cooling and heating systems.

Plastic Parts: The company uses various types of plastic resins such as ABS which has strong impact, heat and chemicals resistance properties. PP which steam is slightly permeable, highly heat resistant, to produce air conditioner, refrigerator and washing machine parts.

Steel: The Company uses steel plates from domestic supplier. The sheet metal specification is determined by customer in order to maintain quality and price.

The raw materials used in production are mainly standardized according to supplier standard. The average production and delivery time is about 1 week depend on the difficulty of producing the raw materials. In order to order raw materials, the company controls the date, time, amount required to deliver to factory on schedule. In the past, the company has never experienced a shortage of raw materials because raw materials are considered industrial products. There are many domestic suppliers, and the company has provided raw materials from various vendors to increase the stability of raw materials availability.

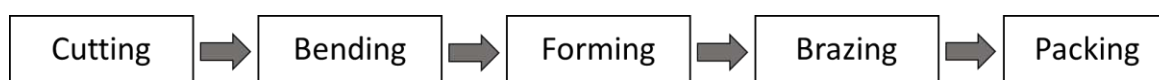
The price of raw materials will go up and down according to the market price, but the customer will agree the amount of use with the manufacturer and confirm the price in quarters. If modified, the price of the workpiece will be adjusted according to the changing raw material price. As a result, the Company is not liable for the price risks of raw materials. On average, the company receives 60-120 days credit term from domestic raw material producers.

Production Capacity

The Group has a policy of producing quality products that meet the needs of customers and can deliver products for a specified period of time. In order to get customer's confidence and satisfaction, both factories (Samut Prakan and Rayong) of the company can produce parts in the same way. This is to reduce the transportation cost. The percentage of capacity utilization is as follow.

Capacity utilization rate	Year 2018	Year 2019	Year 2020
1 Copper Pipe Parts	69%	65%	65%
2 Sheet Metal Parts	80%	66%	66%
3 Plastic Parts	83%	75%	64%
4 Heat Exchanger Equipment	67%	51%	78%
5 Insulation Pipe	98%	77%	81%

Copper Pipe Parts Manufacturing Process / Sheet Metal Forming



1. Cutting – The Group will use copper pipes to cut to the required size with precise automatic cutting machine to reduce the loss rate.

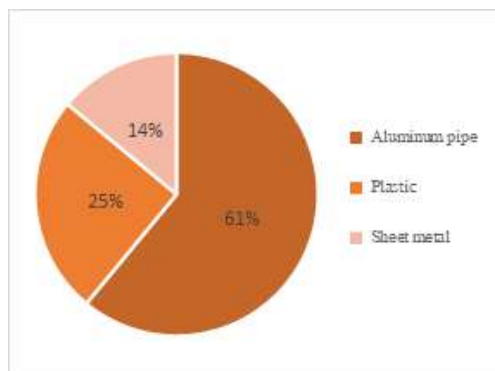
2. Bending and forming – The use of copper/metal sheet pipes bend to the desired arc. Expanding or reducing the size of pipe ends meets customer requirements. Folding sheet metal workpieces with computer-controlled automated machines

3. Welding – Welding copper/metal sheet pipe parts obtained from cutting and forming are welded together according to customer's style and requirements.

4. After the parts are connected, the company will test the quality of the product before delivering the goods. The company performs intensive product quality tests in areas such as qualification tests: the company tests the properties of products in every production lot before delivering them to customers to ensure that the products meet customer requirements. Test use: The company offers product tests simulating the actual usage conditions of customers, including pressure resistance tests. This is to ensure that the company's products are Quality meets customer's requirements

1.2.2.2 Parts for use as components in vehicles (AUTO)

The company's subsidiary, COOL PRD and SSMA, operates the manufacturing business of equipment parts for use as components in the production of automobiles and motorcycles. Most of the parts produced by the group include aluminum-made car air conditioner parts, accounting for 61 percent of revenue from the vehicle parts manufacturing business. Second, plastic parts for motorcycles account for 25% of revenue from vehicle parts manufacturing and sheet metal parts for automobiles, representing 14% of the revenue from the vehicle parts manufacturing business.



Examples of vehicle parts products manufacturers



Aluminum Air Conditioner Parts for Cars



Plastic parts for motorcycles



Sheet Metal Parts for Cars

1. Aluminum Part is operated by COOL, a subsidiary of which the Company holds 100% of the company's shares, which is used to bend, cut, connect to the desired form to be used as parts for car air conditioning systems.

2. Injection molding is carried out by PRD, a subsidiary of which the Company holds 100% of the shares, used to produce motorcycle parts.

3. Sheet Metal parts are carried out by SSMA, a subsidiary of which the Company holds 100% indirect shares through SPEC holdings, pumping and forming sheet metal for water pipe components in the air conditioning system. It is also a component of the car structure by stamping metal and welding it into the vehicle body component.

Marketing & Competition

Target customer are automotive air conditioner manufacturers or other auto parts manufacturers (1st Tier). Most automotive air conditioner use aluminum pipe parts, which are key components in air conditioning systems, and assemble other parts into car-ready air conditioners. The company use sheet metal for Toyota, Honda and Ford to continue to assemble into the car structure. In addition, the company also produce plastics parts for motorcycle for Honda, Yamaha and Kawasaki.

Sale & Distribution Channels

The company sells parts for use as components in the manufacture of automobiles and motorcycles directly to customers without going through distributors. Most of them are sold to domestic operators. However, if you Some of the company's products may be assembled and sold abroad. Indirect export due to Thailand's low production costs and the potential to produce efficient products. The proportion of sales by customer group. You can:

Distribution ratio by customer group category	2018	2019	2020
Air conditioner manufacturer or other auto parts manufacturer (1 st Tier)	81%	79%	79%
Car/Motorcycle Brand Owner	19%	21%	21%
Include	100%	100%	100%

Sourcing products and services

The main raw materials in the production of parts for use in automobile and motorcycle manufacturing (AUTO) include aluminum, plastic, steel pipes, both domestic and international orders (international order must be approve by customer). The production time and delivery time will take approximately 1 week, depending on the difficulty of producing from raw materials to finish goods. In order to order raw materials, the company controls the date, time, amount required to deliver to factory on schedule. In the past, the company has never experienced a shortage of raw materials because raw materials are considered industrial products. There are many domestic suppliers, and the company has provided raw materials from various vendors to increase the stability of raw materials availability.

Production Capacity

The Group has a policy of producing quality products that meet the needs of customers and can deliver products on time. In order for customers to have confidence and satisfaction in the company's products, both factories

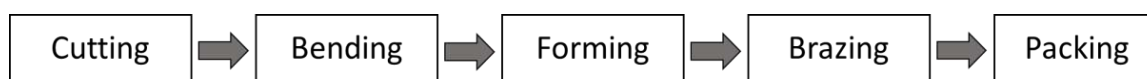
(Samut Prakan and Rayong) of the Group can produce parts in the same way. This is to reduce the cost of the company's freight, with the following capacity utilize rates:

Auto Parts Capacity Utility Rate (AUTO)	2018	2019	2020
1. Aluminum Tube	95%	74%	59%
2. Plastics Jobs	83%	75%	64%
3. Metal Sheet for Cars	77%	59%	45%

The Group has reduced capacity utilization in the automotive parts business as a result of automotive market contraction, along with covid-19 incident. However, the Group can use factories that produce plastic parts and sheet metal workpieces for automobiles to produce electrical appliance parts instead. With such capacity utility, the Group has been able to increase the volume of electrical parts production in a short period of time and be able to accommodate rapidly increasing orders during the period of customer campaigns.

The company is undergoing a transformation to develop production lines to the "Industry 4.0" era, which covers the application of technology to drive the organization according to the concept. ARAI (A: Automation R: Robot A: AI (Artificial Intelligence) I: IoT (Internet of Things) by the Group focuses on creating businesses that aims to reduce waste. The company believes the changes will strengthen and expand competitiveness in both cost and quality.

Aluminum Pipe Parts Manufacturing Process/Sheet Metal Forming



1. Cutting – The group will cut the ordered aluminum pipe/metal sheet to the desired size according to the model specified by the precision automatic cutting machine to reduce the loss rate.

2. Bending and forming – The use of aluminum pipe/metal sheet pipes bend to the desired length according to the arc. Expanding or reducing the size of pipe ends meets customer requirements. Folding sheet metal forming with computer-controlled automated machinery

3. Welding – Welding aluminum pipe parts/sheets obtained from cutting and forming are welded together according to customer's requirements.

4. After the parts are connected, the company will test the quality of the product before delivering the goods. The Group attaches great importance to quality control in all types of products, performing intensive product quality tests in areas such as qualification tests: the company tests the properties of products in every production lot before delivering them to customers to ensure that the products meet customer requirements. Test use: The company offers product tests simulating the actual usage conditions of customers, including pressure resistance tests. This is to ensure that the company's products quality meets customer's requirements.

1.2.2.3 Manufacturing & Assembly Business (OEM)

In 2007, the company was hired to assembled window type air conditioners for Fujitsu. General (Thailand) Co., Ltd., which accounts for 95-98% of its manufacturing and assembly business. The Factory based is at Laem Chabang Industrial Estate, Chonburi Province. However, due to the changing of consumers behavior as a result of the technology, together with the customer's marketing policies, the volume of hiring has continued to decline. The Company has foreseen the risk of relying on only one customer. In 2019, the company received orders from customers who are major air conditioner manufacturers in Vietnam. The company manufactures and assembles Split Type air conditioners, and the company receives orders from a large customer who is one of the world's largest manufacturers of toolbox. As the manufacturer of the toolbox wants to expand its production base from China and reduce the risk of trade war effect between China and the United States. The customer has adjusted his strategy to find a manufacturing plant outside china. This is in line with the company's policy and business plan to diversify the risks of being a contractor to produce and assemble only air conditioners product. The company has had toolboxes order since mid-year 2019. Together with the area of the factory in Rayong that can support the expansion of production capacity in the future. In 2020, the company received an order from a new customer, an electronics manufacturer in China, to export to the United States. In addition, in 2021, the company plans to produce more Window Type and Split Type air conditioners with the goal of exporting to the United States. India and ASEAN Countries.

The company operates a business manufactured and assembled by SNC Creativity Anthology Co., Ltd. ("SCAN"), a subsidiary of which the company holds a 100 percent shares. SCAN began providing production and assembly services according to the needs of the group of customers. The company has an efficient production system and flexible production size according to customer's requirements.

The company's products have a wide range of characteristics depending on the needs of each customers, but the main products are window type, wall type, ducted type, as well as large air conditioning unit from 100,000 – 300,000 BTU. During 2018 -2019, the Company has a capacity of 1,000, 000 sets of air conditioners per year with over 36, 800 square meters of factory space in Rayong. Currently, Rayong factory has space for manufacturing and assembling air conditioners on an area of over 51,800 square meters.

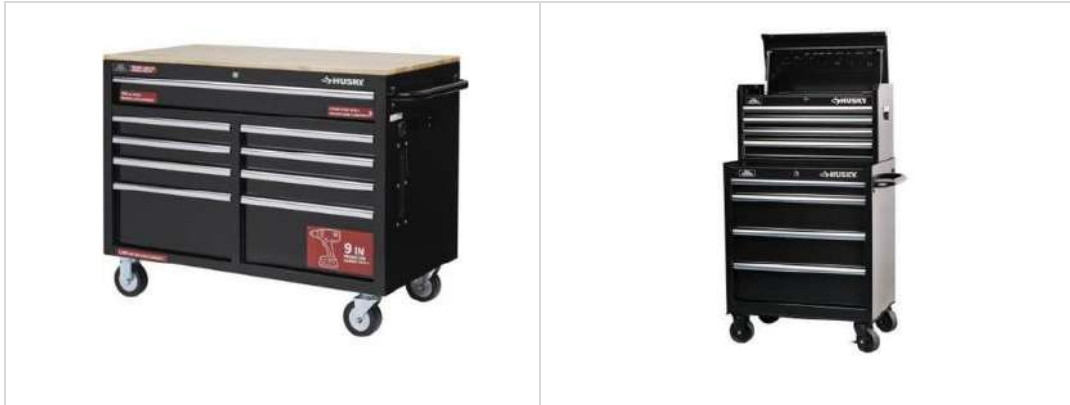
Proportion of goods assembled	2018	2019	2020
Air conditioning	82%	83%	70%
Tool Storage ^{Cabinets /1}	-	2%	18%
Heat pump for water heater	18%	15%	7%
TV ^{/2}	-	-	5%
Include	100%	100%	100%

Note:

/1, the Group has been manufacturing and assembling tool cabinets since 2019.

/2, the Group has been contracting for television production and assembly since 2020.

Examples of toolboxes manufactured and assembled by the company



Marketing & Competition

1. Air conditioner – Owner of air conditioner brand who want to find quality product manufacturer who have enough capacity for delivering the goods on time. At the present, the company have customer who are the owner of brand from Japan, China and Vietnam.

2. Other types of products other than air conditioning - e.g., TV, refrigerator, washing Machine, toolbox, which are manufactured and assembled for the owners of overseas brands.

Sale & Distribution Channels

The company has no policy to issue its own branded products but will focus on manufacturing and assembling electrical appliances and toolbox by developing products to suit each customer's needs. Nowadays, the company has been in contact with many domestic and international customers such as China, Vietnam, etc.

Since most of electrical appliance manufacturer are small factories and do not have much production capacity compared to the company. Therefore, the company's real domestic competitors are the customers of the company itself. Therefore, the company must produce higher quality and higher efficiency products at a low cost, so that it can incentivize customers to entrust the company as a center to produce electrical appliances forever. For competitors outside the country, companies from China that have lower raw material costs. However, appliances from China still have a different image from the company's products.

For New entry entrepreneurs may face some challenging obstacles in entering the electronics manufacturing and assembly market because they require relatively high investment in machinery. And there must be a factory with an efficient production line with state-of-the-art technology with high production capacity, as well as sources of raw materials or parts to reduce production costs. It makes the old entrepreneur have an advantage to the new entries.

In order to determine selling price, the Company takes the cost of raw materials into account because company is a manufacturer of upstream work covering copper pipes, plastic parts and sheet metalworks, allowing the company to benefit from economies of scale. As a consequence of these, company can determine the selling price which could compete with the other competitor in industry.

Sourcing products and services

For raw material sourcing for making air conditioner, television, water heat pump, the company will purchase from supplier both domestic and international operator which must be approved from company's customer to ensure it would meet customer standard and requirement.

Steel is the main raw material in the manufacture of the company's toolboxes, which are raw materials for the manufacture of electrical appliance parts that the company is already producing. Therefore, the Group is able to use the raw materials to be further adapted for the production and assembly of toolboxes. For other raw materials such as wheels, colors, handles, In the manufacture and assembly of toolboxes, mainly importing raw materials from customers in China. To ensure that the product meets the required standards. while the remaining parts such as packaging, the company will supply products from manufacturers in Thailand who, before ordering, must first send the model to the customer to determine the qualifications to ensure that the product meets the required standards.

Production Capacity

Currently, the company has a production base for air conditioning and toolboxes at Rayong factory. With a capacity of 1,000,000 sets per year for air conditioners and 300,000 pieces per year for toolboxes. The company is under the process of increasing production capacity by expanding its plant in Rayong province to support future orders from overseas customers.

Capacity per year (set)	2018	2019	2020
Air conditioning			
Maximum capacity per year	1,000,000	1,000,000	1,000,000
The actual capacity used per year	163,895	311,517	662,844
Percentage of capacity utilization	16.39%	31.15%	66.28%
Toolbox			
Maximum capacity per year	-	300,000	300,000
The actual capacity used per year	-	17,664	205,035
Percentage of capacity utilization	-	5.89%	68.35%
Heat pump for water heater			
Maximum capacity per year	160,000	160,000	160,000
The actual capacity used per year	61,065	69,212	67,304
Percentage of capacity utilization	38.17%	43.26%	42.07%
TV			
Maximum capacity per year	-	-	300,000
The actual capacity used per year	-	-	90,979
Percentage of capacity utilization	-	-	30.33%

Procedures for manufacturing and assembling air conditioners TV**Production process and assembly of tool cabinets**

1. Stamping & Forming – Large steel plates are processed by cutting by stamping or laser machine to the desired size. Then, the cut steel plates are formed at the edge by machine, according to the shape of the tool cabinets specified in each model.

2. Welding- 2 piece of metals are welded together using heat to the metal until the steel melts homogeneously with welding machine.

3. Painting– Spraying parts according to the pattern specified by Powder Painting Line.

4. Assembly line - The use of parts of toolboxes such as drawers, wheels, stickers, etc. to make a complete toolbox.

1.2.2.4 SNC – Atlantic Water Heater Asia Co., Ltd. (SAWHA)

SNC- Atlantic Water Heater Asia Co., Ltd. (SAWHA) was established on June 13, 2013 by joint venture between Thailand and France with registered capital of 45,000, 000 baht to manufacture water heater. In 2017, SAWHA had increase in registered capital of 60,000,000 baht for support the increase capacity of Enamel Water Tank replaced the necessary of import. The shareholders are as follow.

	Joint Ventures	Shareholding Ratio	Registered Capital (Baht)
1	SNC Former Public Company Limited	26%	27,300,000
2	SA ATLANTIC SFD T JSC	74%	77,700,000
Total		100%	105,000,000

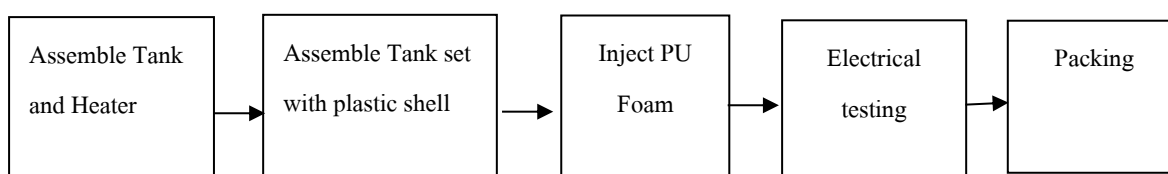
Business & Product Principle

SAWHA's water heaters are manufactured and sold in a unique way, namely, a business in which SNC joint ventures with customers who purchase products (ATLANTIC), produces products according to customer's model, and sells them to ATLANTIC INTERNATIONAL, an ATLANTIC distributor.

Marketing & Competition

SAWHA water heaters are manufactured, developed and distributed to various countries by ATLANTIC. This product is widely used in many countries. Our main target market is Asia (Vietnam). India, Indonesia, Singapore, etc.) and European countries.

Production is divided into 5 main stages:



1.2.3 Assets used in business operation

1.2.3.1 Main fixed assets used in business operation

As at 31 December 2020, the main assets used in the Company's business operations Net book value after deduction of accumulated depreciation and impairment allowance as shown in the consolidated financial statements was Baht 3,174.3 million. details are as follows:

Items	Proprietary Characteristics	Encumbrances	Net book value (Million Baht)
1. Land and Land Improvement	Owned	Partial mortgages with financial institutions	418.8
2. Buildings & Building Improvements	Owned	Does Not Contain	1,068.5
3. Machinery & Equipment	Owned	Does Not Contain	1,302.2
4. Decorative Machines Office Supplies	Owned	Does Not Contain	22.1
5. Vehicles	Owned	Does Not Contain	12.2
6. Assets under construction (Building under construction)	Owned	Does Not Contain	350.5
total			3,174.3

The main assets used in the business shown above Details can be shown by asset type as follow.

1.2.3.2 Land and Land Improvement

As of 31 December 2020, the Company's land and land improvements have a total net book value of Baht 418.8 million. Details are as follows:

Titleholder	Items	Space	Proprietary Characteristics	Net Book Value (Million Baht)	Encumbrances
Company	Land for Head Office Building Located in Bang Bo District, Samut Prakan Province.	7-0-74 Rai	Owned by	41.3	Does Not Contain
Subsidiaries	Land for buildings, factories and warehouses Located in Nikompattana District, Rayong Province.	357-3-36 Rai	Owned by	276.9	Partial mortgages with financial institutions
The Company and its subsidiaries	Land Improvement	-	Owned by	100.6	Does Not Contain
total		365-0-10 Rai		418.8	

1.2.3.3 Buildings and Building Improvements

As of 31 December 2020, the building and building improvements have a total net book value of Baht 1,068.5 million.

Details are as follows:

Titleholder	Items	Proprietary Characteristics	Net Book Value (Million Baht)	Encumbrances
Company	Factory building with an area of 13,600 sq. m. Located in Bang Bo District, Samut Prakan Province.	Owned	74.6	Does Not Contain
Subsidiaries	Building, factory and warehouse area 96,600 sq. m. Located in Nikompattana District, Rayong Province.	Owned	911.2	Does Not Contain
Subsidiaries	Building Improvements	Owned	82.7	Does Not Contain
Total			1,068.5	

1.2.3.4 Machinery and Equipment

As of 31 December 2020, machinery and equipment have net book value of 1,302.2 million Baht. Details are as follows:

Titleholder	Items	Proprietary Characteristics	Net Book Value (Million Baht)	Encumbrances
Company	Machinery and equipment for vehicle parts manufacturing business	Owned	103.5	Does Not Contain
Subsidiaries	Machinery & Equipment for Electrical Parts Manufacturing	Owned	607.1	Does Not Contain
Subsidiaries	Machinery and Equipment for Manufacturing (A/C OEM) and Toolbox Assembly	Owned	548.8	Does Not Contain
company and Subsidiaries	Machinery and equipment for mold business, etc.	Owned	42.8	Does Not Contain
Total			1,302.2	

1.2.4. Summary of key contracts of the Company and its subsidiaries

1.2.4.1 Building Lease Agreement

Tenant	The Company and its subsidiaries include: 1) Immortal Part Co., Ltd. 2) SNC Cooling Supply Co., Ltd. and 3) Paradise Plastic Co., Ltd. 4) SNC Former PLC (Branch 2)
Renter	4 entrepreneurs
Relationship between parties	The leaser has no relationship with the company.
Area	The area is based on six lease agreements totaling 36,600 square meters.
Objectives and Objectives	To rent a building for business.
Rental fee	at the rate specified in the contract.
Duration	3-36 months. The contract ends in 2021 - 2022.
Key Conditions	If no party termination is at least 30 days before the maturity date, the contract will be deemed valid for another year from the end of the lease.

1.2.4.2 Building Contracts

Employer	SNC Creativity Anthology Co., Ltd.
Contractor	Wannarat Pattana Co., Ltd.
Relationship between parties	The contractor has no relationship with the Group.
Contract Date	1st September 2020
Objectives and Objectives	To construct a 40,000 square meter warehouse building.
Wages	At the rate specified in the contract.
Period of time	7 months (1 September 2020 – 31 March 2021)
Key Conditions	<ul style="list-style-type: none"> • If the contractor is unable to deliver the work for a specified period of time, it agree to make a fine at a rate of 0.1% of the value of the work until the work is completed. • In the final delivery of the work, the company will be prompted to the contractor to make a letter of guarantee issued by the Bank as a guarantee, and if there is no incident of damage within 365 days after receiving the job. The employer returns the letter of guarantee to the contractor.

1.2.4.3 Forklift & Car Lease Agreement

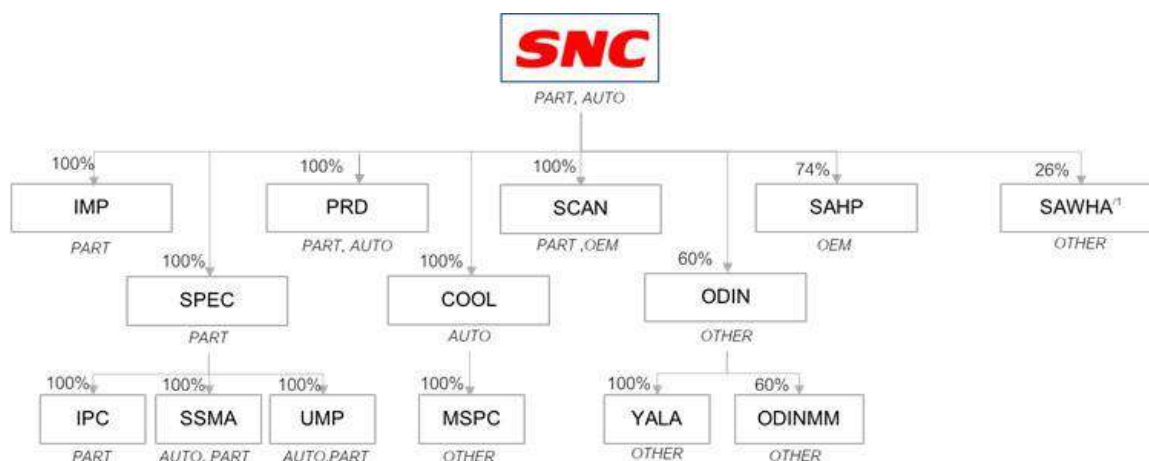
Renter	5 entrepreneurs
Tenant	The Company and its subsidiaries include 1) SNC Creativity Anthology Co., Ltd., 2) SNC Pyongsan Evolution Co., Ltd., 3) SSM Automation Co., Ltd., and 4) Infinity Parts Co., Ltd.
Relationship	The leaser has no relationship with the Group.
Objectives and Objectives	To rent a total of 66 cars for business, most rent forklifts.
Price	At the rate specified in the contract.
Period of time	10 – 36 months. The contract ends in 2021 - 2023.
Key Conditions	If the tenant wishes to cancel the contract before the expiration of the contract, written notice must be made at least 30 days in advance.

1.2.4.4 Insurance Policy

Insured person	Insured Assets	Sum insured (Million Baht)
1. Companies and/or subsidiaries and/or joint ventures total 12 companies	Buildings (excluding foundations), buildings in and out of buildings, office supplies, computers, systems such as electrical systems, fire suppression systems, System Utilities All kinds of machinery and equipment related to production, spare parts, stock, including raw materials used in production.	3,078.9
2. SNC Creativity Anthology Co., Ltd.	Air conditioning, components and toolboxes	93.0
3. SSM Automation Co., Ltd.	Appliances & Vehicles	50.0
4. SNC Atlantic Heat Pump Co., Ltd.	Heat pump for water heaters	15.0

1.3 Capital Structure of the Company's group

1.3.1 Capital Structure of the Company's group



1.3.2 Persons who may have conflicts hold more than 10% of the shares in subsidiaries or associated companies

- None -

1.3.3 Relationship with the business group of major shareholders – None –

1.3.4 Shareholder

(1) List of shareholders date on December 31, 2020

List of shareholders	No. of shares	%
1) SNC Holding Company Limited ^{/1}	91,000,100	31.6
2) Thaisa-nguanvorakul Group	30,908,222	10.8
2.1) Dr. Somchai Thaisa-nguanvorakul	16,586,622	5.8
2.2) Ms. Sineenart Thaisa-nguanvorakul	10,026,000	3.5
2.3) Mrs. Anongnart Thaisa-nguanvorakul	1,698,300	0.6
2.4) Ms. Netchanok Thaisa-nguanvorakul	1,519,400	0.5
2.5) Ms. Chanisara Thaisa-nguanvorakul	1,070,700	0.4
2.6) Ms. Chayapa Thaisa-nguanvorakul	5,000	<0.1
2.7) Ms. Anusara Thaisa-nguanvorakul	2,200	<0.1
3) Mr. Anucha KittanamongkhonChai	13,020,000	4.5
4) Mr. Paiwan Chatpitak	9,537,600	3.3
5) THAI NVDR CO.,LTD	7,276,756	2.5
6) Mr. Pitak Pisetsit	4,020,000	1.4
7) Mr. Kachan Benchakul	3,935,300	1.4
8) Mr. Sakol Naamlerdchai	2,500,000	0.9
9) Mr. Wannajak Kitthanamongkhonchai	2,441,400	0.8
10) Ms. Onubon Chomdech	2,000,000	0.7
Other minor shareholders	121,137,961	42.1
Total	287,777,339	100.0

Note :

^{/1} Shareholders of SNC Holding Company Limited date on December 31, 2020

- 1) Dr. Somchai Thaisa-nguanvorakul Shareholding 22.13%
- 2) Mrs. Anongnart Thaisa-nguanvorakul Shareholding 11.82%
- 3) Ms. Sineenart Thaisa-nguanvorakul Shareholding 9.90%
- 4) Ms. Netchanok Thaisa-nguanvorakul Shareholding 9.90%
- 5) Ms. Chanisara Thaisa-nguanvorakul Shareholding 9.90%
- 6) Mr. Keichin Nakamoto Shareholding 7.5%
- 7) Mr. Fumiaki Takahashi Shareholding 5.00%
- 8) Mr. Kenji Kodama Shareholding 5.00%
- 9) Other shareholders Which holds shares less than 5.00% amount 15 shareholders, total holding 18.85%

(2) shareholders' agreement – None –

1.3.5 Shareholders of Institutional Investors

No	Name	% shareholding	
		Share	%
1	Thai NVDR Company Limited	7,276,756	<0.1
2	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	1,207,100	<0.1
3	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	1,058,000	<0.1
4	BCAP Mid Small CG ETF	904,800	<0.1
5	SE ASIA (TYPE B) NOMINEES LLC	699,100	<0.1
6	EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES	626,400	<0.1
7	CREDIT SUISSE AG, SINGAPORE BRANCH	440,000	<0.1
8	UOB KAY HIAN PRIVATE LIMITED	350,000	<0.1
9	STATE STREET EUROPE LIMITED	306,900	<0.1
10	OTHER	1,117,826	<0.1
	Total	13,986,882	5%

1.4 Registered and Paid Up Capital

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

1.5 Issuance of other securities

- None -

1.6 Dividend Payment Policy

Company dividend payment policy

If there is no other necessity and the dividend payment does not have a significant impact on the normal operations of the company, the dividend payment policy is not less than 50% of net profit after tax and legal reserve. The dividend and legal reserve are calculated based on the consolidated net profit. The company should have enough retained earnings, separate financial statement, for the dividend and legal reserve. The said payment 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 except the interim dividend payment is able to be approved by the Board of the Directors.

Dividend payment	2018	2019	2020
Earnings per share (Baht)	1.50	2.51 [*]	1.42
Dividend per share (Baht)	1.00	0.85	0.75
Dividend payout ratio (%)	67%	34%	53%

Remark: * Net profit of 2020 was derived from the special profit from the sale of plant of Baht 420 million that the company kept the money for business expansion. On the other hand, there were extra expenses amounting to Baht 37 million incurred during the year such as write-off leasehold improvement from the factory relocation, payment for staff compensation, and additional reserve employee benefit for the employee who have 20 years employment according to the new labor law so the actual operating profit was Baht 339 million. Dividend payout ratio calculated based on operating profit was 72%.

Dividend Policy of Subsidiaries

The subsidiary does not set a fixed dividend payout rate, it is based on the future investment plans of the group companies and the parent company's dividend payment plans. The subsidiary pays dividends to the parent company based on the subsidiaries' retained earnings and cash flows.

2. Risk Management

2.1 Risk Management Policy and Plan

Current operations of SNC Former Public Company Limited Often face with changes, including external factors such as changes in economic conditions, politics, pandemic risk, strong competitive environment, law, interest rate, IT security and other company strategy or decision. The company believes that corporate risk management is a process that enables to achieve the objectives. At the same time, it reduces obstacles or non-expectations that may arise in terms of profitability. Performance and trust from investors and other stakeholders are receive.

1. The Company assign executives and employees in various agencies to take care of risks, to play a role and participate in the development of risk management of the organization, and to have an understanding their responsibilities associated with risk management.

2. Provide effective risk management processes at all stages of operation in accordance with the principles of good corporate governance in order to reduce uncertainty in overall performance and increase chances of success.

3. Implement and support risk management successfully throughout the organization.

4. Promote and encourage risk management as a corporate culture by letting everyone be aware of the importance of risk management.

5. The Board of Directors has provided a risk management manual for determining the organization's risk management guidelines. The duties and responsibilities of managing the risks of each segment are assigned, as well as gathering examples of significant risks happened in the past.

2.2 Risk Factors for The Company's Business Operations

2.2.1 Risks to the company's business operations or group of companies

2.2.1.1 Business Operation Risks**1) The risk of relying on fewer customers**

The company's core business is air conditioning and appliance parts manufacturing and assembly business, with reliance on the first five major customers accounting for 61% of the group's sales revenue (2019: 51 percent). Therefore, the Company has a risk in the event that a large customer cancels a production plan in the following year or reduces the quantity of orders, and the company may not be able to find other customers to replace.

The company recognizes the risks, so has expanded its customer base both domestically and internationally by diversifying its customers into a wide range of businesses, including negotiating with the OEM group for long-term production contracts that will reduce the risks, and the company also has good relationships with the above major customers can meet the needs for them in Quality, price, on-time delivery, and pre- and post-sales services. The above major customers have been trading products with the Company for more than 3-15 years, having never cancelled production with the company before, and the company also plans to cooperate with customers to plan product development and production plans together from the start of the production process. To increase productivity and meet the needs of customers as much as possible.

In addition, the first five major customers of the Group are those who are dispersed into the company's core business, including the electronics parts manufacturing business. This makes it quite unlikely that all customers will cancel their production plans or reduce the amount of concurrent orders. Therefore, the Group believes that it can manage such risks if a customer cancels or reduces production.

Currently, the company has entered into a lease agreement with a large customer who wants to lease the factory and warehouse space to expand its toolbox business. The customer must pay the rent for the remaining period, which will allow the company to receive all rental funds as stated in the contract. However, with the location of the project, which is close to the main motorway. In addition, it is located in the Eastern Economic Corridor (EEC), which is an important strategic point for cargo transportation, along with the relocation of new facilities at a relatively high cost. So there is an opportunity for the customer to decide not to renew the contract, if that happened the company can adjust the risk and find new customers.

2) Risks from fluctuations in raw material prices

The main raw materials in the group's production include copper pipes, steel sheets, Plastic, aluminum and brass. Raw materials that are considered the main raw materials and have the highest consumption is copper pipes, which account for 19.6% of the purchase value of raw materials for production in 2020 (2017 – 2019: 18.6%). Copper pipe are commodity product of which prices are based primarily on the London Metal Exchange (LME) market price.

The company is aware of the risks. Therefore, it has set guidelines and policies to reduce the risk of copper price fluctuations to control and reduce the impact of such risks to an acceptable level as follow.

2.1. Ordering copper pipe raw materials each time The company will have to deal with customers on monthly, quarterly and annual forecast sales to calculate the amount of copper pipes used and purchased with suppliers with matching volumes and prices for both purchase and sale.

2.2. In pricing. The company will consider in accordance with the raw material price, which will be agreed to as a clear condition with the customer, such as the use of the average price of the previous quarter, to determine the sales price for the current quarter.

2.3. Encourage customers to pre-order and purchase of copper raw materials directly with suppliers.

The company have confidence that based on these guidelines and policies, as well as tracking the trend of raw material prices, oil price and world's current situation. With more than 20 years of experience and expertise in the management team's business, analyzing and monitoring changes in business conditions and related industries will enable the company to adapt its strategy and business plan according to the changes. To reduce the impact of fluctuations in raw material prices.

3) Risk of customers moving their production base to another country

The company's main customers are mainly manufacturers and distributors of air conditioners from foreign country with manufacturing bases in Thailand. Therefore, the company is at risk if the customers move their production base to another country with lower production costs than Thailand, such as China or Vietnam.

However, the Group is confident that Thailand remains a country with the potential to produce air conditioning parts over its competitors in the same region. Because Thailand is an important raw material and parts center in the production of air conditioners and the largest export air conditioner manufacturing center in ASEAN. Customers of large-brand air conditioner manufacturers and distributors of air conditioners will move their production bases to other countries in the same region must consider many factors, such as the quality of products produced under the new domestic production base. If the quality of the product cannot be controlled, it will affect the image and confidence of consumers towards the brand. Basic utilities and transportation problems in Vietnam, as well as manufacturing technology problems that have not yet been fully compatible with the related parts manufacturing industry. China's problems with copyright and intellectual property have yet to be prevented, including trade wars and tariff barriers. As well as costs and law's complications, both remain important factors to consider in moving production bases.

4) Risk of labor shortages and labor wage costs

The company business, both in the manufacturing of air conditioning parts and the manufacture and assembly of electrical appliances, is a business with a multi-stage manufacturing process. At some stage, a large amount of labor is still needed. As of December 31, 2020, the company had 2,205 employees, 2,000 of these are in the manufacturing department (nearly 90%). Therefore, company has risk in unable to provide replacement workers for workers who resigned within time. This will result in the company's business operations being interrupted or at risk from higher labor costs due to changes in the government minimum force configuration policy, which will directly affect the group's costs and the net profit of the Company which may be significantly reduced.

The company is aware of the risks, so it has hired outsourcing companies to provide replacement number of employees for reducing the risk of labor shortages. In addition, the company has continued to improve its production process by focusing on the introduction of machines and technologies, especially robotics and artificial intelligence technologies which could help in production systems to reduce manpower required in the production line, as well as

increase productivity in jobs that require more precision, thereby reducing the risk of both labor shortages and potentially rising labor wage costs that may face in the future.

5) Risks of relying on technical skills

In the company's industry, both air conditioning parts and assembling of electrical appliances require experienced and expertise personnel who have a good understanding of the production process. If the company loses those personnel and is unable to recruit new personnel to perform replacement tasks, the company's production process and product quality, as well as customer confidence may significantly affect.

However, the company recognizes the importance of human resources as an important factor in its business operations. Therefore, the company has formulated a policy of personnel management and development that focuses on continuous human resource development. Career Path has been introduced and clearly formulated a system for assessing employees' performance for proper consideration of annual wages and bonuses. Including determining the remuneration and welfare of employees in the company to be competitive to the industry to motivate employees to engage and work with the company in the long run. In addition, the Company has a policy of circulating work duties to develop personnel multi skills and can perform replacement duties (Multifunction) to reduce risks in the event of loss or shortage of skilled and unable to recruit replacement personnel.

6) Competitive risks in the industry

From the liberalization of the ASEAN Economic Community and the impact of international trade wars make the competition in the industry tentatively to be higher, especially among foreign investor competitors, such as China or Korea, who have set up manufacturing facilities in Thailand to use tax benefits or to avoid the impact of tariffs on imports from China to the United States because Thailand has more advantages and readiness than many ASEAN countries, including infrastructure, and transportation systems, as well as the readiness to be a manufacturing base for various industrial products. The increase in industry competition may therefore affect the company's performance.

The company has guidelines and policies to reduce the risks by striving to develop the company's business to compete with competitors in all aspects. the company will maintain and control the quality of products to meet the needs of customers. In terms of delivery, the company focuses on delivering according to the deadline agreed with the customer using a working KPI. In terms of sales and pricing, the company is committed to offer affordable prices to incentivize customers to increase their orders and increase company's chances of getting new model of product. In addition, the company has improved the production process by adopting robotics and artificial intelligence technology to increase production efficiency and control production. In service the company focuses on providing services that respond to the needs of customers both before and after the sale with speed in order to impress the customers. And ready to fully help and cooperate with the needs of our customers as much as possible. The company has assigned the Business Development Division to monitor the movement of market conditions and related industries both domestics and abroad including news about competitors and report to the management in order to prepare for the situation that may arise.

On the other hand, the increase in competition in the industry has also created new business opportunities for the company, such as factory construction projects and rental warehouses for toolbox manufacturing (the "Toolbox Project"), a project in which the company's OEM customers want to lease more factory space in Thailand to expand long-term toolbox business capacity.

7) Risks of rapid technological disruption

In today's rapidly changing technology, businesses need to adapt to changes, especially new technologies that may replace the old ones in a variety of dimensions, from design methods, production processes, marketing and merchandising. If the Group is unable to cope with technological changes, the company may also lose its ability to compete with competitors as well as lose potential business opportunities in the future.

However, since the past, the company has adopted robotics and artificial intelligence technology to assist in its work within the company. Especially in production lines that require precision and speed to work to control the quality of the product, as well as to increase productivity and reduce the cost. In addition, the company has established a product research and development agency to study new technologies that will support the process of working in various units of the Group and further develop the company's products, as well as design products together with customers to develop products that are needed by consumers. The company's products are mainly basic components used in the air conditioning industry and used as spare parts to replace existing parts in air conditioners which are widely used today. Therefore, it is unlikely to be less risk.

8) Risk of coronavirus 2019 (COVID-19) outbreak

Since the beginning of 2020, the world has been facing an outbreak of coronavirus 2019 ("COVID-19"), a virus with a high epidemic rate, and at that time there were no drugs or vaccines that could be treated or prevented. The impact of the COVID-19 pandemic has resulted in a decrease in domestic and international consumption and purchasing power, and exports of goods may be temporarily disrupted by strict travel and transportation policies in accordance with the policy of preventing the spread of the disease, as well as overall investment conditions that may have to be delayed due to the pandemic.

The Group has announced guidelines and measures to prevent the spread of COVID-19 so that employees at all levels can understand and be aware of their own protection from the epidemic and to level up the prevention measures in terms of working in the company's area. Use of cafeteria and common areas also have countermeasure. Abstaining from traveling abroad. Abstaining from appointments with third parties. Avoiding unnecessary meetings, including taking care of yourself both on and off the job, etc. In addition, the group's location and factories in two provinces, Rayong and Samutprakarn provinces, will reduce the risk in the event of a temporary suspension of production in one of the provinces. The rest of the group is still able to operate normally.

During 2020, the covid-19 pandemic occurred. The Group continues to receive orders, especially those in the OEM group. As a result, total revenue increased by more than 35% and net profit increased by 37% (excluding special profits from asset sales in 2019) in 2021. In OEM, products such as toolboxes ,have high sales growth rates, and the company has expanded its production line in new products such as refrigerators and washing machines to accommodate orders from customers who want to buy such products from the company.

2.2.1.2 Financial Risks

1) Risks of unable to maintain a financial ratio follow to financial institutions contracts

As of 31 December 2020, subsidiaries of the company have loan agreements with financial institutions, which are required to maintain the debt service coverage ratio (DSCR) and D/E ratio according to the conditions specified by the financial institution. If the subsidiary is unable to maintain such financial ratio in accordance with the terms or conditions of the contract, companies may also be at risk of immediate partial or total principal reimbursement, which may affect the group's liquidity and business capabilities.

The subsidiary has a financial ratio compared to the terms set by the Bank as follow.

Loan Agreements	D/E Ratio		DSCR	
	Bank Terms & Conditions	As of 31 Dec 2020,	Bank Terms & Conditions	As of 31 Dec2020
Paradise Plastic Co., Ltd. with 1st financial institution	From the end of 2020 not exceed 1.5 times ⁽¹⁾	0.67	From the end of 2020 Not less than 1.25 times	3.01
SNC Creativity Anthology Co., Ltd. with 2nd financial institution	Not exceed 2.0 times ⁽²⁾	3.24*	Not less than 1.5 times	4.42
SNC Creativity Anthology Co., Ltd. with 3rd financial institution	From the end of 2020 not exceed 2.0 times ⁽⁴⁾	0.24	Since the end of 2020, not less than 1.5 times	
SNC Creativity Anthology Co., Ltd. with 4th Financial Institution	2020 not exceed 2.5 times ⁽³⁾ 2021 not more than 2 times 2022 onwards not exceeding 1.5 times	1.73	Not less than 1.5 times	2.20
Meisou SNC Precision Co., Ltd. (MSPC). ("MSPC"with the 4th financial institution	<u>MSPC</u> From the end of 2019, not more than 2 times ⁽⁴⁾	0.90	From the end of 2019 Not less than 1.	0.10*
	<u>SNC</u> Up to 2 times ⁽¹⁾	1.17	Not less than 2x	5.41
SNC Cooling Supply Co., Ltd. with 3rd financial institution	Not exceed 2.0 times ⁽⁴⁾	(0.26) ^(c)	Not less than 1.5 times	9.44
Immortal Part Co., Ltd. with 3rd financial institution	Not exceed 2.5 times ⁽⁴⁾	(0.54) ^(c)	Not less than 2.5 times	16.29

Note:

(a) D/E Ratio has a method of calculation according to the definitions defined in the relevant loan agreements. As follow

(1) D/E Ratio is calculated from total liabilities divided by Total Shareholders' Equity

(2) D/E Ratio is calculated from total liabilities divided by Total shareholders' equity plus loans from directors and/or related affiliates

(3) D/E Ratio is calculated from all liabilities minus loans from directors and/or affiliates divided by Shareholders' equity plus loans from directors and/or affiliates

(4) D/E Ratio is calculated from interest-based liabilities, cash deductions and cash equivalents. Divided by total shareholders' equity plus loans from directors and/or affiliates.

(b) DSCR has the calculation method as defined in the relevant loan agreements, which may vary from financial institution to financial institution, but primarily based on operating profit before interest, taxes and depreciation (EBITDA) divided by the value of principal repayments and interest due in the year.

(c) D/E Ratio is negative due to interest-based liabilities are less than cash and cash equivalents according to the calculation formula.

Considering the above financial ratio requirements, financial institutions will consider the ratio for the year-end period. For the financial statements of the year 2020, the Group has requested a cease for maintaining the financial ratio which is not conform the requirement of the financial institutions for 2 contracts with the relevant financial institutions and have already received a letter of consent from the financial institution to ease the terms and conditions.

2) Risk of foreign exchange rate fluctuations

The company has continued to gain revenue from exports of goods in form of foreign currency over the past year. The Company's foreign currency revenues were 10.02% 23.82% and 49.45% of total sales in 2018- 2020 respectively. The increase in revenue from exports of goods in foreign currency was due to the expansion of the manufacturing business (OEM) where more products are exported abroad even though the company also orders some raw materials from abroad. The Company ordered raw materials from abroad at 22.55% 23.81% and 44.32% of total raw material purchases in 2018- 2020, respectively. Although the Company can reduce some of the risks by ordering foreign currency raw materials which are considered natural hedges, the company remains vulnerable to fluctuations in foreign exchange rates. If foreign exchange rates fluctuate, it will have a significant impact on the company's performance.

Therefore, the company is closely monitoring the news and movements of foreign exchange rate and has a policy of taking care of and preventing exchange rate fluctuations to reduce the likelihood of future exchange rate losses by implementing management tools such as revenue and expense management in the same currency. (Natural Hedge) or forward contract or other hedging methods appropriated for each period. However, the Company has no policy on foreign exchange speculation.

2.2.1.3 Administrative and Management Risks

1) Risks of relying on senior management groups

The Group depends exclusively on key senior executives in the group's business operations. Dr. Somchai Thaisa-nguanvorakul. ("Dr. Somchai"), who is currently chairman of the Executive Committee (CEO) and director of the Company. Dr. Somchai founded the Group in 2004 and has more than 40 years of experience in air conditioning

and automotive parts management and is an expert who has served as a The Stock Exchange of Thailand committee and Qualified Persons the STOCK EXCHANGE of M.A.I. if he unable to continue managing the Group, there may be a negative impact on the Group's operations.

The company aware of the risks, therefore, has structured the organization to be decentralized and established a sub-committee, as well as a series of working groups to encourage both executives and employees to participate in management and encourage teamwork to enhance their productivity, and to create experienced personnel who can inherit their work from existing executives, as well as to have policies to promote and develop potential employees to transfer management knowledge while cultivating the concept of ownership of the business. Under the MiniMD program, program has been held continuously, and the company has developed a policy to formulate succession plans to ensure that the company can recruit executives with the right qualifications, skills, experience and competencies that can inherit positions in the future. In succession of positions when the position at the executive chairman and/or managing director level is vacant, or the person in the position is unable to perform his or her duties. The Company will manage the management of nearby or secondary levels as acting director until the recruitment and selection of qualified personnel according to the criteria specified by the Company. The Nomination and Remuneration Committee will select qualified persons and present them to the Board of Directors for further approval.

2) Risks of having a major shareholder hold more than 25% of the company's shares

The Company has a *Thaisa-nguanvorakul* family group holding a total of 42.40% of the total registered and sold capital. If the *Thaisa-nguanvorakul* family group combines more than half of the votes to vote on the meeting, it will be able to control the majority of votes at the shareholders' meeting. Other shareholders of the Company may be at risk of collecting votes to balance and review matters proposed by the Major Shareholders' Group at the shareholders' meeting, except for matters required by law to receive three--fourth votes at the shareholders' meeting.

However, the Company has clearly and transparently established the scope of authority, duties and responsibilities to directors and executives, and has established rules and measures for making transactions related to each top management. Such persons related to that transaction shall not have the right to vote on the approval of such transaction both at the Board of Directors' meeting and at the shareholders' meeting, which is in accordance with the requirements of the securities and exchange Commission, The Stock Exchange of Thailand and good corporate governance principles for listed companies. In addition, the composition of the Board of Directors consists of more than half of the independent directors. The company can ensure that the Company is managed with transparency and balance of power between the major shareholders and independent directors.

2.2. Risk to investment of securities holders

2.2.2.1 Risk of fluctuations in the Company's common share price

Listed and traded on the Stock Exchange of Thailand does not ensure that the company's stock trading market improves, or the liquidity of the company's stock trading will improve. Even though the overall market for stock trading on the stock exchange has improved. In addition, the company's trading prices are likely to fluctuate due to a number of factors such as:

- (1) Analysts change the company's performance estimates and recommendations for buying or selling, common shares of the company
- (2) Economic conditions, Capital Markets, Politics in country and abroad
- (3) Fluctuations in the Company's quarterly performance, actually or as anticipated.
- (4) Legal disputes and investigations of government agencies.
- (5) Foreign exchange fluctuations.
- (6) Sale of a large number of shares of current shareholders.
- (7) Taking position or resignation of key personnel of the Company.
- (8) Changes in regulations and laws related to the operation.
- (9) Other risks that may affect the Company's financial position and performance.

The above factors may affect investors' inability to trade shares at the required price. However, the Company has implemented good corporate governance policies. To disclose information to ensure transparency and up-to-date information for investors to consideration.

2.2.2.2 Risks from dividend policy

If there is no other necessity and the dividend payment does not have a significant impact on the company's normal operations. The Company has a policy to pay dividends at the rate of not less than 50% of net profit after tax and legal reserve based on the consolidated financial statements in which the company must have accumulated profit in the ad hoc financial statements sufficient to pay the dividend. Dividend payment is considered to include factors such as future performance, financial position, liquidity, expansion plan and economic conditions. Shareholder approval or approval from the board of directors must be approved in the event of an interim dividend payment. If the company has any other necessities, such as business expansion, future project investment, or negative events on the company's cash flow, it may result in consideration of dividend payments at lower than the specified rate.

2.2.3 Risks to Foreign Securities Investment

- No risk.

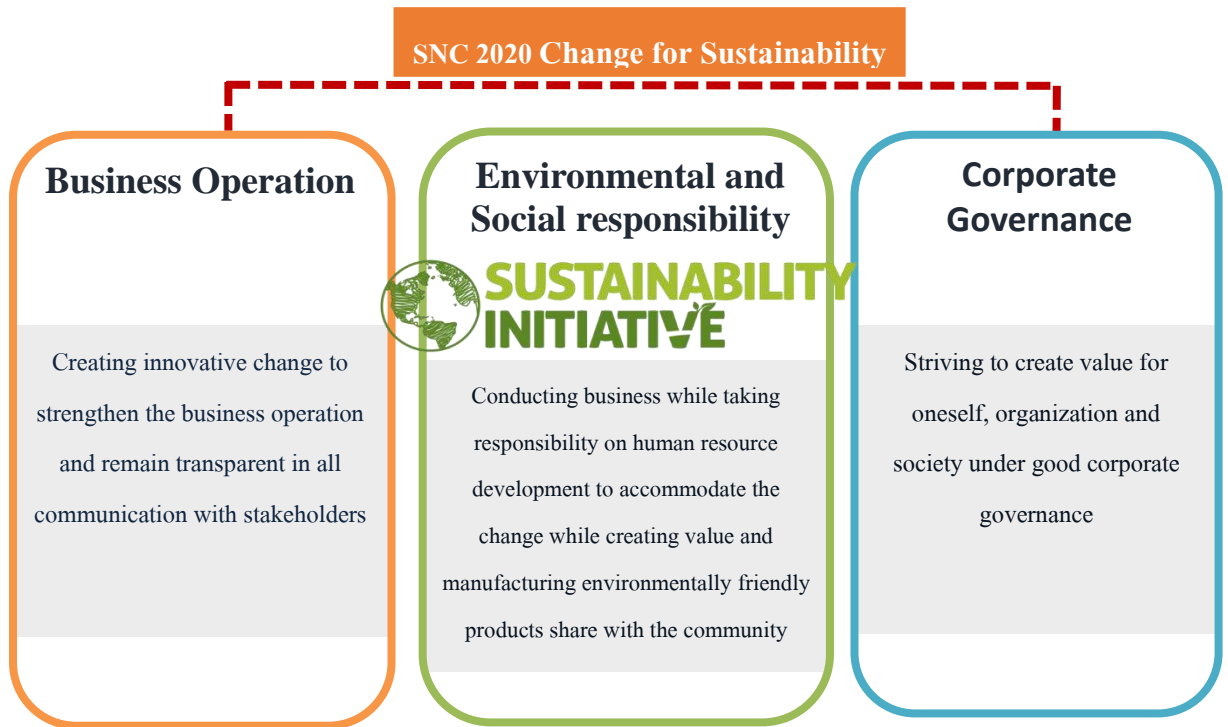
3. Business Driven for Sustainability

3.1 Policy and Goals for Sustainability Management

SNC is committed to human resource development to create innovation. Focus on creating value for oneself, the organization, and together with stakeholders. We take into account the impact on the community and environment of business operation in accordance with the principles of corporate governance for the sustainability development goals.

The company has established policy and set the standard frameworks for sustainable management, social, environmental and economic responsibility to encourage directors, executives and employees at all levels to operate with strong work ethics, morality to be able to maintain sustainable business growth. Including implementing practices as part of the business process management.

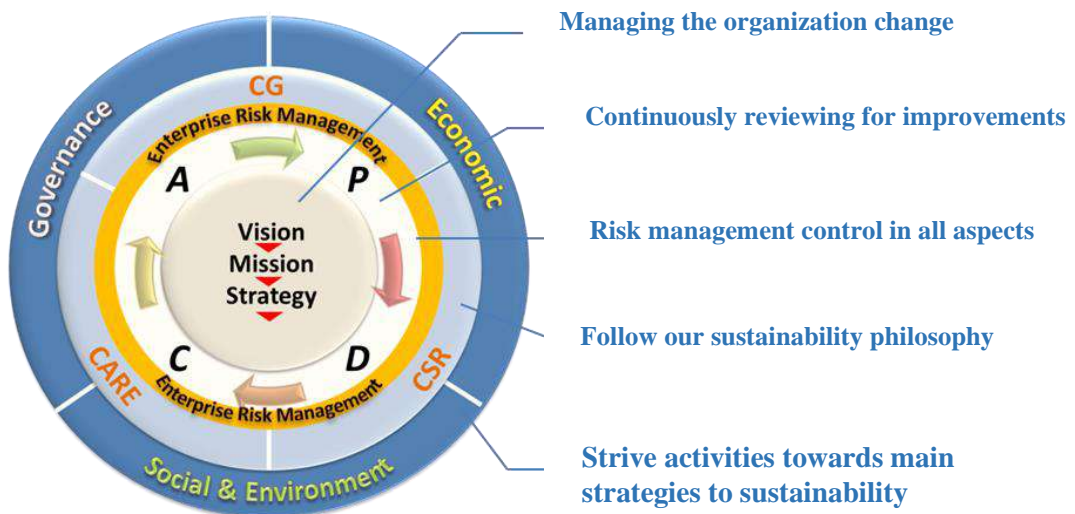
Key Strategies to drive the sustainable organization



SNC - 3Cs Sustainability Operational Philosophy

To operate the stable and sustainable business, we are committed to strengthen the stakeholders engagement, both internal and external. Our principles of business operation are:

- CG Operate under good corporate governance
- CSR Committed to act responsibly across related sectors throughout the process
- Care Conducting business with concern for the environment and livelihood



Company's strategies towards sustainability



The company has established a framework for the operation by establishing a consistent vision, missions, and strategies. We assess the material issues through the risk management procedure also through related activities and partnerships with key stakeholders, both internal and external. Then, we thoroughly defined and indicated the importance and impacts of the material to our business and stakeholders. The results of the stakeholders survey, showed consistency and alignment in the main issues that the company was concerned about in the previous years, which we updated on this year material issues. We indicated the level of the importance of the issues by specifying the impact on the organization in the aspects of society, economy, and environment. Along with the level of impact on the stakeholders' interest (Materiality Matrix). After that, define the policy, practices and specify goals for talking issues. The main three aspects was Efficient Economic, Social Impact, and Go Green Environment. In this regard, the company conducted plans and activities for evaluation and control in order to achieve highest operation efficiency and continue creating value for stakeholders while doing risk assessment, both existing and emerging risks. The operation procedures are controlled in accordance with the principles of good corporate governance.

Material Issues

Items	Material issue	Stakeholder	Aspect
1	Human Capital Development	Employee	S
2	Quality of Work Life	Employee	S
3	Quality and Delivery goods	Partner	S
4	Transparency and Governance	Employee Customer Partner	S G
5	Innovation	Customer Competitor	S
6	Risk Management	All	E S G
7	Environmental impact	Society Environment	E S
8	Energy consumption	Environment	E

Company implemented the sustainability practices as a part of the business management process as follows:

1) Maintain ethical work operation

The company is committed to operating business with transparency concerning social responsibility, contribute to communities, society and the environment. Conducting business with a standardized operation system with high standard control to the best of the company's knowledge and abilities with caution, along with sufficient information and accurate evidence strictly abiding by the law and regulations. Including fair treatment to customers without requesting or receiving any unfair benefits from customers. Customer's confidential information due to business operations will be kept and will not be disclosed unless by duty or laws.

(1.1) Fair trade competition

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

(1.2) Promotion of social responsibility among business partners

- Treat trade partner which recognized as its alliance and major success factor with equality. And take into account the mutual benefits
- Trade partners's selection process is transparent, systematic and standardized, which maintains a sustainable relationship with trade partners and contractors.
- Trustworthiness between the company and trade partners.
- Perform strictly under policy of partner treatment by selecting only standard partner and comparing price before order product and assess partner with international standard criteria .

(1.3) Intellectual property or copyright

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

(1.4) Political neutrality

- The company shall remain neutral and independence regarding partisan political activities,
- Any support toward political activities shall be free of financial benefits.
- In case where the company have shown its political support towards promoting democracy, it shall not be violating the laws and constitution, and will not be done to create favoritism. Prior to any political support, written approval from the board of directors is a preliminary requirement.

- Employees are free to assume civic duties by participating in the political activities that abides the law and the constitution. However, they shall not claim their status as our employee or utilizing our assets to gain benefits in such activities which might impair our political neutrality.

2) Anti-corruption

The company has policy to operate in accordance with the law and encourage employees to act consider morals and ethics, including encouraging its business partners to conduct their business with transparency as well. Along with creating awareness, values, and the right attitude at all levels. Arrange an effective internal control to have no conflicts of interest so that the anti-corruption policy of the company can be treated in a concrete way. The company has announced an anti-corruption policy and to be regarded as the work regulations of the company which all employees must follow. In addition, the company has jointly declared its intention to act under the Collective Action Coalition of Thailand (CAC), which is a collaboration of 8 leading organizations which are Thai Institute of Directors, The Thai Chamber of Commerce, The International Chamber of Commerce, Thai Listed Companies Association, The Thai Bankers' Association, Federal of Thai Capital Market Organization, The Federation of Thai industries, and Tourism Council of Thailand since May 29, 2014.

3) Human Rights

The company adheres to the principle of human rights as a common practice. All employees must not take any action or promote strict violation of human rights which the company has established a policy and practice guidelines as follows:

- (3.1) The company maintains the personal information of employees. Confidential information will not be transmitted or distributed to unrelated parties. Disclosure or transfer of personal information can be done only with the consent.
- (3.2) A person can claim human dignity or exercise his rights and liberties so far as it does not violate the rights and liberties of others.
- (3.3) The company treats all employees with equality and will not discriminate regardless of race, nationality, language, religion, sex, age and education.
- (3.4) Employees are encouraged to treat each other with respect. Honor each other in accordance with the company's regulations and according to traditions without creating a detriment to the company's image.

4) Employee Treatment

The Company realizes the importance of human resources as the main factor in business operations. The company has established guidelines for treating employees, adheres to the principle of treating employees with fairness, support capacity building to increase progress and increase the efficiency of employees' work, including promoting employees to have an understanding of company's code of conduct which employees should follow strictly. Provide appropriate and fair remuneration and welfare to worker for a good quality of work life. Fair employment conditions, having opportunity to develop in order to grow. Including working in a safe and hygienic environment. The company encourages employees to treat each other with honesty, listen to others'

opinions and listen to suggestions logically. The company has announced the policy of human resource management and development which will be a guideline to develop and raise the importance of human resources.

5) Responsibility to Consumers

- (5.1) The company delivers quality products that meet or exceed customer expectations under fair conditions.
- (5.2) Provide accurate, adequate, and up-to-date information about products and services to customers so that customers have enough information to make decisions. Without exaggeration in both advertising Or in other communication channels with customers which causes customers to misunderstand any quality, quantity or condition of products and services
- (5.3) Keep customers confidential information and do not use the information for one's benefit or those who improperly involved.
- (5.4) Respond to customer needs with speed and provide an efficient system and channel for customers to suggest or complain about the quality of products and services.

6) Innovation

The company implements Human resource development program for employee to understand technology trend and the changing direction of business and industry. The company has strategies and guidelines for driving the organization forward as follows:

- (6.1) Human resource development aims to train employee to become a technology producer and user by providing a mix program between experienced employees and employees with innovation knowledges. The company will provide specific technical course based on skills required and knowledges in each working process. After classroom training and on-site training with new technology machines, the company will conduct a test to evaluate the results (Indicators / KPIs) ,collect data for analysis. As a result, employees are aware of their own abilities (Radar Chart) both departments of production and support which the company can use these data to continue with the more personalized skill development program.

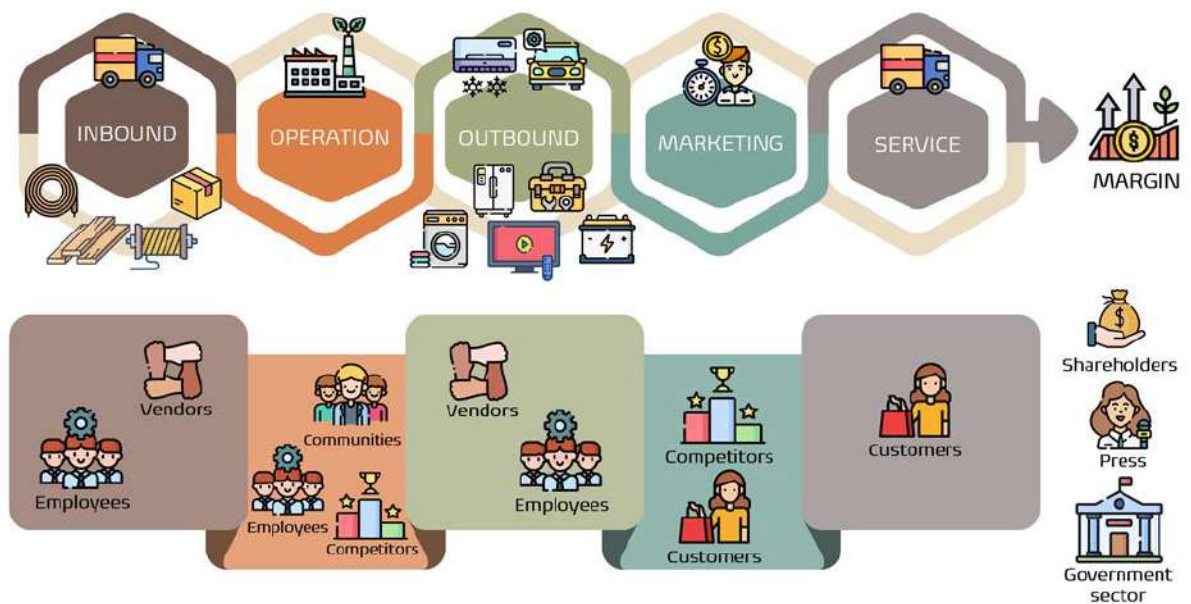
In addition to in-house training, the company supports the joint curriculum together with educational institution, both high-vocational technical colleges and universities, consisting of Short courses, Diploma courses (Non-degree) as well as Bachelor and master's degrees. Students who join the High Vocational program in the factory can work and earn income at the same time. During the semester, students are required to come up with projects to be implemented in the production lines which are advised by current employees.

- (6.2) Application and the use of technology in accordance with driving forward the organization under the concept of "ARAI", which stands for of Automation, Robots (robot) to be used in the production line and other supporting agencies in the organization. Including the extension of Artificial Intelligence (developed to be able to link the network between machines and systems which can be operated and controlled remotely by Internet of Things).

- (6.3) Use of information technology (Big DATA) to be used in management and decision making. The company has a systematic data collection management which contains production data Information from support side. There are numbers of document from each subsidiary and each business units to be gathered and to be used in the analysis of the current business plan also the information that can be used for investment decisions to improve the work efficiency or increase productivity. Including the use of data to find new business opportunities. The company started by collecting several numbers of production results. Take it for an analysis which reflects the daily production efficiency so the company would be able to know the real time production cost and profitability. The information added can be converted into financial ratios and can be used as information for analyzing an income per head of the employee according to their performance.
- (6.4) Creating innovative company, both in production, process and service from strategies that focus on building human capital also aiming of creating technology, the company has allocated a budget for investment, research, development along with construction. Also, an investment for machinery used to produce related products to promote learning by doing. As well as, the development of production lines, products, service, together with customers focusing on modern and environmentally friendly products. The budget has been allocated to build ARAI Academy, a factory which is a learning center for every single step of the production process allowing employees to come in for training, brushing their knowledge and build on their old skills with technology that helps them to work more efficiently.

3.2 Stakeholder Engagement in the Business Value Chain

- Business Value chain



- Stakeholders Participation Operation Guideline

Stakeholders are very important to the sustainability of the company in order to run business with stakeholders supportively thus it has regulated how to participate with stakeholders and consider main points as following:

Stakeholder	Participation Chanel	Expectation	Operation Guideline
Employee	<ul style="list-style-type: none"> -Supervisors have front row meetings (morning talk) with staff every Monday morning or first day of the week in case of long weekend. -All activities -Company 	<ul style="list-style-type: none"> -Good remuneration -Having career advancement, knowledge and skill developed in accordance with professional growth in the career. -Good quality of working life 	<ul style="list-style-type: none"> -Pay the right remuneration and welfare -Promote the growth of working line in consistent with the knowledge and skill of the employees. -Allows employees to be involved in welfare management and quality of working life such joining the welfare committee, committee on occupational health and security.
Shareholders Investors	<ul style="list-style-type: none"> -Annual general conference - Annual report Investor's activities quarterly management meetings -Road show participation 	<ul style="list-style-type: none"> -Good continuously return on investment. -Good cooperate governance -Disclosure sufficient information for investors making decision 	<ul style="list-style-type: none"> Treat shareholders according to the business ethics policy including respect for the rights of shareholders to obtain truly and necessary information in accordance with the Securities Exchange of Thailand and the Office of the Securities and Exchange Commission rule.
Customers	<ul style="list-style-type: none"> -Communication according to planning -Customers meeting each week/month -Customer's visit on various occasions. -Customers satisfaction survey 	<ul style="list-style-type: none"> -Quality products and on time delivery at reasonable prices 	<ul style="list-style-type: none"> Continuously develop products and services to meet various demands as well as doing business on the principle of trust and compassionately.

Stakeholder	Participation Chanel	Expectation	Operation Guideline
Social Community	-Listen to comments and complaints -Participation with the community as company planning.	-The business does not affect the quality of life of the community, environment and social -Encourage community activities	-Carry on projects for community, provide career support, education and other opportunities - Monitoring environmental quality
Business Partners	-Communication via electronic mail and telephone -Meeting with business partners according to company planning	-Fairly selection and disclose. -Terms of payment are acceptable	Focusing on “business partners” as alliance fairly and equally treat to build trust and development, maintain good mutual relationship as following: -Take into consideration the mutual benefits -Create opportunities to exchange knowledge, experience and expertise. -Participate and support creative activities of business partners continuously
Business competitor	Business operation	Acting under the rules of good competition.	-Promote free and fair-trade policies -Do not seek confidential data of business competitor dishonestly or inappropriate way such pay for committee and employees of competitors. -Do not discredit business competitors by the accusation.
Government agencies	-Submit reports to government agencies -Participate in activities and government projects	Compliance with relevant law	-Law abiding and strictly operation report.

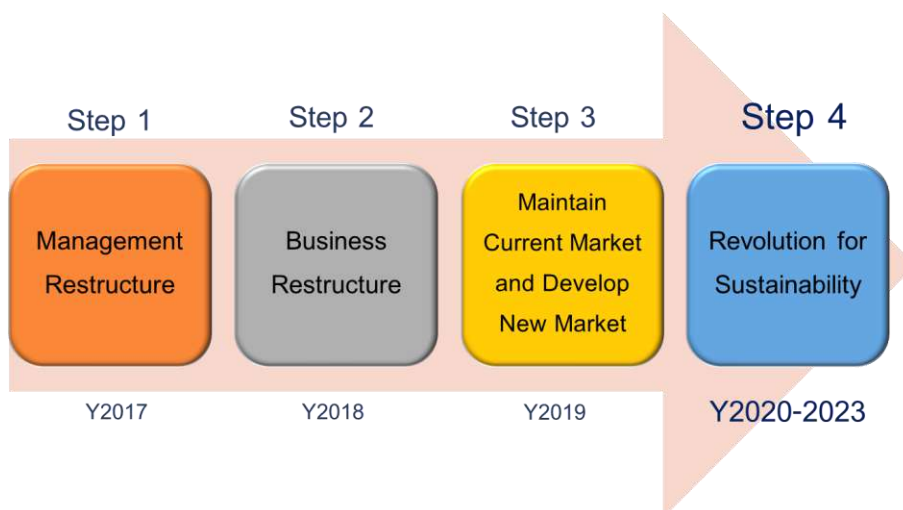
Stakeholder	Participation Chanel	Expectation	Operation Guideline
			-Pay taxes and other expenses according to the rules and government regulations.
Mass media	Investor's activities quarterly meet with management -Company visits -Being interviewed by all medias	Disclosure information and news truly, accurately and fast.	Treat all media fairly and equally

Economic management

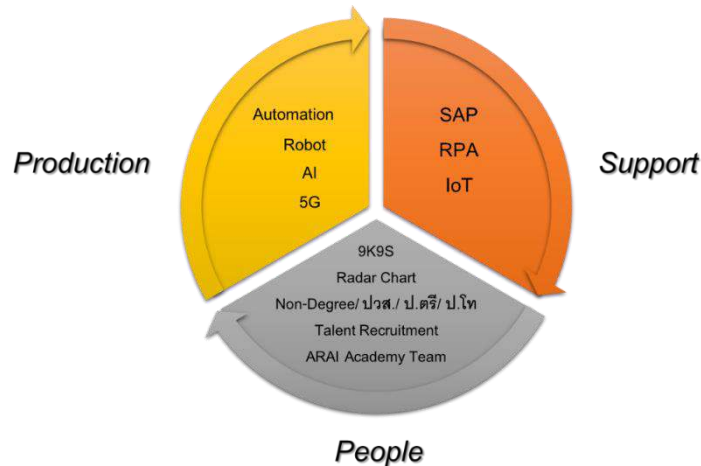
In 2020, the company has set three main economic organizational management goals: 1. Adjusting the production line to automatic technology by 2020 2. Develop the satisfaction level of every customer up to the level A, and 3. Zero complaints from corruption in the supply chain.

Innovation management

In the age of technological change, the company has set policies and strategies to support the transformation into the year 2020 as a guideline for changing the organization to support the future sustainability competition as follows:



For the manufacturing process, a key factor in technological transformation is the staff whom the top management recognizes. Therefore, the company has a policy to strive to develop company's human resources rather than focusing only on chasing new technologies; Because of having talented people with innovation skills, they can develop their own technology until it becomes innovations which is the cornerstone of corporate sustainability. At the same time, human resource development also helps to increase employees' quality of life from the meaningful and valuable work and better earnings.



Production line development

The company has invested in changing the production line to be automated, using robots and artificial intelligence, to support the expansion of orders from customers, to work more efficiently in a shorten time, and to create a safer working environment. On the support departments such as finance and accounting department and Supply Chain department, the Robotic Process Automation (RPA) system has been applied to take care of the duplicate document work and the large amount of information to avoid human error and work overload.

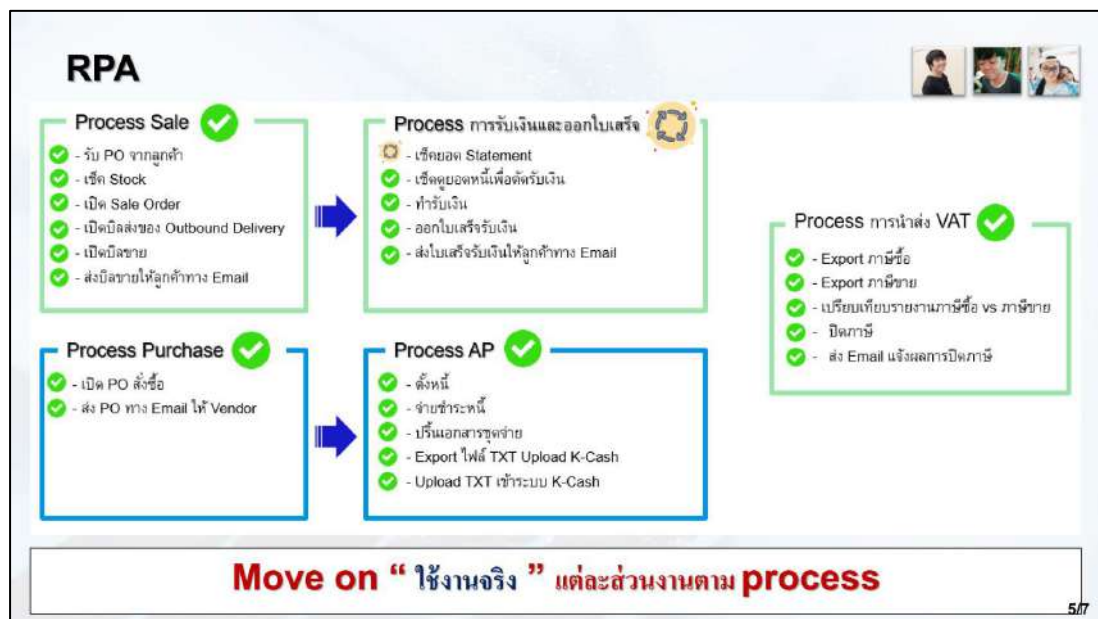


Regarding the change management policy by improving the production line to be automated, the company has taken the concept to improve the sheet fabrication line. By adopting Automation technology developed by

employees to connect with industrial robots. The purpose is to develop working style of employees to have advanced knowledge and ability in using technology. This would be considered as an innovation by the employees' knowledge that can really be applied into the production line. In addition, the company also provides training to the relevant teams to ensure the understanding of innovations and new technologies to work collaboratively and is ready to lead the organization into Industry 4.0.

The results after adopting innovation in robotics along with the smart machines found that the working efficiency has increased: able to produce products more quickly, accurately, and steadily at lower costs. For example, in the bending process, using robots to bend could reduce the number of on-site operators up to 14 out of 30; or in the process of spotting, previously, the output was 80 pieces per hour per 2 machines, using 2 workers, comparing to the increased output of 100-120 pieces per hour per machine, using 1 technician. Which the benefits that the company has received apart from a lower administrative cost is a matter of labor development. That gives more time to organize training and rotate positions to be able to cover numerous areas of working fields. As a result, the organization can manage and allocate labor during the uncertain production seasons more efficiently while maintaining good standards of quality of work life and the stability of the employees.

System development in conjunction with the production line



In 2020, apart from the development of the production side to accommodate the changes, the company's support side has also implemented Robotic Process Automation (RPA), covering:

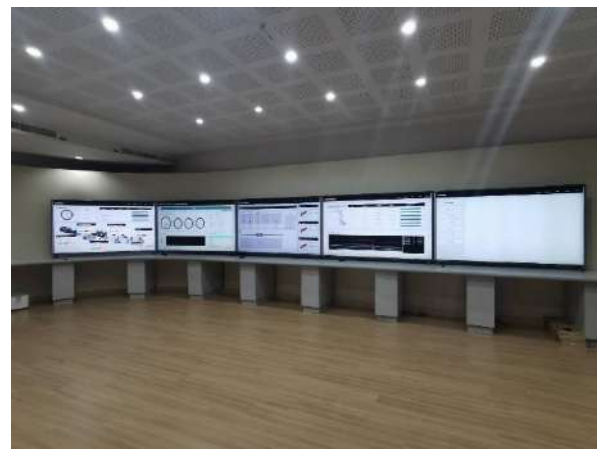
- Work with clear patterns or work processes
- Tasks that often need to be repetitive on a regular basis
- High volume tasks or tasks that take a long time to process. This case, RPA will do the work then email or notify the output on the Line application to the user when they are done.

- Tasks that require a quick response, relating the customer satisfaction. For example, RPA helps to check the current status of the inventory and automatically run the Material Requirements Planning (MRP) to release the sales order if found that the status does not meet the needs etc.

The outcome of RPA implementation

No.	Description	frequency	Time (min.)	
			Previously	RPA
1	Prepare the status of Tecu (email)	every morning	10	1
2	Report daily cost and daily profit and loss (email)	daily	20	3
3	Maintain exchange rate	every evening	10	3
4	Revalue Bank	monthly	10	1
5	Pull out data from SAP and fill in the file Gain(Loss) from exchange rate and send to the center	monthly	5	0.5
6	Pull out inventory data from SAP and presented in graph	monthly	5	0.5
7	Pull out the sale data regarding customer list to make a dailt profit and loss by BU (KE30)	every morning	5	1
8	Check the current Bank Statement report	daily	5	0.5

Human Capital Development to accommodate the change



For the employees to have a better adaption to technology, the company invested in ARAI Academy, a two-story building. Downstairs is a completed production process. The second floor is the control room and the classroom. The aim is to provide employees with a complete training and necessary knowledge in the production line, to participate in the real practices with the innovative machines, and to decrease the possibility of accident accruing when working in the actual production line. It is planned that ARAI Academy will be ready for training in the first quarter of 2021

The further projects on the human capital development

From the company's determination, "At SNC, we create people asset as a key to social development", the company values "people" as the most valuable resource of the organization. The company, therefore, has focused on

building human resource by setting three operational frameworks: creating talents, culture, and happiness. Consequently, the employees are equipped with necessary skills to grow alongside with the company under an ethical organizational culture and to work happily which eventually create a strong bond and strength to work for mutual success.

Internal and External training programs



Theoretical Training and Practical Training



Training on Robot and CNC Machine at Rajamangala University of Technology Tawan-ok.

In 2020, the company has organized trainings: Knowledge Measurement by Radar Chart

Training record of year 2020	
Number of program	216
Average hour per program	8
Average cost - Plan	671,653
Average cost - Actual	547,610
Number of participants	1,327
Total number of employees	1,916
% of training employees	69.26%
% of average training hour per employee	19.84%



Radar Chart is used as a measurement tool to reflect the skill level of employees and to let employees beware of the gap in self-development with transparency. The company has therefore used Radar Chart to evaluate the performance of employees. The assessment is carried out once a year and after the assessment, the company will develop and train employees to have a higher level of competence. The higher ability affects the work efficiency and reflects back in the term of the income of the employees themselves.

Connecting the development with the employees' career path using 9K9S

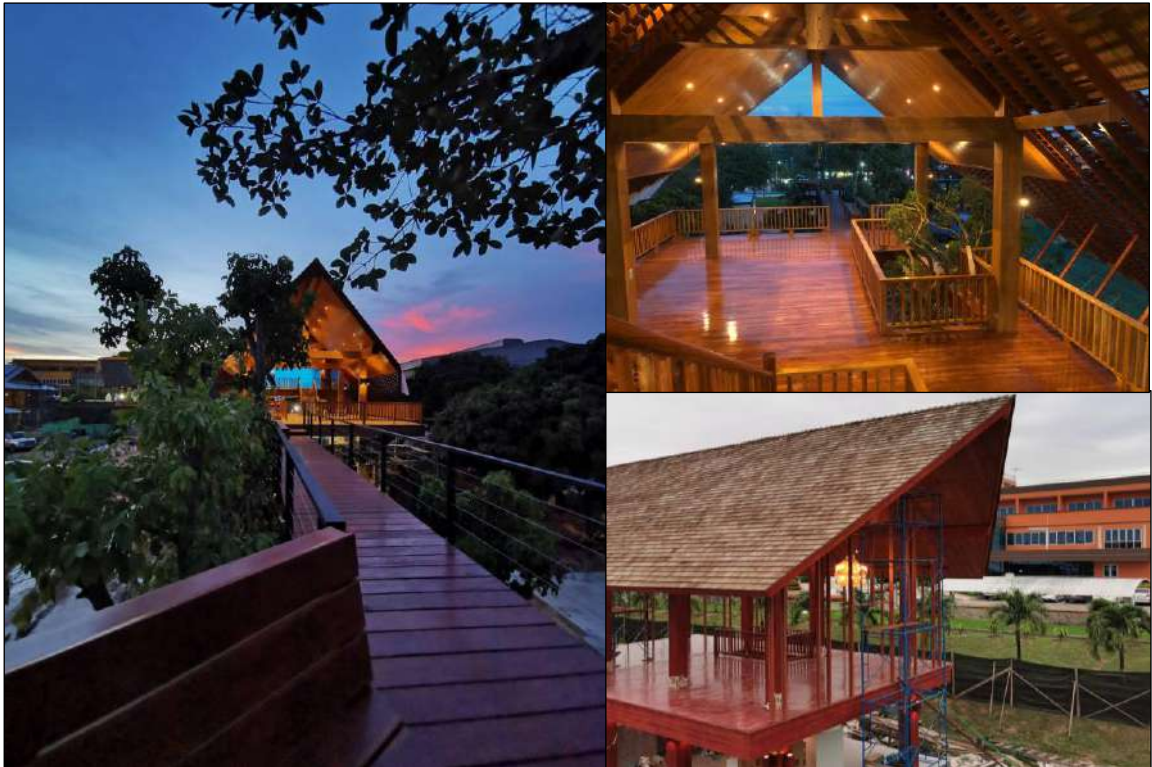
Based on the outcome of Radar Chart, the company has adjusted its human resource development strategy by requiring each department to define 9 knowledge needs and 9 skill needs; The objective is to provide personnel development according to the result from Radar Chart together with personnel development according to the career path which can explain as follows:



Year	2016	2017	2018	2019	2020
Number of program	221	288	319	501	650
Total number of employees	2,075	2,005	3,019	2,357	1,916
% of training employees	89.00%	88.41%	94.33%	72.00%	69.26%
Average hour per program	8.00	6.00	24.18	27.56	19.84
Average cost (Million Baht)	1.9	0.7	0.4	0.2	0.5
Cost compare to company's total sales	0.03%	0.01%	0.005%	0.003%	0.006%
Cost compare to company's net margin	0.47%	0.17%	0.05%	0.07%	0.13%

Quality of Work life

The company realizes the importance of quality of work life for its employees. In 2020, the company has developed SNC Park, a continuous project in an area of more than 8,000 sqm., to be a workplace in nature, consisting of 2 working buildings, 1 co-working space and Wellness Center including jogging track around the garden to create a good working environment, encouraging innovative thinking and happiness in the workplace. In addition, since the company is in the industrial sector. Therefore, the company has been focusing on climate change. Since 2017, the company has set a long-term goal of carbon reduction at 500 t / Co2 by planting large trees. For short term goals, we scheduled to plant more than 1,000 trees. In 2020, the company has planted the large tree of 80 units. There will be more than 1,000 medium-sized shrubs planted in the future, with plans for the future to be classified as a natural learning resource. For the surrounding communities, this resulted in increasing green areas in the factory and also helps with climate change, including as a get-together place for employees in the company. SNC Park is planned to be fully constructed in the year 2021.



Continued Development in economic and social

Apart from implementing automation and robotics within the factory, the company is committed to be a part of building a stronger industrial sector, starting from human resource development on December 13-14th 2020, the company has a signing ceremony for cooperation with 3 parties among industry sector, higher vocational institutions and universities of more than 50 educational institutes under at Royal Cliff Hotels Group, Chonburi province with the objectives as follows:

1. To strengthen cooperation among the three parties in order for the continuous development in a special educational and training programs.

2. EEC Improve labor skills and knowledges to support the growth of the industrial sector both inside and outside the EEC area.

3. To develop a prototype of small and medium enterprises (SMEs) in the EEC area in order to be able to upgrade production to the Industry 4.0 system.

4. Strengthen cooperation between the public and private sectors in developing training program with EEC-HDC in enhancing the development of all relevant sectors. The course is set as Project-Based Learning and after graduate students can continue to work at the workplace they were trained while earning high income. However, if students wish to continue with further study in the higher level, they will be offered with grant by matching with higher education institutions. This will enhance the continuous on human resource development and a clearer career path.



3.3 Environmental Control

- Environmental policy and practice

The group of companies engages in the manufacture of equipment parts and assemblies for electrical appliances. Equipment parts used for molding vehicles, including electronic components by focusing on producing quality products and services. The group realizes the importance of natural resource used in manufacturing as well as the impact on the environment and society which focusing on the development and carrying out effective environmental management in accordance with the international standard ISO 14001: 2015 for sustainable growth. All executives and employees are committed to the following policies.

- 1) The company complies with the law on environmental requirements and other regulations. The company is strictly involved and being committed to achieving goals and environmental objectives set by the company.
- 2) The company implements and create awareness among employees in the organization and stakeholders to realize the importance of resources consumption. Embedded a culture to conserve the environment.

- 3) The company fosters understanding and encourages the use of resources and energy as well as the efficient use of production technology, resulting in a quality product which is environmentally friendly or having the least impact on the environment. Moreover, the company monitors, evaluate, and implement the waste management which arises from the operation professionally.
- 4) Company analyzes environmental issues which focusing on preventing problems. The company aims to reduce the severity of climate change, including setting guidelines for continuous improvement on environmentally friendly products and services.
- 5) The company set and announce policies, guidelines to the stakeholders of the organization and to public.

The company operates business while well aware of the impact that may have impact on the environment both inside and outside the company. The main strategy is to cultivate consciousness, comply with laws to maintain and prevent emissions into the environment. In addition, the company set goal to reduce energy consumption. By developing and improving the product manufacturing process to be more environmentally friendly, the company plans to operate the business with an emphasis on developing and creating value with the community as follows:

- 1) As one of the core businesses of the company is manufacturing air conditioners that use refrigerants which may have an effect to the global climate change. The company has developed a product category using new refrigerant (R32), which will reduce the impact on the ozone depletion. In addition, the company has set a target to reduce its carbon footprint by 2,000 tons of carbon with using more of a solar rooftop panel on the factory roof which allows the use of electric energy to be more efficient, while reduce the cost of electricity consumed by the company.
- 2) To make the environment within the company more livable and eco-friendlier, the company has therefore focused on the 5S: clean, convenient, hygienic and habitual. Moreover, the company has organized activities to campaign for employees to realize the impact on environment, including activities to increase green areas. “SNC Green Thumb”, a project based to reuse resources under the “3 R” principle, which consists of Reduce, Re-use, and Recycle, the company aims to reduce the use of plastic water bottles and single-use plastics, etc.

-Environmental practices

The company pays high attention to environmental protection by operating the business with consideration of the potential impact on the environment, including adhering to guidelines in accordance with laws related to the preservation of the environment. The company has set up a practice guideline as follows:

- 1) Assigned a responsible person for controlling the operation not to cause the impact on the environment that exceeds the specified standards. Responsible and committed to the preservation of the environment in order to make the best use of resources.
- 2) Conduct activities to contribute to society, community and environment on a regular basis. In order for the communities where company is located to have a better quality of life.
- 3) The company has a risk assessment and set measures to prevent accidents and control emissions of waste to the acceptable standard level. Including having policies and measures to reduce the occurrence of waste and arrange for the disposal of the waste produced by appropriate methods.

- 4) Respond quickly and efficiently to events which affecting the environment and community due to the operations of the company by cooperating with government officials and related agencies.
- 5) Encourage employees of the company to have awareness and responsibility towards society and the environment within the environmental management system (ISO 14001) and promote efficient use of resources.

-Energy Conservation

The company has established a carbon footprint policy for all executives and employees to be committed to conducting business by taking into account the environmental impact both inside and outside the company. Within the group of companies, SNC considers methods for the efficient use of electricity resources with solar roof installed on the factory roof at Rayong province with a total of 6 factories. We plan on a long-term goal of reducing the amount of carbon by 2,000 tons of carbon each year. The advantages are as follows:

- 1) To make the most use of electricity
- 2) Reduce the company electricity consumption cost
- 3) Reduce the cause of pollution as it is a clean energy and environmentally friendly

The company has continuously collected electricity usage data and the result showed lower electricity costs.



From the installation of the Solar Rooftop, the company has been collecting data on the electricity produced, which the reduction amount of carbon since the month January-December 2020 was 1,588 tons of carbon, representing 79.40 percent of the target at 2,000 tons of carbon.

The Solar Rooftop Project is a long-term project for the company that not only reduces the impact of environmental pollution, but also helps the company on the energy cost savings. The table below shows that the company has more electricity generated from solar energy compared to the year 2019, with the company still operating and continuously keeping the results.

	2019		2020	
	Electricity Consumption kW	t/ CO2	Electricity Consumption kW	t/ CO2
Total	2,547,637.00	1,429	2,830,666.00	1,588
Target		2,000		2,000
%		71.46		79.40

Efficient Resource Management

In 2019, SNC Group had a summary of electricity consumption from January to December equals to 117,840,000 baht, the company has set a target to reduce electricity consumption, which for the long-term target was to reduce by 4 percent and the short-term was set at 2 percent. The company promoted to all employees to take into account the energy consumption for example, turn off the lights during break time, turn off air conditioner outside working hours. Apart from that, the company has a policy to use electricity from renewable energy, which is a solar power system on the factory roof of 3.4 MW.

Electricity consumption in 2020 can be calculated as an amount equal to 126,380,000 baht. The main reason for an increased electricity consumption is due to the business sales growth around 35 percent. However, when comparing the cost of electricity consumption with sales, it was found to decline by 20 percent. The company plan to implement more of the measurements to help saving up energy.



-Water supply

Due to the lack of water supply around the factory area in Rayong province during the dry season, to reduce the risk which might affect production and consumption, the company therefore, invested in building its own water storage and installing water for production used and to help communities in case of drought.



In the year 2020, the company has expanded the pond area. To support the growth of the business totaling 3 ponds with a volume of over 330,000 cubic meters.



In this regard, the company has brought more water from its own ponds to be used in the company's business. As a result, the cost of using external water supply in the year 2020 was lower compared to the year 2019 equal to the amount of 0.5 million baht, the company aims to reduce the cost of external water continuously by 2% each year.

3.4 Sustainability management in the social dimension

- Policy and ways of practice on social aspect

The company has guidelines to implement or control to comply with applicable laws and regulations and be responsible for society. Also, ensuring to cooperate, help, support and volunteer in activities that benefit the community and society to promote economic strength and social and cultural rejuvenation. In addition, the Company provides channels for stakeholders and related parties to express their opinions on the Company's operations and to complain in the event of unfairness regarding any Company's action through the channels listed in the Anti-Corruption Policy.

- The outcome of the social activities

The company has organized various activities, which continuously develop its community and society. For example, to donate the surgical masks produced by the company to the community and various agencies in the provinces and the surrounding areas where companies are located; to continue the scholarship program to support students in both vocational and higher education levels. The company also continuously promotes and supports activities for the benefit of society and the environment. Examples of projects at the company has performed in the past including:

1) Mask donation

The objective of this project is to mitigate the impact that occurs on employees and stakeholders. Due to the time of the Covid-19 virus outbreak in Thailand and abroad, medical equipment and masks were very hard to find,

also their selling price were going up so high. The company therefore wanted to mitigate the effects by building a factory to manufacture masks, mainly to support the people who seriously in-needed: medical staff, the Government agencies, and employees of the operating factories. The intention was being part of helping society in controlling and reducing the spread of the virus COVID-19. The company has built a factory to produce masks in the factory area of SNC group and produce a mask with the purpose of donation only. Initially, more than 3,000,000 masks were donated.



2) Project to donate educational equipment, table and chairs to Wat Lat Wai School



Project to donate educational equipment, table and chairs to Wat Lat Wai School	
Time / date of the event	March 14, 2018
Objectives of the event	To be a part in supporting educational equipment, table and chair sets for schools
Event Location	Wat Lad Wai School, Bang Bo District, Samut Prakan
Participants	Director and faculty of Wat Lad Wai School, Assistant to the Chairman of the Executive Committee, and employee representatives from the company
Benefits of the event	The school had educational equipment, a set of tables and chairs to replace the original educational equipment, which were old and damaged.

3) SNC's project "Sang Suk, Pun Roy Yim"



SNC's project "Sang Suk, Pun Roy Yim"	
Time / date of the event	October 6, 2018
Objectives of the event	<ol style="list-style-type: none"> 1. To provide lunch for disable people 2. To assist the necessary items for the disabled.
Event Location	Center for the Protection and Development of Disabled Persons, Bang Pakong, Bang Pakong District, Chachoengsao
Participants	Company representatives
Benefits of the event	<ol style="list-style-type: none"> 1. People with disabilities got full from the provided lunch. 2. People with disabilities were provided with necessary subsistence support. 3. Employees had the opportunity to join together to do social activities.

4) Scholarship Program for Nakhon Ratchasima Technical College Students



Scholarship Program for Nakhon Ratchasima Technical College Students	
Time / date of the event	June 13, 2019
Objectives of the event	<ol style="list-style-type: none"> 1. To support and provide the educational opportunities 2. To strengthen relationship with the college for the future cooperation in various projects with the company
Event Location	Nakhon Ratchasima Technical College, Mueang District, Nakhon Ratchasima
Participants	Faculty of Management, Student Staff, and representatives of executives from the company
Benefits of the event	<ol style="list-style-type: none"> 3. Encourage and support students who meet the conditions for receiving scholarships. 4. Be a part in creating good personnel for the society. 5. The strengthener relationship between the company and the college.

5) Funding project to purchase IT equipment for Wat Lat Wai School



Funding project to purchase IT equipment for Wat Lat Wai School	
Time / date of the event	April 8, 2020
Objectives of the event	<ol style="list-style-type: none"> 1. To support and provide the budget for the purchase of school's IT equipment 2. To promote opportunities for students to have sufficient learning materials.
Event Location	Wat Lad Wai School, Bang Bo District, Samut Prakan
Participants	Company representatives
Benefits of the event	<ol style="list-style-type: none"> 1. Schools had more budgets for purchasing IT equipment. 2. Students had sufficient access to IT equipment.

6) Project “Pee Sorn Nong” on the global warming



Project “Pee Sorn Nong” on the global warming	
Time / date of the event	January, 2020
Objectives of the event	<ol style="list-style-type: none"> 1. To educate and raise awareness to students who are the future of the nation on how to reduce global warming. 2. To support the school lunch budget
Event Location	Wat Lad Wai School, Bang Bo District, Samut Prakan
Participants	Company representatives
Benefits of the event	<ol style="list-style-type: none"> 1. Students gained knowledge and realize the importance of reducing global warming. 2. The school received a budget to support a student lunch.

7) National Children's Day 2020



National Children's Day 2020	
Time / date of the event	January 11, 2020
Objectives of the event	<ol style="list-style-type: none"> 1. To provide scholarships and supplies at the 2020 National Children's Day 2. To provide students the opportunity to participate in the National Children's Day activities.
Event Location	Wat Lad Wai School, Bang Bo District, Samut Prakan
Participants	Company representatives
Benefits of the event	<ol style="list-style-type: none"> 1. Got the scholarships and supplies at the 2020 National Children's Day 2. Students got the opportunity to participate in the National Children's Day activities.

4. Management Discussion and Analysis: MD&A

4.1 Analysis of operating results and financial position

Revenues	2018		2019		2020	
	Baht'million	%	Baht'million	%	Baht'million	%
Sale from parts:						
EA parts (PART)	3,111.0	47.9	2,983.6	45.0	2,579.7	28.8
Auto parts (AUTO)	1,329.4	20.5	1,082.0	16.3	772.0	8.6
Sale from OEM assembly (OEM)	2,050.5	31.6	2,556.3	38.6	5,605.8	62.6
Sale from other (OTHER)	8.0	0.1	3.7	0.1	3.0	0.0
Total sales	6,498.9	100.0	6,625.6	100.0	8,960.5	100.0
EAT	430.7	6.6	722.1	10.9	407.7	4.5
EBITDA	806.1	12.4	649.6	9.8	856.0	9.6

Revenue

In 2020, Sale increased Baht 2,334.9 million or 35.2% due to sale growth in OEM for air-conditioners and toolbox while sale from PARTS and AUTO declined due to impact from COVID-19.

In 2019, Sale increased Baht 126.7 million or 1.9% due to sale from OEM for air-conditioners that the company received orders from a major customer in Vietnam.

EAT

In 2020, EAT increased from last year due to sale growth after business plan adjustment and cost control during COVID-19 outbreak so EAT increased Baht 68.4 million to Baht 407.7 million, or EAT margin was 4.5%.

In 2019, EAT increased Baht 291.4 million mainly due to gain from sale of Land leasehold rights buildings and factory amount of Baht 420.6 million (after tax) and written of leasehold improvement, staff compensation, and employee benefits according to the labor law. EAT 2019 excluded such extraordinary items was 339.3 million which decreased from 2018.

Financial position analysis

Particular	31 December 2018		31 December 2019		31 December 2020	
	Baht'million	%	Baht'million	%	Baht'million	%
Assets	4,820.7	100.0	5,396.9	100.0	7,769.7	100.0
Liabilities	1,860.8	38.6	1,999.1	37.0	4,191.6	53.9
Equity	2,959.9	61.4	3,397.8	63.0	3,578.1	46.1

Assets

As at 31 December 2020, total assets was Baht 7,769.7 million (2019: Baht 5,396.9 million) increased Baht 2,372.8 million, or 44.0% because:

- Trade account receivable increased Baht 153.3 million which varied according to the sale of OEM for air-conditioners and toolbox.
- Inventories increased Baht 861.3 million due to increased in OEM sales. Inventories day ratio was 43 days (2019: 24 days).
- Properties plants and equipment increased Baht 543.5 million due to the business expansion, construction of building and purchase of machine at Rayong.
- Right-of-use assets over factory lease increased Baht 294.4 million according to TFRS 16: lease.

As at 31 December 2019, total asset was Baht 5,396.9 million (2018: Baht 4,820.7 million) increased Baht 576.2 million or 12%, because:

- Inventory increased Baht 284.9 million due to making reserved stock policy to support the coming high season. Inventory day ratio was 24 days (2018: 19 days)
- Investment in associated company decreased Baht 31.9 million due to decrease the number of shareholding in the ordinary share of SAWHA.
- Properties plants and equipment increased Baht 371.8 million due to the business expansion, construction of building and purchase of machine at Rayong.

Liabiliteis

As at 31 December 2020, total liabilities was 4,191.6 million (2019: 1,999.1 million) increased Baht 2,192.5 million or 109.7% because:

- Trade account payable increased Baht 971.6 million due to increase in purchase of material varied according to the business expansion.
- Short term loan from banks increased Baht 541.0 million for increasing the liquidity of business during COVID-19.
- Long term loan from banks increased Baht 669.8 million for investment in factory and purchase of machine for production capacity expansion.

As at 31 December 2019, total liabilities was 1,999.1 million (2018: 1,860.8 million) increased Baht 138.3 million or 7.4% because:

- Trade account payable increased Baht 154.1 million due to increase in purchase of material varied according to the business expansion.
- Loan repayment of Baht 301.7 million after sale of factory at Leam Chabang.
- Account payable of asset increased Baht 196.8 million due to factory construction and purchase of machine at Rayong.
- Accrued income tax increased Baht 72.3 million due to sale of factory at Leam Chabang.

Equity

Shareholders' equity consisted of share capital, share premium, and retained earnings. As at 31 December 2018-2020, the shareholders' equity (only parent company) were Baht 2,789.0 million, Baht 3,225.7 million, Baht 3,482.7 million. Increase in shareholders' equity due to net profit deducted by dividend payment.

Capital structure

As at 31 December 2018-2020, debt to equity ratio were 0.6 times, 0.6 times and 1.2 times, respectively. In 2020, debt to equity ratio increased to 1.2 times due to increase in borrowing from bank for working capital and investment in the OEM business. In 2019, debt to equity ratio was same as 2018. Even the company received cash from sale of factory and then repaid for bank loan during the year however, trade account payable and asset account payable at end of year significantly increased due to investment in machine for OEM business expansion.

4.2 Major factors and influences that may influence future results of operations or financial position

Major factors that may have a significant effect on the Company's operations are the relocation of customer production base and the effectiveness of the vaccine against the spread of COVID-19 affects the global economy with the following details:

Relocation of customer production base

At present, the main customer of electrical appliance manufacturing and assembly business are overseas electrical appliance brand owners who want to expand the production base in Thailand. However, if in the future, the customer has relocated their production base, which may be caused by the lower production cost than Thailand, change in trade policy and tax policies that may arise in the future, this may result in the termination of the employment of the company, affecting the financial position and operating results of the company.

The efficiency of the vaccine to prevent the spread of the COVID-19

The epidemic prevention capabilities of COVID-19 may be ineffective, including delays in population distribution and vaccination. Mutations of the new COVID-19 virus strain that might make the vaccine produced might not be effective enough to prevent outbreaks. This will affect the COVID-19 virus contagion to continue and it will still affect the world economy including confidence of purchasing power and consumer purchasing decisions.

4.3 Significant financial ratios analysis

		2018	2019	2020
Liquidity ratio	times	1.4	1.3	1.2
Average collection day	days	53	47	37
Average day sale	days	19	24	43
Average payment day	days	71	73	78
Cash cycle	days	0.5	-2	2
Dividend payout	%	66.8	72.1	52.9

Liquidity ratio

As at 31 December 2018-2020, the liquidity ratio were 1.4 times, 1.3 times, and 1.2 times, respectively.

Decrease in Liquidity ratio due to increase in bank loans and trade account payables.

Cash cycle

As at 31 December 2018-2020, Cash cycle were 0.5 days, (2) days, and 2 days, respectively.

In 2020, the company had a slightly increased cash cycle of 2 days as the company had purchased goods and raw materials to support the production in early 2021, thus increasing the average sales period.

In 2019, the cash cycle was negative (good), the reason was a lower average collection period and increasing the average repayment period. Both matters came from the business of manufacturing and assembling electrical appliances.

Dividned payment

The company set a dividend policy of not less than 50% of net profit after tax and legal reserve. In 2018-2020, the company has paid dividends from its operations in each year of 1.0 Baht per share, 0.85 Baht per share and 0.75 Baht per share, totaling Baht 287.8 million, Baht 244.6 million and Baht 215.8 million, respectively. The dividend payout ratios were 66.8%, 72.1% and 52.9% of net profit, respectively.

Cash flow and liquidity analysis

The changes in the Company's cash flow during the year 2018 - 2020 can be summarized as follows:

Cash flows (unit: Baht' million)	2018	2019	2020
Cash flows from operations	1,116.1	476.9	618.4
Cash flows from investing	(229.9)	98.9	(1,129.7)
Cash flows from financing	(511.9)	(618.6)	908.3
Net increase (decrease) in cash	374.2	(42.8)	397.1
Impact from exchange rate	-	(0.2)	1.2
Cash and cash equivalent at beginning	505.4	879.8	836.8
Cash and cash equivalent at ending	879.6	836.8	1,235.1

In 2020, the company has net cash from operating activities of Baht 618.4 million, the company has net cash used in investing activities amounting to Baht 1,129.7 million due to the investments in factories to support manufacturing and assembly of electrical appliances and toolbox in the Rayong factory. Cash received from financing activities of Baht 908.3 million due to loans from financial institutions. As a result, in the year 2020, the company had an increased net cash of Baht 397.1 million and cash and cash equivalents as of 31 December 2020 of Baht 1,235.1 million.

In 2019, the company has net cash from operating activities of Baht 476.9 million, the company has net cash used in investing activities amounting to Baht 98.9 million due to cash received from sale of factory at Leam Chabang while the company has invested in land buildings and equipment for expanding plastic production lines and metal sheet parts. Cash received from financing activities of Baht 618.6 million due to loans repayment. As a result, in the

year 2019, the company had an decreased net cash of Baht 42.8 million and cash and cash equivalents as of 31 December 2019 of Baht 836.8 million.

Significant financial information

Summary of auditor's report

The auditor has expressed opinions in the auditor's report on the consolidated financial statements of the Company for the year 2018 - 2020 as follows:

Financial statements	Auditor's report
Financial statements for the year ended 31 December 2018	<ul style="list-style-type: none">▪ Ms. Vilaiwan Pholprasert, Certified Public Accountant Registration No. 8420 from KPMG Phoomchai Audit Co., Ltd., approved by the Office of the SEC.▪ The unqualified audit opinion: the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.
Financial statements for the year ended 31 December 2019	<ul style="list-style-type: none">▪ Ms. Vilaiwan Pholprasert, Certified Public Accountant Registration No. 8420 from KPMG Phoomchai Audit Co., Ltd., approved by the Office of the SEC.▪ The unqualified audit opinion: the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.
Financial statements for the year ended 31 December 2020	<ul style="list-style-type: none">▪ Ms. Marisa Tharatornbunpun, Certified Public Accountant Registration No. 5752 from KPMG Phoomchai Audit Co., Ltd., approved by the Office of the SEC.▪ The unqualified audit opinion: the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Summary of the Company's financial statements
Statement of financial position as of 31 December 2018 - 2020

Statement of financial position	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	MB	%	MB	%	MB	%
Assets						
Cash and cash equivalents	879.6	18.2	836.8	15.5	1,235.0	15.9
Trade accounts and other receivables	900.2	18.7	889.3	16.5	1,099.9	14.2
Short-term loans to related parties	51.7	1.1	27.4	0.5	27.4	0.4
Inventories	262.0	5.4	546.9	10.1	1,408.2	18.1
Other current assets	73.7	1.5	134.3	2.5	116.6	1.5
Total current assets	2,167.2	45.0	2,434.7	45.1	3,887.2	50.0
Other non-current financial assets	16.5	0.3	26.5	0.5	28.5	0.4
Investments in associate	36.1	0.7	4.2	0.1	-	-
Investment properties	232.1	4.8	210.0	3.9	226.8	2.9
Property, plant and equipment	2,259.1	46.9	2,630.9	48.7	3,174.4	40.9
Right-of-use assets	-	-	-	-	294.4	3.8
Intangible assets	59.1	1.2	52.8	1.0	53.3	0.7
Deferred tax assets	26.2	0.5	24.8	0.5	50.8	0.7
Other non-current assets	24.3	0.5	12.9	0.2	54.5	0.7
Total non-current assets	2,653.5	55.0	2,962.2	54.9	3,882.6	50.0
Total assets	4,820.7	100.0	5,396.9	100.0	7,769.7	100.0
Liabilities						
Short-term borrowings from financial institutions	123.0	2.6	169.0	3.1	710.0	9.1
Trade and other payables	1,116.4	23.2	1,290.7	23.9	2,249.9	29.0
Current portion of deferred income	12.7	0.3	10.5	0.2	2.2	0.0
Accounts payable - acquisition of assets	24.5	0.5	221.3	4.1	44.7	0.6
Current portion of long-term borrowings from financial institutions	241.0	5.0	45.1	0.8	202.2	2.6
Current portion of lease liabilities	-	-	-	-	28.4	0.4
Current income tax payable	11.8	0.2	84.1	1.6	28.7	0.4
Other current financial liability	-	-	-	-	0.9	0.0
Other current liabilities	23.6	0.5	13.3	0.2	10.6	0.1
Total current liabilities	1,553.0	32.2	1,834.0	34.0	3,277.6	42.2
Deferred income	50.3	1.0	48.1	0.9	46.0	0.6
Long-term borrowings from financial institutions	184.0	3.8	32.3	0.6	545.0	7.0
Lease liabilities	-	-	-	-	272.7	3.5
Deferred tax liabilities	4.0	0.1	1.8	0.0	-	-
Provisions for employee benefits	65.3	1.4	78.5	1.5	50.4	0.6
Other non-current liabilities	4.2	0.1	4.4	0.1	-	-
Total non-current liabilities	307.8	6.4	165.2	3.1	914.0	11.8
Total liabilities	1,860.8	38.6	1,999.1	37.0	4,191.6	53.9
Equity						
Authorised share capital	287.8	6.0	287.8	5.3	287.8	3.7
Issued and paid-up share capital	287.8	6.0	287.8	5.3	287.8	3.7

Statement of financial position	Consolidated financial statements					
	31 December 2018		31 December 2019		31 December 2020	
	MB	%	MB	%	MB	%
Share premium	1,213.6	25.2	1,213.6	22.5	1,213.6	15.6
Retained earnings						
Legal reserve	75.8	1.6	75.7	1.4	75.7	1.0
Unappropriated	1,211.8	25.1	1,648.6	30.5	1,910.0	24.6
Other components of equity	-	-	-	-	(4.4)	(0.1)
Equity attributable to owners of the parent	2,789.0	57.9	3,225.6	59.8	3,482.7	44.8
Non-controlling interests	171.0	3.5	172.1	3.2	95.5	1.2
Total equity	2,959.9	61.4	3,397.8	63.0	3,578.2	46.1
Total liabilities and equity	4,820.7	100.0	5,396.9	100.0	7,769.7	100.0

Statement of comprehensive income 2018-2020

Statement of comprehensive income	Consolidated financial statements					
	2018		2019		2020	
	MB	%	MB	%	MB	%
Revenue from sales	6,498.9	97.9	6,625.6	91.4	8,960.5	98.6
Other income	136.2	2.1	622.1	8.6	128.2	1.4
Total Revenues	6,635.1	100.0	7,247.7	100.0	9,088.7	100.0
Cost of sales	5,628.0	84.8	5,968.2	82.3	8,166.2	89.8
Distribution costs	95.3	1.4	119.0	1.6	158.1	1.7
Administrative expenses	337.5	5.1	283.5	3.9	286.6	3.2
Direct expenses arising from investment properties	38.0	0.6	20.4	0.3	1.6	0.0
Gain (loss) on sale of investment in associate	23.0	0.3	18.1	0.3	4.2	0.0
Total expenses	6,121.8	92.2	6,409.2	88.4	8,616.7	94.8
Profit from operating activities	513.2	7.7	838.5	11.6	472.0	5.2
Finance costs	31.7	0.5	10.6	0.1	48.7	0.5
Profit before income tax expense	481.5	7.3	827.8	11.4	423.3	4.7
Tax expense	44.6	0.7	101.5	1.4	10.7	0.1
Profit for the year	437.0	6.6	726.3	10.0	412.6	4.5
Profit for the year after adjustment of extra items	437.0	6.6	343.5	4.7	412.6	4.5
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Gain (loss) on remeasurements of defined benefit plans	(6.8)	(0.1)	10.9	0.2	2.2	0.0
Loss on investments in equity instruments designated at FVOCI	-	-	-	-	(2.1)	(0.0)
Income tax relating to items that will not be reclassified	1.4	0.0	(2.2)	(0.0)	(0.0)	(0.0)
Other comprehensive income for the year, net of tax	(5.4)	(0.1)	8.7	0.1	0.1	0.0
Total comprehensive income for the year	431.6	6.5	735.0	10.1	412.7	4.5
Profit attributable to:						
Owners of the parent	430.7	6.5	722.1	10.0	407.7	4.5
Non-controlling interests	6.3	0.1	4.2	0.0	5.0	0.0
Profit for the year	437.0	6.6	726.3	10.0	412.6	4.5

Statement of comprehensive income	Consolidated financial statements					
	2018		2019		2020	
	MB	%	MB	%	MB	%
Total comprehensive income attributable to:						
Owners of the parent	425.2	6.4	730.8	10.1	407.7	4.5
Non-controlling interests	6.4	0.1	4.2	0.1	5.0	0.0
Total comprehensive income for the year	431.6	6.5	735.0	10.1	412.7	4.5
Basic earnings per share						
Basic earnings per share (Baht)	1.50		2.51		1.42	
Weighted average number of shares (million shares)	287.7		287.7		287.7	

Statement of cash flows for the year ended 31 December 2018 - 2020

Statement of cash flows	Consolidated financial statements		
	2018	2019	2020
	MB	MB	MB
Cash flows from operating activities			
Profit for the year	437.0	726.3	412.6
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense	44.6	101.5	10.7
Finance costs	31.7	10.6	48.7
Depreciation of property, plant and equipment	287.0	289.7	377.7
Depreciation of investment properties	10.0	3.7	1.7
Depreciation of right-of-use assets	-	-	32.2
Amortisation of intangible assets	8.8	9.4	9.6
(Reversal of) provision for employee benefit	6.3	24.1	(15.9)
Unrealised gain on foreign exchange	(0.4)	(0.6)	(2.1)
Unrealised loss on forward exchange contract	-	-	0.9
(Gain) loss on disposal of investment in associate	-	(2.3)	-
Share of loss of associate accounted for using equity method, net of tax	23.0	18.1	4.2
Doubtful debts expenses (reversal)	3.5	(1.9)	0.4
(Reversal of) losses on inventories devaluation	7.9	6.7	7.0
Loss on disposal of property, plant and equipment	2.1	1.2	0.1
Loss from disposal of investment properties	0.6	-	-
Gain on sale of assets held for sale	-	(524.8)	-
Loss on written-off of property, plant and equipment	7.3	14.6	4.4
Difference arising from rent concession	-	-	0.2
Gain on loss of control from dissolution of subsidiary	-	(1.6)	-
Loss on written-off of intangible assets	-	0.3	0.0
Dividend income	(5.0)	(5.7)	(8.4)
	864.2	669.6	884.1
Changes in operating assets and liabilities			
Trade accounts receivable	164.9	9.0	(156.8)
Other receivables	-	-	(57.7)
Inventories	47.2	(291.7)	(868.3)

Statement of cash flows	Consolidated financial statements		
	2018	2019	2020
	MB	MB	MB
Other current assets	91.0	(60.5)	17.7
Current non-cash financial assets pledged as collateral	-	-	(5.0)
Other non-current assets	3.6	11.4	(36.6)
Trade and other payables	7.4	175.5	961.7
Employee benefits paid	(3.8)	-	(10.0)
Other current liabilities	(7.0)	0.1	(2.7)
Deferred income	(12.9)	(4.4)	(10.5)
Other non-current liabilities	0.2	0.2	(4.4)
Tax paid	(38.7)	(32.3)	(93.2)
Net cash from (used in) operating activities	1,116.1	477.1	618.4
Cash flows from investing activities			
Acquisition of other long-term investment	-	(10.0)	(7.5)
Proceeds from sale of investment properties	0.4	583.4	-
Acquisition of investment properties	(34.3)	(65.6)	(148.7)
Proceeds from sale of investments in associate	-	16.0	-
Proceeds from sale of investments in associate	5.2	9.5	2.6
Acquisition of property, plant and equipment	(144.3)	(464.7)	(974.7)
Acquisition of intangible assets	(22.1)	(3.3)	(10.1)
Loans to related parties	(39.4)	-	-
Short-term loan to other	-	-	(63.0)
Proceeds from repayment of short-term loan to other	-	-	63.0
Proceeds from repayment of loans to related parties	-	27.8	8.0
Loans to related parties	-	-	(8.0)
Interest received	4.6	5.7	8.7
Net cash from (used in) investing activities	(229.9)	98.9	(1,129.7)
Cash flows from financing activities			
Proceeds from change in ownership interest in subsidiaries without a change in control	-	-	(15.1)
Proceeds from borrowings from financial institutions	788.0	735.0	4,864.4
Repayment of borrowings from financial institutions	(973.6)	(1,036.7)	(3,654.2)
Payment of lease liabilities	-	-	(38.9)
Dividends paid to owners of the Company	(287.8)	(287.8)	(201.4)
Dividends paid to non-controlling interests	(7.0)	(18.3)	(13.0)
Interest paid	(31.5)	(10.9)	(33.4)
Net cash from (used in) financing activities	(511.9)	(618.6)	908.3
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes	374.2	(42.7)	397.1
Effect of exchange rate changes on cash and cash equivalents	-	(0.2)	1.2
Net increase (decrease) in cash and cash equivalents	374.2	(42.9)	398.3

Statement of cash flows	Consolidated financial statements		
	2018	2019	2020
	MB	MB	MB
Cash and cash equivalents at 1 January	505.4	879.7	836.7
Cash and cash equivalents at 31 December	879.6	836.8	1,235.0

Key financial ratio

Key financial ratio	unit	2018	2019	2020
Liquidity Ratio				
Current Ratio	time	1.4	1.3	1.2
Quick Ratio	time	1.1	0.9	0.7
Cash flow liquidity ratio	time	0.7	0.3	0.2
Accounts Receivable Turnover	time	6.8	7.7	9.7
Collection Period	day	53	47	37
Inventory Turnover ^{/1}	Time	19.4	14.8	8.4
Inventory Turnover Period	Day	19	24	43
Accounts Payable Turnover	%	5.1	5.0	4.6
Payment Period	day	71	73	78
Cash Cycle	day	0.5	(2)	2
Profitability Ratio				
Gross Profit Margin	%	13.4	9.9	8.7
Operating profit margin	%	6.2	3.5	3.9
Other profit margin	%	2.1	8.6	0.0
Cash-to-profit ratio ^{/2}	%	279.0	158.7	177.7
Net profit margin	%	6.6	10.0	4.5
Net profit margin after extra items ^{/3}	%	6.6	4.7	4.5
Return on Equity ^{/4}	%	15.8	11.3	12.2
Efficiency ratio				
Return on assets ^{/5}	%	9.0	6.7	6.3
Return on fixed assets ^{/6}	%	30.8	25.9	14.2
Assets turnover ^{/7}	Time	1.4	1.4	1.4
Financial Policy Ratio				
Debt to equity ratio	Time	0.6	0.6	1.2
Interest coverage ratio ^{/7}	Time	37.7	35.7	13.9
Debt service coverage ratio (Cash basis) ^{/8}	Time	0.9	0.2	0.2
Debt service coverage ratio (Cash basis) adjust ^{/9}	Time	2.2	0.3	3.8
Dividend payout ratio ^{/10}	%	66.8	33.9	52.9

Remarks

^{/1} Inventories turnover is calculated based on Cost of sales divided by average inventories.

^{/2} Cash to profit ratio is calculated based on cash flows from operation after adjust the gain from disposal of assets/operating profit

^{/3} Net profit margin after extra items is calculated by adjustment the gain from disposal of factory and written of leasehold improvement, staff compensation, and reserve for retirement benefit according to the labor law.

^{/4} Return on equity is calculated based on net profit of parent company after adjust the gain from disposal of assets divided by shareholder equity of parent company

- ^{/5} Return on asset is calculated based on net profit of parent company after adjust the gain from disposal of assets divided by average total assets
- ^{/6} Return on fixed asset is calculated based on net profit after adjust the gain from disposal of assets plus staff compensation plus depreciation and divided by average fixed assets
- ^{/7} Interest coverage ratio is calculated based on cash flows from operation plus gain from disposal of assets plus interest expenses and tax expenses divided by interest expense.
- ^{/8} Debt service coverage ratio (cash basis) is calculated based on cash flows from operation divided by (1) cash paid to interest bearing debt (2) cash paid for acquisition of fixed asset and investment properties and (3) dividend paid (Paid for debt + investment + purchase of fixed assets + dividend paid)
- ^{/9} Debt service coverage ratio (cash basis) is calculated based on cash flows from operation divided by (1) cash received and paid to interest bearing debt (2) cash paid for acquisition of fixed asset and investment properties and (3) dividend paid (Paid for debt + investment + purchase of fixed assets + dividend paid)
- ^{/10} Net profit of 2020 was derived from the special profit from the sale of plant of Baht 420 million that the company kept the money for business expansion. On the other hand, there were extra expenses amounting to Baht 37 million incurred during the year such as write-off leasehold improvement from the factory relocation, payment for staff compensation, and additional reserve employee benefit for the employee who have 20 years employment according to the new labor law so the actual operating profit was Baht 339 million. Dividend payout ratio calculated based on operating profit was 72%.

5. Other References

5.1 Other References

- | | | | |
|-----|-------------------|---|--|
| (1) | Registrar | : | Thailand Securities Depository Company Limited |
| | Address | : | 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Khlongtoey, Bangkok |
| | Telephone No | : | 02-009-9999 |
| | Fax No. | : | 02-009-9992 |
| (2) | Auditor | : | KPMG Phoomchai Audit Limited |
| | Address | : | 1 Empire Tower, South Sathorn, Yannawa, Bangkok 10120 |
| | Telephone No. | : | 02-677-2000 |
| | Fax No. | : | 02-677-2222 |
| (3) | Internal Audit | : | Unique Advisor Co.,Ltd. |
| | Address | : | 253, 25th, floor, Sukhumvit 21 Road (Asoke) Khwang Khlongtoey Nuea, Khet Watthana, Bangkok 10110 |
| | Telephone No. | : | 02-261-9699 |
| | Fax No. | : | 02-261-9697 |
| (4) | Financial advisor | : | Asia Plus Advisory Company Limited |
| | Address | : | 11/F, Sathorn City Tower, 175 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 |
| | Telephone No. | : | 02-680-4002-3 |
| | Fax No. | : | 02-670-9291 |

5.2 Other important information**5.2.1 Other information that may materially affect the decision of investors**

- None -

5.2.2 Restrictions on foreign shareholders

- None -

5.3 Legal Disputation

As at December 31, 2020, 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.

5.4 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.

5.5 Secondary market

- None -

5.6 Contact the financial institution that regularly (Only if the company issues debt instruments)

- None -

6. Corporate Governance Policy

6.1 Corporate Governance Overview and Guidelines

The Board of Directors is confident that good corporate governance is an essential factor that demonstrates having an efficient, transparent, and verifiable management system that helps build reliability to shareholders, investors, stakeholders, and all parties involved. It leads to business operations success and adds value, and promotes the Company's sustainable growth. Therefore, the Board has considered preparing a policy on the code of business conduct and business ethics of the Board of Directors Executives, management, and employees according to the corporate governance system. Including the Company's corporate governance policy aligns with listed companies' corporate governance principles as a practice guideline.

6.2 Code of Business Conduct

The Company is committed to conducting business with ethics, morality, honesty, transparency, and operates the business under the good corporate governance principle to create sustainability for businesses and protect the interests of stakeholders and society, leading to being the real corporate governance as follows:

Principle	1. Honesty and Transparency	2. Knowledge and Competence of the Operating Business
	3. Corporate Social Responsibility	4. Responsibility to Shareholders
	5. Responsibility to Customers	6. Responsibility to Competitors
	7. Responsibility to Business Partners	8. Responsibility to Employees
	9. Conflict of Interest	10. Maintaining the Financial Status
	11. Treatment of Creditors	12. Non-Violation of Human Rights to Those Involved
Code of Conduct for the Board of Directors, Executives, and Employees	1. Code of Conduct for the Board of Directors	
	2. Code of Conduct for Executives	
	3. Code of Conduct for Employees	

Note: Details of Code of Business Conduct as per Attachment 5

6.3 Significant Changes and Developments of Policy, Practices, and Corporate Governance System in the Past Year

6.3.1 The Company's operations adhere to the principles of good corporate governance by realizing the importance and responsibility towards the shareholders and stakeholders of the Company continually. The Board of Directors also realizes the importance of good corporate governance practices to increase shareholders, investors, and all related parties' confidence. Therefore has established the corporate governance policy, ethical guidelines, code of business conduct, and policies and operational manuals for guidance. In 2020, the Board, the Executives, and the Management reviewed policies and guidelines as follows:

Corporate Governance Policy

The Company has reviewed the policy of good corporate governance and updated it to be in line with the regulations that the Securities and Exchange Commission issued good corporate governance principles for listed companies in 2017 (Corporate Governance Code: “CG Code Year 2017”). There is the Code of Conduct for the Board on 8 main items:

1. Recognize the board of directors' roles and responsibilities as the corporate leader who creates sustainable value for the business.
2. Determine the business objectives and main goals for sustainability.
3. Strengthen the efficient committees.
4. Recruit and develop senior executives and personnel management.
5. Promote innovation and responsible business practices.
6. Ensure that there is appropriate risk management and internal control system.
7. Maintain financial credibility and information disclosure.
8. Encourage participation and communication with shareholders.

The Company has stipulated additional guidelines that the Company should take corrective actions to suit its circumstances. The Board shall review the suitability of the CG Code to be applied.

Ethics and Code of Conduct

The Company has reviewed the ethics and code of conduct to comply with the corporate governance policy so that the Company's directors, executives, and all employees conduct as a guideline to operate the business in ethics, morality, transparency, and under the corporate governance principles to create businesses sustainability and protect the interests of stakeholders and society, leading to being the real corporate governance.

Charter of Board and Operating Policies

The Company has reviewed the charter and operating policies in various fields to follow good corporate governance. It is an essential factor that demonstrates an efficient, transparent, and verifiable management system that helps build confidence among shareholders, investors, stakeholders, and all related parties. It will lead to business operations success, add value, and promote the Company's sustainable growth.

Anti-Corruption Policy

Giving gifts, property, gratuity, or any other benefit inappropriate may create an image of support or have an obligation with each other, which possibly affects decisions in performing duties and may ultimately cost the Company its benefits. The Company shall not support such action. Therefore, the company has established guidelines not to accept gifts, assets, gratuity, and any other uses for further practice. In the past year, the Company carried out various fraud activities, such as communicating information to customers, partners, and stakeholders about the "No gift policy." The full report is described at www.sncformer.com.



Whistle-Blowing & Complaints

This channel provides shareholders and stakeholders the opportunity to express opinions and make complaints directly to the Board of Directors in case of unfairness or suffering from the Company's actions. Besides, all employees must report any misconduct or suspected to be inaccurate or violate the Company's good governance, rules, regulations, or any laws to the supervisor. The Company has set up a channel for employees to consult or report the incident through the following channels directly.

1. The Chairman of the Board's Email: satit.ck@gmail.com, or
2. The Chairman of the Executive Board's Email: somchai@sncformer.com, or
3. The Chairman of the Audit Committee's Email: bsuchat@yahoo.com, or
4. The Company website: <http://www.sncformer.com> (Whistleblowing), or
5. Telephone number: 02-108-0360-66 (Public Relations Department/Company Secretary), or
6. Red Box to Receive Whistleblowing (Located at the head office and Rayong)

The Company is also open to the general public to make complaints when they find inappropriate behavior of directors, executives, and employees or contrary to the Company's business ethics to the audit committee. The Company shall consider all complaints equally, transparently, attentively, and relatively to all parties. There is an appropriate period of action, confidentiality, and protection of complainants by sending an email to the Chairman of the Audit Committee: bsuchat@yahoo.com.

- In 2020, there were no complaints in the event of violations of corporate governance, regulations, or laws from stakeholders.
- No director resigned due to the issue of corporate governance.
- There were no instances of the Company's negative reputation due to a failure to perform the board's oversight duties.

Social Responsibility Policy

The company has established a social responsibility policy. The objective is to promote directors, executives, and employees at all levels to operate with morality and ethics, responsible to social and public for sustainable business growth therefore, a social responsibility policy has been set up, as details below (see full policy at www.sncformer.com)

1. Fair business operation
2. Anti-corruption
3. Human rights respect
4. Fair labor practices
5. Responsibility to consumers
6. Caring for the environment
7. Community or social development
8. Innovation and dissemination of innovation

6.3.2 Performing Other Matters According to Good Corporate Governance

The Stock Exchange of Thailand had selected SNC Former Public Company Limited by Dr. Somchai Thaisa-nguanvorakul, Chief Executive Officer, Mr. Somchai Ngamkitcharoenlap, Managing Director, and the Company's representative to received 1) Best Company Performance Awards 2) Outstanding CEO Awards 3) Outstanding Investor Relations Awards and 4) Thailand Sustainability Investment (THSI) Awards for the year 2020 at the Stock Exchange of Thailand on 15th December 2020.






6.3.3 Compliance with CGR and Quality Assessment Program for AGM

Corporate Governance Report (CGR)

The Company has followed the evaluation criteria divided into five categories: 1. Rights of shareholders. 2. Equitable treatment of shareholders. 3. Roles of stakeholders. 4. Disclosure of information and transparency. 5. Responsibilities of the Board of Directors.

In 2018-2020, the Company received an excellent rating (CG 5 stars).

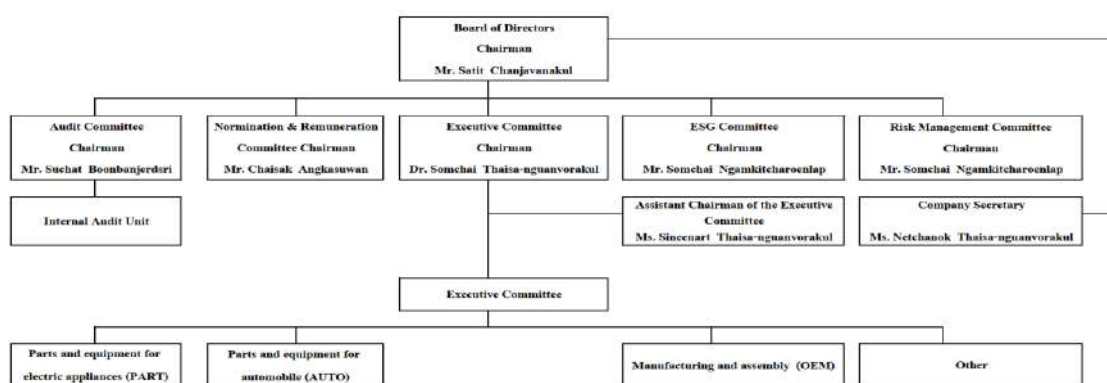
	2563	2562	2561
SNC	2020	2019	2018
	92%	93%	95%
			

Quality Assessment Program for AGM

In 2020, the Company adhered to the Quality Assessment Program for AGM of listed companies prepared by the Thai Investors Association. The objective was to encourage listed companies to give importance to the Annual General Meeting of shareholders and maintain the annual shareholder meeting's standard to have similar means and be recognized internationally. The Company complied with the rules and regulations to organize AGM, which was rated 100/100 point for the AGM Checklist for 2020.

7. Corporate governance structure and important information about the board Sub-committees, management, employees and others

7.1 Corporate governance structure As at December 31, 2020



7.2 Board information

7.2.1 Composition of the Board of Directors

As at December 31, 2020, the Company's Board of Directors comprised of 10 directors, included

Independence director: 8 directors (More than one half of the Company's Board of Directors)

Non- executive director: 8 directors (80% of the Company's Board of Directors)

Female independence director: 1 director is Mrs. Chanisa Chutipat.

7.2.2 Information of the board of directors

No.	Name	Position
1	Mr. Satit Chanjavanakul	Chairman of the Board of Directors Independence Director
2	Dr. Somchai Thaisa-nguanvorakul	Chairman of the Executive Committee
3	Mr. Wisan Wutthisaksilp	Independence Director
4	Mr. Chaisak Angkasuwan	Independence Director
5	Mr. Suchat Boonbanjerdsri	Independence Director

No.	Name	Position
6	Mrs. Chanisa Chutipat	Independence Director
7	Pol.Lt.Gen. Maj Nopsak Poovatanasedj	Independence Director
8	Mr. Sirote Swasdipanich	Independence Director
9	Mr. Somjai Chaopanich	Independence Director
10	Mr. Somchai Ngamkitcharoenlap	Director and Executive Committee
	Ms. Netchanok Thaisa-nguanvorakul	Company Secretary

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

1) Holding shares not more than 0.5% of the total shares with voting rights of the Company, its subsidiaries, which shall be inclusive of the shares held by related persons.

2) Not being or having previously been a director who takes part in management, an employee, a staff member or advisor who receives a regular salary, or a controlling person of the Company, its subsidiaries unless the termination of being in such position had occurred at least 2 years before an appointment as the Company's independent director.

3) Not being a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, sibling and child as well as child's spouse, of its executives, its major shareholders, its controlling persons or such other persons who will be nominated to be executives or controlling persons of the Company or its subsidiaries.

4) Having no current or previous business relationship with the Company, its subsidiaries, its major shareholders or its controlling persons which may interfere his /her independent discretion, and not being or having previously been a major shareholder or controlling person of the company which has a business relationship with the Company, its subsidiaries, its major shareholders or its controlling persons, unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.

5) Not being or having previously been an auditor of the Company, its subsidiaries, its major shareholders or its controlling persons and not being a major shareholder or partner of the audit office of the auditor of the Company, its subsidiaries, its major shareholders or its controlling persons unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.

6) Not being or having previously been any professional service provider including legal advisor or financial advisor who receives more than 2 million baht annually from the Company, its subsidiaries, its major shareholders or its controlling persons and not being a major shareholder, controlling person or partner of such professional service provider unless the termination of being in such position had occurred at least 2 years before the appointment as the Company's independent director.

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

8) Not operating any business which has the same nature and significant in competition with the Company, its subsidiaries or not being a major shareholder in partnership or a director who takes part in the management, an

employee, a staff member or advisor who receives a regular salary or holding shares more than 1 % of total shares with voting rights of other company who operates same business and significantly competes with the Company and its subsidiaries.

9) Having no characteristics that may affect the giving of independent opinions on the operation of the Company and its subsidiaries.

Authorized Directors

The Company's authorized directors are Dr. Somchai Thaisa-nguanvorakul jointly with Mr. Somchai Ngamkitcharoenlap who are authorized person to sign on behalf of the Company with the Company's seal affixed.

7.2.3 Information on the roles and responsibilities of the Board of Directors

The Board of Directors has power, duty, and responsibility in management the company business in accordance with law, regulation, objective, articles of association, including the resolutions from the shareholders' meeting with honesty in order to protect the benefit of the company and shareholders. The delegation of power must not make the Board, Sub-Committee, Chairman of the Executive Committee, Managing Directors, to involve in the related transaction of the Company or subsidiaries that have conflict of interests except the transaction is proceeded in conformity with the company policy and charters that approved by the Board. (see detail in <https://www.sncformer.com>)

7.3 Information of Sub-committee

7.3.1 Sub-committee consists of

1. Audit Committee
2. Remuneration and Nomination Committee
3. Executive Committee
4. Risk Management Committee
5. Environmental, Social and Governance Committee

The committee structure has checked and balanced sufficiently, not only by the Audit Committee and clearly authorized each committee by

1. Clearly written and recorded the resolution of the committee in the meeting report.
2. Clearly state the scope of authority of the attorney.

- The scope does not include approvals for transactions that the attorney have a conflict of interest with this transactions.

- The scope of the authority of each committee, especially the Executive Committee and Chief Executive Officer have been stated clearly, i.e. the type of transaction that can authorize and the budget of each transaction. However the scope of authority is not too wide. For example, the committees have to operate within the law, Company regulations and shareholders meeting resolution. The Sub-Committee Charter have been announced in company website: <https://www.sncformer.com>

7.3.2 List of Sub-Committee

1. Audit Committee

The board is responsible for financial reporting, internal control system, legal compliance, any regulations of the company. They take care of each items which may have a conflict of interest and investigate the actions that may be wrong or related transactions of directors and/or senior management as well as having the authority to verify that the Executive Committee perform duties in accordance with the mandated framework for the benefit of the company and shareholders. The Audit Committee as at 31 December 2020, consisted of:

Name – surname	Position
1. Mr. Suchat Boonbanjerd Sri	Chairman of the Audit Committee, Independent Director
2. Mr. Chaisak Ankasuwan	Audit Committee, Independent Director
3. Mrs. Chanisa Chutipat	Audit Committee, Independent Director
Mr. Pornchai Sirikitpanichkul	Secretary of the Audit Committee

Mrs. Chanisa Chutipat, the Audit Committee and Independent Director, has sufficient knowledge and experience in accounting and finance to audit the reliability of the company financial statement. Mrs. Chanisa Chutipat graduated with bachelor's degree and master's degree from Faculty of Commerce and Accountancy, Thammasat University.

2. Remuneration and Nomination Committee

The Nomination and Remuneration Committee is responsible for recruiting qualified persons to serve as the Board of Directors and to set up appropriate, transparent and consistent criteria and policies for the remuneration of directors, Sub-committee and Executives in order to follow with good corporate governance principles that will lead the company to sustainable success and creates confidence among shareholders and investors. The Remuneration and Nomination Committee as at 31 December 2020 consisted of :

Name – surname	Position
1. Mr. Chaisak Ankasuwan	Chairman of the Remuneration and Nomination Committee
2. Mr. Wisan Wuttisaksin	Remuneration and Nomination Committee
3. Pol.Gen.Lt. Nopsak Poovatanasedj	Remuneration and Nomination Committee
Mr. Rattapoom Nuntapatawee	Secretary of the Remuneration and Nomination Committee

3. Executive Committee

The Executive Committee is responsible for managing the Company's affairs in accordance with the objectives, policies, rules, regulations, orders and resolutions of the board meeting and/or resolution of the shareholders' meeting with efficiency and effectiveness to make the most benefit for the company and in accordance with the good corporate governance policy. The Executive Committee as at 31 December 2020 consisted of :

Name – surname	Position
1. Dr. Somchai Thaisa-nguanvorakul	Chairman of the Executive Committee

Name – surname	Position
2. Mr. Somchai Ngamkitcharoenlap ^{/1}	Executive Director
Miss Achara Nivongsa	Secretary of the Executive Committee

^{/1} Mr. Somchai Ngamkitcharoenlap had been assigned to be Executive Director from Board of Directors Meeting No.4/2563 On 13 May 2020 in place of Mr. Somboon Gurdlin, who resigned on 13 May 2020.

4. Risk Management Committee

The Risk Management Committee is responsible for determination policy of all types of risk management of the company. They formulate strategies used in risk management, supervision, monitoring and evaluation of performance. They review and develop the system including a risk factor analysis that may occur and affects the operations of the company in both external and internal risks, cultivate risk management as part of the company culture to gain the stakeholders trust that company will meet the objective effectiveness and efficiency. The Risk Management Committee as at 31 December 2020 consisted of:

Name – surname	Position
1. Mr. Somchai Ngamkitcharoenlap ^{/1}	Chairman of the Risk Management Committee
Mr. Pornchai Sirikitpanichkul	Secretary of the Risk Management Committee

^{/1} Mr. Somchai Ngamkitcharoenlap had been assigned to be Chairman of the Risk Management Committee from Board of Directors Meeting No.4/2563 On 13 May 2020 in place of Mr. Somboon Gurdlin, who resigned on 13 May 2020.

5. Environmental, Social and Governance Committee

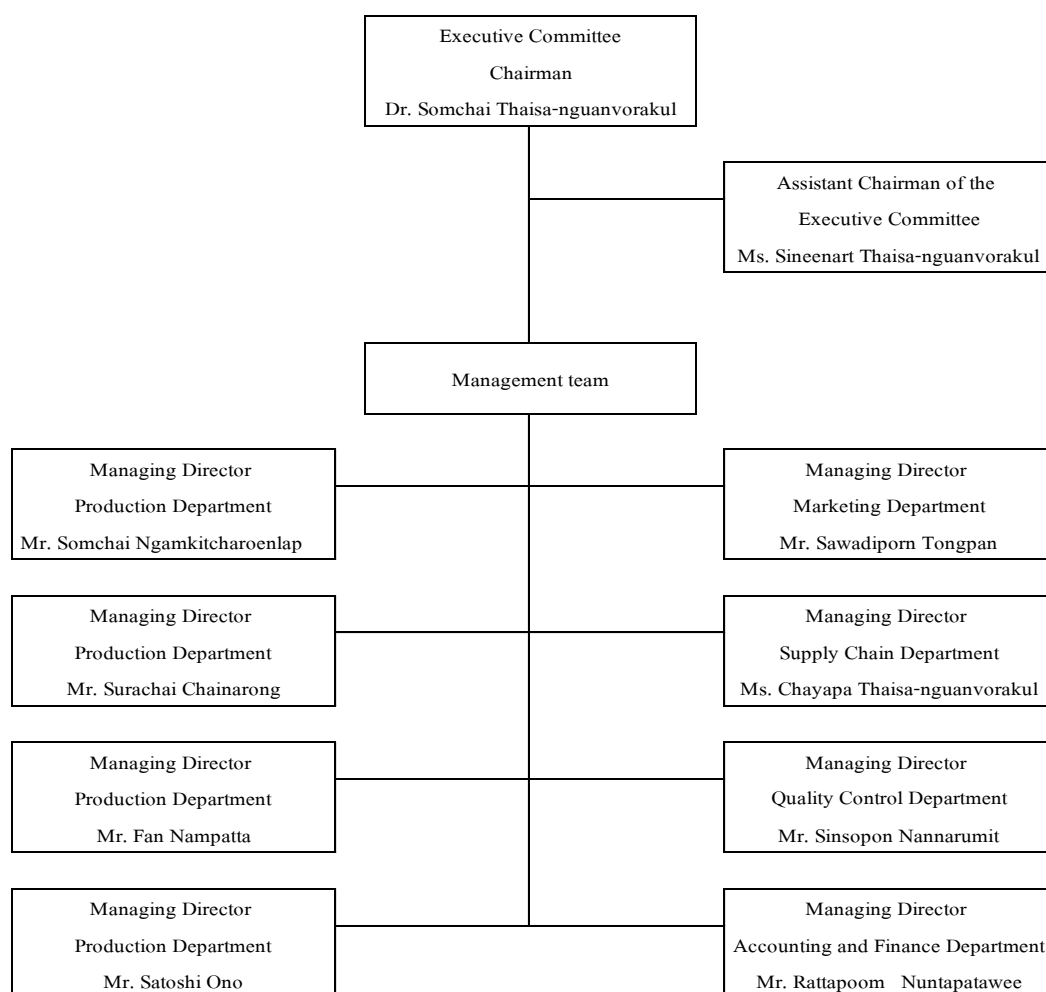
The Environment, Society and Corporate Governance Committee is responsible for promoting the operation of the group of companies in accordance with the principles of good corporate governance including achieving corporate governance policy and business ethics for sustainable development. The ESG Committee as at 31 December 2020 consisted of:

Name – surname	Position
1. Miss Sineenart Thaisa-nguanvorakul ^{/1}	Chairman of the ESG Committee
Miss Khanittha Suwannapha	Secretary of the ESG Committee

^{/1} Miss Sineenart Thaisa-nguanvorakul had been assigned to be Chairman of the Environmental, Social and Governance Committee from Board of Directors Meeting No.4/2563 On 13 May 2020 in place of Mr. Somboon Gurdlin, who resigned on 13 May 2020

7.4 Management information

7.4.1 Names and positions of executives



As at December 31, 2020, the Company group comprised of 10 executives as follows:

Name	Position
1. Dr. Somchai Thaisa-nguanvorakul	Chairman of the Executive Committee
2. Ms. Sineenart Thaisa-nguanvorakul	Assistant Chairman of the Executive Committee
3. Mr. Somchai Ngamkitcharoenlap	Managing Director – Production Department
4. Mr. Surachai Chainarong	Managing Director – Production Department
5. Mr. Satoshi Ono	Managing Director – Production Department
6. Mr. Fan Nampatta	Managing Director – Production Department
7. Mr. Sinsopon Nannarumit	Managing Director – Quality Control Department
8. Mr. Sawadiporn Tongpan	Managing Director – Marketing Department
9. Ms. Chayapa Thaisa-nguanvorakul	Managing Director – Supply Chain Department
10. Mr. Rattapoom Nuntapatawee	Managing Director – Accounting and Finance Department

7.4.2 Remuneration for Executive Directors and Executives

The Company determines the remuneration for executive directors and executives according to qualifications, knowledge, and competence criteria in accordance with the Company's criteria, stipulates remunerations such as salary, position vehicle, welfare, telephone bill, contributions to the provident fund and social security fund contribution. etc.

7.4.3 Total remuneration for Executive Directors and Executives

7.4.3.1 Monetary compensation

The company paid monetary compensation to the management as follows:

Compensation	2019 ^{/2}		2020 ^{/3}	
	Number (Person)	Compensation (Million Baht)	Number (Person)	Compensation (Million Baht)
Salary and bonus	5	15.1	12	21.5
Other ^{/1}	5	6.9	12	2.5
Total		22.0		24.0

^{/1} Other compensation includes the vehicle's location, welfare, telephone , contributions to the provident fund, and social security contributions.

^{/2} Executives in 2019 are Mr. Somchai Thaisa-nguanvorakul, Mr. Somboon Gurdlin, Mr. Surapol Yamkasem, Mr. Rattapoom Nuntapatawee, and Ms. Sineenart Thaisa-nguanvorakul

^{/3} In 2020, Mr. Somboon Gurdlin resigned from his position as a company employee on May 13, 2020, where the Company appointed Mr. Somchai Ngamkitcharoenlap to take the position of Executive Director. It was effective from May 13, 2020 and Mr. Surapol Yamkasem, resigned from his position as a company employee on June 1, 2020.

7.4.3.2 Other compensation

-None-

7.4.3.3 Number of shares held by directors and executives

	Name	No. of Shares			
		December 31, 2019	During the year		December 31, 2020
			Buy	Sell	
1	Mr. Satit Chanjavanakul	-	-	-	-
	Spouse and underage children	-	-	-	-
2	Dr. Somchai Thaisa-nguanvorakul	14,043,322	2,543,300	-	16,586,622
	SNC Holding Company Limited	91,000,100	-	-	91,000,100
	Spouse and underage children	1,698,300	-	-	1,698,300
3	Mr. Suchat Boonbanjerdri	517,000	-	-	517,000
	Spouse and underage children	-	-	-	-
4	Mrs. Chanisa Chutipat	-	-	-	-
	Spouse and underage children	-	-	-	-
5	Mr. Chaisak Ankasuwan	-	-	-	-
	Spouse and underage children	-	-	-	-

	Name	No. of Shares			
		December 31, 2019	During the year		December 31, 2020
			Buy	Sell	
6	Mr. Wisan Wuttisaksin	-	-	-	-
	Spouse and underage children	-	-	-	-
7	Pol.Lt.Gen. Nopsak Poovatanasedj	-	-	-	-
	Spouse and underage children	-	-	-	-
8	Mr. Sirote Swasdiapanich	-	-	-	-
	Spouse and underage children	-	-	-	-
9	Mr. Somjai Chaopanich	-	-	-	-
	Spouse and underage children	-	-	-	-
10	Mr. Somchai Ngamkitcharoenlap	-	-	-	-
	Spouse and underage children	-	-	-	-
11	Ms.Sineenart Thaisa-nguanvorakul	8,373,700	1,652,300	-	10,026,000
	Spouse and underage children	-	-	-	-
12	Mr. Surachai Chainarong	-	20,069	-	20,069
	Spouse and underage children	-	-	-	-
13	Mr. Satoshi Ono	-	-	-	-
	Spouse and underage children	-	-	-	-
14	Mr. Fan Nampatta	-	-	-	-
	Spouse and underage children	-	-	-	-
15	Mr. Sinsopon Nannarumit	-	19,860	-	19,860
	Spouse and underage children	-	-	-	-
16	Mr. Sawadiporn Tongpan	-	13,536	-	13,536
	Spouse and underage children	-	-	-	-
17	Ms. Chayapa Thaisa-nguanvorakul	-	5,000	-	5,000
	Spouse and underage children	-	-	-	-
18	Mr.Rattapoom Nuntapatawee	24,422	-	-	24,422
	Spouse and underage children	-	-	-	-

7.5 Personnel

Number of staffs

As at December 31, 2018 - 2020, the staffs of the Company and subsidiaries can be classified by each department as follows:

Department	No. of staffs		
	31 Dec 2018	31 Dec 2019	31 Dec 2020
1. Production	1,099	990	837
2. Maintenance	21	32	26
3. Marketing	1	1	-
4. Supply Chain	64	111	78

Department	No. of staffs		
	31 Dec 2018	31 Dec 2019	31 Dec 2020
5. Quality Control	42	43	8
6. Accounting and Finance	38	35	25
7. Human Resource	27	30	27
8. Technology and Information Management	15	12	11
9. Internal Audit	6	6	4
Total	1,313	1,260	1,016
Outsource	436	793	1,761
Total	1,749	2,053	2,777

Employee Compensation

The Company and its subsidiaries pay various types of compensation to their employees, such as salary, bonus and other employee benefits such as contributions to provident funds, contribution to the Social Security Fund, etc., in accordance with the employment policy of the Group of Companies. In 2019-2020, the Company and its subsidiaries paid monetary compensation to employees (excluding executives) details as follows:

Employee Compensation and Executives (Million Baht)	2019	2020
Salary and Bonus	565.9	457.1
Others ^{/1}	252.3	333.0
Total	818.1	790.1

^{/1} Other compensation includes overtime, welfare allowances, contributions to the provident fund, and social security contributions.

Provident fund

The company joined the provident fund with Krung Thai Sinsmongkong Registered on January 31, 2005. Krung Thai Asset Management Company Limited was a fund manager. The objective of the provident fund is to build morale and encouragement to employees and to motivate employees to work with the company for the long term in accordance with the Provident Fund Act B.E. 2530 (including as amended).

Major labor disputes over the last 3 years

-None-

Human Resource Management and Development Policy

The Company realizes the importance of human resources which is the most important in business cooperation that will enable the company to achieve its goals. The company has therefore established a policy focusing on skills development and educate employees to continuously increase the efficiency of work in all aspects of employees at all levels resulting in a creative concept to add innovative value to the company. This is one of the most important strategies of the company. Human Resource Management Department is responsible for recruiting

new employees. It brings Maslow's theoretical human needs as the foundation of personnel management to comply with employees designer, survey, annual training needs, daily management and policy management and let employees know their target, quality of work. Measurement the employee competency with Radar Chart for evaluate employee performance. HR department evaluates training efficiency, develop personnel to have multi skill and multifunction for employees of all levels can present a project develop future leaders by developing leadership skills while adding new knowledge Retain employees with good performance and high potential. 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).

7.6 Other important information

The Company Secretary

Name : Miss Netchanok Thaisanguanvorakul
Tel : 089-184-1111
E-mail : Netchanok@sncformer.com

*Note: Details are in Attachment 1.

Duties and responsibilities

1. Prepare and keep documents such as the company's director registration, a notice of the Board of Directors Meetings, minutes of Board of Directors' meetings, annual reports of the company, and invitation letters and minutes of the Shareholders' meetings.
2. Manage and arrange a system for keeping documents and evidence related to the data presentation, including to ensure the conciseness and precision of all documents or evidence.
3. Keep and maintain the report of the interests of directors, executives, and stakeholder that is presented by the board members or the company's executives.
4. Provide basic advice on legal matters and company regulations regarding the Board of Directors requests.
5. Arrange the shareholders' meeting and the Board of Directors' meeting to be in line with the articles of association, law, and regulations.
6. Take minutes of the Shareholders' meetings and the Board of Directors' meetings.
7. Disclose the disclosure of information and information memorandum to the related agencies, including the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
8. Ensure that the activities of the Board of Directors and other company's activities are comply with the law and regulations, issued by the Capital Market Supervisory Board and / or assigned by the Board of Directors.
9. Proceed any other required actions, assigned by the Capital Market Supervisory Board.

Accountant

Name : Ms. Parichat Hemvipat
 Tel : 086-570-9694
 E-mail : Parichat@sncformer.com

*Note: Details are in Attachment 1.

Head of internal audit of the company

Name : Mr. Pornchai Sirikijpanichakool
 Tel : 081-761-8117
 E-mail : pornchai@snc-spec.com

*Note: Details are in Attachment 3.

Internal audit (Outsource)

Name : Mr. Kosol Yamleemul, Unique Advisor Co., Ltd.
 Tel : 0-2261-9699

*Note: Details are in Attachment 3.

Investor relations

Name : Miss Sineenart Thaisanguanvorakul or Mr. Rattapoom Nuntapatawee
 Tel : 085-517-0260 or 081-901-0061
 E-mail : sineenart@sncformer.com or rattapoom@sncformer.com

Audit Fee

For the fiscal year of 2020, the Company and its subsidiaries paid the audit fees of THB 3,750,000 to KPMG Phoomchai Audit Limited.

Company and its subsidiaries	Baht
SNC Former Public Company Limited	830,000
<u>Direct subsidiaries</u>	
SNC Pyongsan Evolution Company Limited	310,000
SNC Cooling Supply Company Limited	400,000
Immortal Part Company Limited	430,000
Paradise Plastic Company Limited	220,000
SNC Creativity Anthology Company Limited	450,000
SNC Atlantic Heat Pump Company Limited	200,000
Odin Power Company Limited.	50,000

Indirect subsidiaries	
SSM Automation Company Limited	310,000
Meisou SNC Precision Company Limited	170,000
Ultimate Part Company Limited	50,000
Infinity Part Company Limited	230,000
Yala Fah Saard Company Limited	50,000
Odin Myanmar Co., Ltd.	50,000
Total	3,750,000

8. Key Performance Reports on Corporate Governance

8.1 Summary of the Board's Performance in the Past Year

The Board of Directors plays a vital role in formulating policies and strategies that possibly increase competitiveness, build corporate culture and values, including enhancing efficiency supervision of the adequacy of the internal control system, manage corporate risk management or giving other opinions that are beneficial to the organization's development.

8.1.1 Nomination, Development, and Evaluation of the Board's Performance

Appointment of Directors, the Nomination and Remuneration Committee, which consists of 3 independent directors, is responsible for selecting and screening qualified persons according to the Company's policy and nominate those who have appropriate qualifications to acquire professional and diverse directors based on the structure, size, and composition of the Board. The Board of Directors must consist of at least one in two independent directors of the entire board and propose opinions to the Board of Directors to seek approval from the directors. The aforementioned list of directors shall then be proposed to the shareholders' meeting to elect directors according to the prescribed criteria. The Nomination and Remuneration Committee has considered the nature of the business and the future plans. Therefore, the qualifications of directors are determined using the Skill matrix tool. Besides, the Nomination and Remuneration Committee has provided opportunities for shareholders to participate in nominating qualified directors.

Top management recruitment, the Board of Directors has assigned the Nomination and Remuneration Committee to consider and select qualified persons to hold the Chief Executive Officer position, consider selecting those who are suitable in the field of knowledge, experience, and expertise, define qualifications, knowledge, and competence criteria using the Skill matrix tool to propose the list to the Board of Directors and/or the shareholders' meeting for further appointment.

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

1. Selection Committee and Remuneration Committee review the assessment form to ensure its completeness and compliance with the criteria and requirements.

2. The Committee evaluates performance on yearly basis.
3. The Secretary summarizes the assessment and reports to the Board.
4. The Committee causes to have improvement of working system to achieve more effectiveness.

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

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

The Board 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.

The summary outcome in Y2020

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

The result of the assessment in Y2020, each director is qualified and has performed duties and responsibilities excellently and properly in accordance with director guideline.

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

8.1.2 Meeting Attendance and Remuneration for the Board of Directors Individually

List of the Board of Directors	Number of Attendance / All Meetings	
	2019	2020
1. Mr. Satit Chanjavanakul	6/6	7/7
2. Mr. Somchai Thaisa-Nguanvorakul	6/6	7/7
3. Mr. Somchai Ngamkitcharoenlap ^{/1}	-	3/3
4. Mr. Wisan Wuttisaksin	6/6	7/7
5. Pol. Lt. Gen. Nopsak Poovatanasedj	5/6	7/7
6. Mr. Sirote Swasdipani ^{/2}	-	5/5
7. Mr. Somjai Chaopanich ^{/3}	-	4/4
8. Mr. Suchat Boonbanjerd Sri	5/6	7/7
9. Mr. Chaisak Ankasuwana	5/6	7/7
10. Mrs. Chanisa Chutipat	6/6	6/7
11. Mr. Somboon Gerdlin	6/6	3/3

Ms. Netchanok Thaisa-Nguanvorakul

Company Secretary

^{/1} Mr. Somchai Ngamkitcharoenlap has been appointed as a director from the Board of Directors Meeting No. 4/2020 on May 13, 2020, to replace Mr. Somboon Gerdlin.

^{/2} Mr. Sirote Swasdipani has been appointed as a director from the Board of Directors Meeting No. 2/2020 on February 17, 2020.

^{/3} Mr. Somjai Chaopanich has been appointed as a director at the 2020 Annual General Meeting of Shareholders on March 27, 2020.

The Board of Directors' structure consists of 8 independent directors from a total of 10 directors. Mr. Satit Chanjavanakul, the Chairman of the Board of Directors, has qualifications as an independent director, which shall increase efficiency and transparency in management. There is a balance of power for the board of directors to vote for consideration in various agendas to comply with good corporate governance principles. Most of the Company's directors have passed the Director Certified Program (DCP) or Director Accredited Program (DAP) from the Thai Institute of Directors Association.

Monetary Remuneration

The 2020 Annual General Meeting of Shareholders held on March 27, 2020, set the remuneration policy to the Board of Directors, Audit Committee, and the Nomination and Remuneration Committee as follows:

Position	2019 (Baht)		2020 (Baht)	
	Meeting Allowance/Time	Monthly Remuneration	Meeting Allowance/Time	Monthly Remuneration
Chairman of the Board	20,000	60,000	20,000	60,000
Director ^{/1}	10,000	30,000	10,000	30,000
Chairman of the Audit Committee	20,000	-	20,000	-
Audit Committee	10,000	-	10,000	-

Position	2019 (Baht)		2020 (Baht)	
	Meeting Allowance/Time	Monthly Remuneration	Meeting Allowance/Time	Monthly Remuneration
Chairman of the Nomination and Remuneration Committee	20,000	-	20,000	-
The Nomination and Remuneration Committee	10,000	-	10,000	-
Chairman of the Sub-Committees ^{/2}	-	-	-	-
Sub-Committee Member	-	-	-	-

^{/1} The director who is the Company's executive or employee shall not receive monthly remuneration.

^{/2} The sub-committee consists of the Risk Management Committee and the Environmental, Social, and Governance Committee.

The Company had paid remuneration to the directors for the year 2020 in monetary as detailed below.

List of Directors	2020 (Baht)					Total
	Director	Audit Committee	Nomination and Remuneration Committee ^{/4}	Risk Management Committee	Environmental, Social, and Governance Committee	
1. Mr. Satit Chanjavanakul	1,280,000	-	-	-	-	1,280,000
2. Mr. Somchai Thaisa-nguanvorakul	70,000	-	-	-	-	70,000
3. Mr. Wisan Wuttisaksin	430,000	-	-	-	-	430,000
4. Pol. Lt. Gen. Nopsak Poovatatanasedj	430,000	-	-	-	-	430,000
5. Mr. Suchat Boonbanjerdsri	430,000	80,000	-	-	-	510,000
6. Mr. Chaisak Ankasuwan	430,000	40,000	-	-	-	470,000
7. Mrs. Chanisa Chutipat	420,000	30,000	-	-	-	450,000
8. Mr. Somboon Gerdlin	30,000	-	-	-	-	30,000
9. Mr. Sirote Swasdipanich ^{/1}	380,000	-	-	-	-	380,000
10. Mr. Somjai Chaopanich ^{/2}	310,000	-	-	-	-	310,000
11. Mr. Somchai Ngamkitcharoenlap ^{/3}	30,000	-	-	-	-	30,000
Total	4,240,000	150,000	-	-	-	4,390,000

^{/1} Mr. Sirote Swasdipanich has been appointed as a director from the Board of Directors Meeting No. 2/2020 on February 17, 2020.

^{/2} Mr. Somjai Chaopanich has been appointed as a director at the 2020 Annual General Meeting of Shareholders on March 27, 2020.

^{/3} Mr. Somchai Ngamkitcharoenlap has been appointed as a director from the Board of Directors Meeting No. 4/2020 on May 13, 2020, to replace Mr. Somboon Gerdlin.

^{/4} The Nomination and Remuneration Committee has notified the intention of not accepting meeting allowances.

Other Remuneration

-None-

8.1.3 Supervision of Subsidiaries and/or Associated Companies

The Company establishes a policy to supervise the operations of subsidiaries and associated companies. The objective is to define direct and indirect measures and mechanisms for the Company to oversee and manage subsidiaries and associated companies' affairs. Monitor and supervise the subsidiary and associated companies to comply with the Civil and Commercial Code, Securities Laws, and related laws, as well as notification, regulations, and rules to protect the interests of the investment of the Company in the said subsidiary and associated companies by stipulating policies on supervision as follows:

1. Supervision of operations of subsidiaries and associated companies, the Company shall represent the director and/or management in the subsidiary and associated companies. The person appointed as directors and/or management in subsidiaries or associated companies is responsible for action in that subsidiary or associated Company's best interests. And operate following the business policy set by the Company, including closely monitoring its business operations. Then report the financial status and operating results of subsidiaries or associated companies to the Board of Directors.

Besides, in the case of a subsidiary, the Company's person must ensure that the subsidiary has rules and regulations on related transactions consistent with the Company. The information and accounting records are kept accommodating the Company to audit and compile to prepare the consolidated financial statements on time as well.

2. The board of directors and management of each subsidiary and/or associated companies shall have the significant scope, authority, and responsibility under the relevant laws, such as disclosing information on financial status and operating results to the Company. The relevant notification of the Capital Market Supervisory Board and the notification of Thailand's Stock Exchange shall apply mutatis mutandis. As well as disclose and submit personal interests information and related persons to the Board of Directors to acknowledge the relationship and transactions with the Company, subsidiaries, and/or associates companies in a manner that may create a conflict of interest.

3. The Company shall set up a plan and take the necessary action to ensure that the subsidiary and/or associated companies disclose the information about operating results and financial status. In addition, the Company shall take necessary action and monitor the subsidiary and/or associated companies to have sufficient and appropriate information disclosure and internal control systems in their business operations.

8.1.4 Monitoring Compliance with Corporate Governance Policies and Practices

The Company places importance on good corporate governance by establishing relevant policies and practices in the Company's corporate governance policy and code of business conduct, including promoting real action to build confidence among all stakeholders.

The Company monitored compliance with good corporate governance in the past year, covering 1) employee treatment and non-discrimination, 2) anti-unfair competition, 3) environmental, health, and safety stewardship in the organization 4) information security. The follow-up results showed that the Company had followed the guidelines of each issue entirely.

Also, the Company has followed up to achieve the four issues of good corporate governance as follows:

1. Prevention of Conflicts of Interest

The Company has determined a policy that the board of directors, executives, and employees must perform their duties for the Company's best interests. Suppose any person has an interest or is involved in the consideration. In that case, the said

person must notify the supervisory authority of the matter and not consider the transaction. In previous years, the Company examined the issues that possibly caused a conflict of interest with the following conclusions.

The person who may cause a conflict	Relationship
<p>Mr. Somboon Gerdlin</p> <p>A Former Director and Executive of the Company and Director of Ultimate Part Company Limited (“UMP”), a 99.99% subsidiary of the Company, (UMP does not currently operate any business. In which the Company is in the process of considering liquidation)</p>	<p>Consulting fees</p> <p><u>The Audit Committee's Opinion</u></p> <p>The above transaction supported the Company's normal business operations that required personnel with skills in the manufacture of parts. Such advisor was former executive and director of the Company with extensive business expertise. Such transaction was necessary and reasonable with the rate of compensation suitable for the assigned work.</p>
<p>Mr. Pitak Siriwat</p> <p>A Director of Paradise Plastic Company Limited, a 99.99% subsidiary of the Company</p>	<p>Consulting fees</p> <p><u>The Audit Committee's Opinion</u></p> <p>The above transaction supported the Company's normal business operations that required personnel with plastic skills. The advisor, as mentioned above, was a former executive of the subsidiary who has extensive business knowledge. Such transaction was necessary and reasonable with the rate of compensation suitable for the assigned work.</p>

2. Use of Insider Information to Benefit

The Company has supervised the use of insider information under the law and good corporate governance principles. It is set out in writing in the Insider Trading Policy.

2.1 Directors, executives, and employees shall avoid the use of insider information for their benefit to buy or sell shares of the Company or provide insider information to others for the benefit of buying or selling shares or for the use of oneself or other companies in which his/her is shareholders, directors, executives, employees or for the benefit of any others, both directly and indirectly, whether or not it will be rewarded.

2.2 Directors, executives, and employees of the group companies must not disclose insider information or the Company's secrecy and the confidential information of the Company's partners, which they have been acknowledged from performing their duties to third parties. Though, the disclosure of such information will not harm the Company and its partners.

2.3 When directors and executives trade the Company's securities, they are responsible for preparing the securities holding reports and submitting them to the Securities and Exchange Commission. The directors and executives are required to report changes in their securities holding to the Board of Directors' meeting to prevent buying or selling shares using insider information and to avoid any accusations about the suitability of buying or selling shares of insiders.

2.4 Directors, executives, and employees should refrain from trading the Company's shares in the period before one month the financial statements are published or the Company's status and other important information. They should wait at least 24 hours after disclosure to the public before buying or selling the Company's stock.

2.5 The Company's directors and executives are responsible for preparing and submitting securities holding reports issued by their respective companies, their spouse, and underage children to the Company Secretary to submit to the Securities and Exchange Commission within 30 days from the appointment date for office.

2.6 The Company has established disciplinary action for those who use the Company's insider information or to disclose until it may cause the Company to be damaged, whether directly or indirectly, by considering the penalties following the employee regulations. It includes the termination of employment without compensation, and the Company shall prosecute both civil and criminal against those who use the Company's inside information and cause damage.

3. Anti-Corruption

The Company has the policy complies with the laws to encourage its employees to perform duties with morality and ethics, including promoting the Company's business partners to conduct their business with accuracy and transparency, build awareness, values, and the right attitude at all levels, provide efficient checks and balances and internal control systems, no conflicts of interest so that the Company's anti-corruption policy can be treated concretely. The Company has announced the Anti-corruption Policy and to be regarded as the work regulations of the Company that all employees must adhere to practice. Besides, the Company has announced its intention to be the Collective Action Coalition (CAC). It consists of a collaboration of 8 leading organizations, including the Thai Institute of Directors Association, the Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers Association, Federation of Thai Capital Market Organizations, Federation of Thai Industries, and the Tourism Industry Council of Thailand since 29 May 2014.

The Company has an ideology of conducting business with integrity, honesty, and transparency, without corruption, by adhering to corporate social responsibility and all stakeholders under good corporate governance and code of conduct, including policies and practices towards various the Company groups' stakeholders to ensure that the Company has a policy of defining responsibility, guidelines, and appropriate operational requirements to prevent corruption in the Company's business activities both inside and outside the organization to ensure that business decisions and actions that may be subject to corruption risks are carefully considered and acted upon, the Company has established the Anti-Corruption Policy. The whole version of the policy has been disclosed on the Company website <https://www.sncformer.com/th>.

4. Whistleblowing

To operate the business of the Company is correct, appropriate, fair, and verifiable. Therefore, the Company has set up a policy to have a channel for complaints or whistleblowing from violating the laws or code of conduct or the anti-corruption policy or behavior that may result in corruption or misconduct of individuals in the organization. Any person who observes an action is considered to be corrupt or implicate fraud directly or indirectly affects the Company and its subsidiaries. Such behavior must not be ignored or negligent. It should be reported through the receiving channel in the designated complaint and whistleblowing policy. The complainant must specify details of the matter to be informed of the whistleblower or complaints with name, address, and telephone number to be contacted and sent to the receiving channels as follows:

1. The Chairman of the Board's Email: satit.ck@gmail.com, or
2. The Chairman of the Executive Board's Email: somchai@sncformer.com, or
3. The Chairman of the Audit Committee's Email: bsuchat@yahoo.com, or
4. The Company website: <http://www.sncformer.com> (Whistleblowing), or
5. Telephone number: 02-108-0360-66 (Public Relations Department/Company Secretary), or
6. Red Box to Receive Whistleblowing (Located at the head office or Rayong)

However, if the whistleblower or complainant has a complaint to the executive committee, managing director, or vice-chairman, please submit a complaint directly to the Audit Committee. A person who can report a clue or complaints about corruption is all the Company's stakeholders, such as shareholders, customers, competitors, creditors, government sector, community, society, management, and employees.

8.1.5 Succession Plan for High-Level Executive

The Company realizes the necessity and importance of the succession of high-level executive. If there is a vacancy of executive, the Company will appoint the Nomination and Remuneration Committee to nominate, select and propose qualified person to be director and high-level executive. The Company also prepares succession plan for high-level executive by selecting person. The company has set a succession plan. Chief Executive Officer Managing Director Management in a critical position is to assess the readiness of the work team in accordance with the strategy. Set up a plan to create the readiness of the team. Create a plan for recruiting executives and employees by developing, training in advance, selecting, evaluating performance, and assessing the potential of executives and employees to determine suitability. Develop the skills of managers and employees who are expected to be successors.

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 using 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 viewed 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, 2020.



Dr. Somchai Thaisa-nguanvorakul
Chairman of Executive Committee



Mr. Satit Chanjavanakul
Chairman of the Board of Directors

8.2 Report on the performance of the Audit Committee for the past year

8.2.1 Number of meetings and attendances of individual Audit Committee's meetings

Name	Position	Number of meetings attended / total number of meetings	
		2019	2020
1. Mr. Suchat Boonbanjerdtri	Chairman of the Audit Committee	3/4	4/4
2. Mr. Chaisak Ankasuwan	Audit Committee.	4/4	4/4
3. Mrs. Chanisa Chutipat	Audit Committee.	4/4	3/4

Mr. Pornchai Sirikit Panichkul As the secretary of the audit committee

8.2.2 Performance of the Audit Committee

The Audit Committee, together with auditors and internal auditors have performed their duties in accordance with the scope of duties and responsibilities assigned by the Board of Directors which can be summarized as follows:

1. Reviewed quarterly and yearly of the financial statements of year 2020 with the management and auditors. The objectives were to ensure that the financial statements of the Company and its subsidiaries were prepared correctly according to the financial reporting standards, disclose sufficient and reliable information, and provide notes and acknowledge the solutions to problems for the benefit of the Company.

2. Ensured 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. Ensured the Company to operate according to laws and regulations of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) relating to the Company's business.

4. Considered and selected the auditor based on their performance, experience, independence, and fees following the notifications of SEC. then, presented and proposed a resolution approving to the Board of Directors to consider and seek approval from the shareholders' meeting to appoint an auditor. In addition, attended the meetings with the company's auditors and considered the scope of the annual audit plan.

5. Reviewed the connected transaction or transaction that might cause the conflict of interest and managed them to comply with laws and notifications of the SET to ensure the reasonableness and utmost benefit for the Company.

6. Reviewed the self-evaluation tool for countering bribery regarding the policies of the Collective Action Coalition Against Corruption Committee (CAC) which the company has received the certificate of membership of the CAC since 21 August 2018. Also, to ensure that the company had optimal control system in protecting against fraud & corruption risks.

The Audit Committee followed up the operation of year 2020 according to the assigned scope of duties and responsibilities. The Committee approved that the company prepared the financial statements correctly in all material respects according to the generally 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 and regulations of the SET and the other related laws.

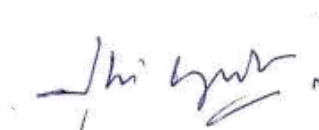
Audit Committee Report

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

The Audit Committee performs according to the scope of duties and responsibilities as assigned by the Board of Directors. In 2020, there were 4 meetings held together with the auditor and the internal auditor as appropriate which can be summarized as follows:

1. Review the quarterly and year 2020 financial statements with the management and auditor to ensure that the financial statements of the Company and its subsidiaries were prepared correctly according to the generally accepted accounting principles, disclosed sufficient and reliable information, provided notes and acknowledged the guideline to solve problem for the benefit of the Company.
2. Ensure the appropriateness and effectiveness of the Company's internal control and internal audit system and determine the independence of Internal Audit Unit as well as approve the appointment, transfer or dismissal of Internal Audit Unit.
3. Ensure the Company to operate according to the Securities and Securities Exchange Law, notifications of the SET and other laws that related to the Company's business.
4. Consider selecting/nominating an independence person to be the Company's auditor and propose the remuneration of such person as well as attend non-management meeting with the auditor.
5. Review the connected transaction or transaction that might cause the conflict of interest to comply with laws and notifications of the SET to ensure the reasonableness and utmost benefit for the Company.
6. Reviewed the self-evaluation tool for countering bribery which has been developed by the Collective Action Coalition Against Corruption Committee (CAC). The company has received the certificate of membership of the CAC since 21 August 2018 to ensure that the Company has optimal control system and adequate to protect against fraud & corruption risks.

The Audit Committee followed up the operation of year 2020 according to the scope of duties and responsibilities as assigned and viewed that the Company prepared the financial statements correctly in all material respects according to the generally accepted accounting principles and disclosed sufficient related transactions or conflict of interest transactions. The Company possessed the proper internal control system and risk management that fit with its business situation and operated according to the laws, regulation of the SET and related laws.



(Mr. Suchat Boonbanjerd Sri)

Chairman of the Audit Committee

8.3 Summary of the performance of other committees

The summary of the performance of the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee, and the Environmental, Social, and Governance Committee.

1) Nomination and Remuneration Committee

In the past year, the Nomination and Remuneration Committee had been in charge of recruiting qualified persons to serve as the Board of Directors; and setting the criteria and policy on remunerations to directors, sub-committee, and senior management to be appropriate, transparent, and consistent with the principles of supervision and audit of the company. The objectives were to operate the company in accordance with good corporate governance principles that will lead the company to sustainable success and ensure confidence among shareholders and investors by attending the following meetings:

Name-Surname	Position	Number of meeting attendance / Total of meetings	
		Y 2019	Y 2020
1. Mr. Chaisak Ankasuwan	Chairman of Nomination and Remuneration Committee	2/2	2/2
2. Mr. Wisan Wutthisaksilp	Director of Nomination and Remuneration Committee	2/2	2/2
3. Pol.Lt.Gen. Noppasak Phuwanaset	Director of Nomination and Remuneration Committee	2/2	2/2

Mr. Rattapoom Nuntapatawee is the secretary of the Nomination and Remuneration Committee.

2) Executive Committee

In the past year, the Executive Committee had performed the duties as assigned by the Board of Directors with efficiency and effectiveness, aiming to maximize the company's benefits and comply with the good corporate governance policy.

The Executive Directors attended the meeting as follows:

Name-Surname	Position	Number of meeting attendance / Total of meetings	
		Y 2019	Y 2020
1. Mr.Somchai Thaisa-nguanvorakul	Chairman of Executive Committee	11/12	11/11
2. Mr.Somchai Ngamkitcharoenlarp ^{/1}	Director of Executive Committee	-	7/7
3. Mr.Somboon Gerdlin (resigned)	Director of Executive Committee	12/12	4/4
4. Mr.Samit Palitagram ^{/2} (resigned)	Director of Executive Committee	3/3	-

Ms. Achara Nivongsa is the secretary of the Executive Committee.

^{/1} Mr. Somchai Ngamkitcharoenlarp was appointed as the Executive Director from the Board of Directors Meeting No. 4/2020 on May 13, 2020, in place of Mr. Somboon Gerdlin, who resigned on May 13, 2020.

^{/2} Mr. Samit Palitagram resigned from the company, effective from April 30, 2019.

3) Risk Management Committee

In the past year, the Risk Management Committee had supported and operated the fundamental principles of good corporate governance to ensure that the company's business is growing sustainably; which links to the vision, mission, and goals of the organization and has a framework for organizational risk management according to international guidelines. The Committee also consistently promoted and supported to have the risk management throughout the organization and cultivated them to be part of the group's culture to ensure the stakeholders of the organization with the reasonable assurance that the group's strategic operations are moving towards the effective and efficient objectives and goals of the company by attending the meeting as follows:

Name-Surname	Position	Number of meeting attendance / Total of meetings	
		Y 2019	Y 2020
1. Mr.Somchai Ngamkitcharoenlarp ^{/1}	Chairman of Risk Management Committee	-	1/1
2. Mr.Somboon Gerdlin (resigned)	Chairman of Risk Management Committee	4/4	2/2

Mr. Pornchai Sirikijpanichakool as secretary of the risk management committee

^{/1} Mr. Somchai Ngamkitcharoenlap was appointed as a risk management committee member at the Board of Directors Meeting No. 4/2020 on May 13, 2020, in place of Mr. Somboon Gerdlin, who resigned on May 13, 2020.

4) Environmental, Social, and Governance Committee

In the past year, the Environmental, Social, and Governance Committee has promoted the operation of the SNC group in accordance with the principles of good corporate governance to increase the confidence of shareholders, investors, and all stakeholders as well as create value-added and promote sustainable growth by attending the meeting as follows:

Name-Surname	Position	Number of meeting attendance / Total of meetings	
		Y 2019	Y 2020
1. Miss Sineenart Thaisanguanvorakul ^{/1}	Chairman of ESG Committee	-	-
2. Mr.Somboon Gerdlin (resigned)	Chairman of ESG Committee	6/6	1/1
3. Mr.Samit Palitagram ^{/2} (resigned)	Chairman of ESG Committee	1/1	-

Mr. Pornchai Sirikijpanichakool as a secretary of the Environmental, Social, and Governance Committee

^{/1} Ms. Sineenart Thaisanguanvorakul has been appointed as the Chairman of the Environmental, Social, and Governance Committee at the Board of Directors Meeting No.7/2020 on December 16, 2020, in place of Mr. Somboon Gerdlin, who resigned. On May 13, 2020

^{/2} Mr. Samitt Palitagram has resigned as an employee of the company with effect from April 30, 2019.

Nomination and Remuneration Committee Report

SNC Former Public Company Limited had set up the Nomination and Remuneration Committee, consisted of 3 independent members as follows:

- | | | |
|---|-----------------------------------|---|
| 1 | Mr. Chaisak Angsuwan | Chairman of Nomination and Remuneration Committee |
| 2 | Mr. Wisan Wutthisaksilp | Director of Nomination and Remuneration Committee |
| 3 | Pol. Lt. Gen. Noppasak Phuwanaset | Director of Nomination and Remuneration Committee |

The Nomination and Remuneration Committee had performed its function under the scope of duties and responsibilities assigned by the Company's Board of Directors. During 2020, the Nomination and Remuneration Committee had 2 meetings, all of which were attended by all members of the Committee, and their subject matter can be concluded as follows:

1) Determined criteria for selecting a qualified person to fill the position of the company's director and found and proposed to the Board of Directors such qualified person before nominating to the shareholders' meeting for an appointment.

2) Determined amount and pattern of remuneration, both monetary and non-monetary, for the Committee and subcommittee and proposed to the shareholders' meeting for approval.

3) Determined criteria for selecting a qualified person to take a position of executive and found such qualified person and nominated to the Board of Directors for approval.

4) Determined amount and pattern of remuneration, both monetary and non-monetary, for executive and proposed to the Board of Directors for approval.

5) Promoted and allowed minor shareholder to propose in advance an agenda and name of a person to substitute a director whose term of office has expired between 2 November 2020 and 2 February 2021.



(Mr. Chaisak Angsuwan)

Chairman of Nomination and Remuneration Committee

Executive Committee Report

SNC Former Public Company Limited had set up an Executive Committee consisted of Dr. Somchai Thaisanvanvorakul, as Chairman of the Executive Committee. The Executive Committee had performed its function under the scope of duties and responsibilities assigned by the Company's Board of Directors. During 2020, the Executive Committee had 11 meetings, all of which were attended by all members of the Committee, and their subject matter can be concluded as follows:

1. Managing the business of the company in accordance with the objectives, regulations, policies, rules, regulations, and resolutions of the board meeting and/or the resolution of the shareholders' meeting of the company.
2. Providing advice and suggestions to the Chief Executive Officer. In making strategic decisions, business direction, investment plan, budget, allocation of resources to the company and its subsidiaries, and establishing the working system of the company and its subsidiaries in the same direction.
3. Prioritizing the outcome of the board of directors' decisions to lead to action, including considering the allocation of human and financial resources to the company and its subsidiaries.
4. Following up on the performance of the company to comply with the policies of the Board of Directors and the goals, and supervising the operation to have quality and efficiency.
5. Considering and approving the operations that are normal business transactions of the company, such as various investments in accordance with the investment budget or the budget approved by the Board of Directors, etc. The amount for each transaction was in accordance with the approval power table approved by the Board of Directors.
6. Borrowing or raising money or obtaining a bank loan or financial aid for business operation and investment.
7. Defining the organizational structure of Business administration, human resource systems, information systems, organizational management authority, including hiring, transferring, terminating, wage assigning, and approving bonus and benefits of employees. The authority's scope was in accordance with the approval power schedule approved by the Board of Directors.
8. Determining policies for human resource management.
9. Determining risk management policies, including rules, announcements, and various requirements, was a company's normal business transaction.

10. Earning the power to authorize one or more persons to perform any action under the control of the Executive Committee. Or may permit such person to have the power as the Executive Committee within the period that the Executive Committee deems appropriate. The Executive Committee may cancel, revoke, change or amend the authorized person or delegate that power as it deems appropriate. However, such delegation must not assign its attorney to approve any item that he or she may have a conflict of interest with the company's interests and/or its subsidiaries.

11. Forbidding directors, executives, and employees from trading securities of the company and its subsidiaries for their benefit using internal information of the company that has not yet been disclosed to the public. Also, stipulating in the company's code of conduct that the directors, executives, and staff have to avoid or refrain from trading the securities of the company and its subsidiaries in the 1 month before the public disclosure of the financial statements.

12. Performing any other acts as assigned by the Board of Directors from time to time.



Dr. Somchai Thaisa-nguanvorakul
Chairman of the Executive Committee

Risk Management Committee Report

SNC Former Public Company Limited had set up Risk Management Committee, consisted of Mr. Somchai Ngamkitcharoenlarp as the Chairman of the Committee.

Risk Management Committee had performed its function under the scope of duties and responsibilities assigned by the Company's Board of Directors. During 2020, Risk Management Committee had 3 meetings, all of which were attended by all members of the Committee, and their subject matter can be concluded as follows:

1. Determining policy and operation framework for the management of all kinds of risk possibly exposed by the company.
2. Designed risk management structure, determined strategies used for risk management, and set forth warning systems of all risk types. The purpose was to control the risks to remain under the tolerable range and in accordance with the company's risk management policy.
3. Supervised, monitored, and evaluated the company's operation to review and develop an efficient risk management system as well as managed to have analysis and assessment of potential risk factors that may affect the company's operation both from the external and internal source.
4. Communicated and clarified the understanding with the sub-committee of the risk management.
5. Evaluated situation from time to time to ensure the company's risk management's adequacy and suitability and implemented continually to achieve the required targets and optimize benefit for the company, shareholders, and other stakeholders.



(Mr. Somchai Ngamkitcharoenlarp)

Chairman of Risk Management Committee

ESG Committee Report

SNC Former Public Company Limited had set up ESG Committee consisted of Miss Sineenart Thaisanguanvorakul, as the Chairman of the Committee.

The ESG Committee had performed its function under the scope of duties and responsibilities assigned by the Company's Board of Directors. During 2020, ESG Committee had 1 meeting, all of which were attended by all members of the Committee, and their subject matter can be concluded as follows:

1. Reviewed the policy on corporate governance and corporate social responsibility on a regular basis to ensure that they meet international standards and requirements prescribed by relevant authorities.
2. Reviewed the important matters that might affect stakeholder in many aspects, including social, environmental, and supply chains, then determined the objectives and strategies accordingly.
3. Followed and Supervised the Company's operations to ensure that they align with the corporate governance's objectives and methodology.
4. Supervised the company's responsibilities on the social and environmental to ensure that they meet the corporate governance guideline assigned by regular bodies such as the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.
5. Applied the ESG guidelines from the SEC, the SET, and the OECD (OECD Principles of Corporate Governance) to the company's operations on the following sample issues: rights of shareholder and stakeholders, impartial shareholder treatments, information disclosure, and the transparency and accountability of the Board of Directors.
6. Promoted the organizational culture with good corporate governance and participated in ESG activities for sustainable development.
7. Reviewed the yearly performance, compared with the targets, and set the company's future direction to ensure meeting the company's ESG policies.



(Ms. Sineenart Thaisanguanvorakul)

Chairman of ESG Committee

9. Internal Control and Connected Transactions

9.1 Internal Control

The Company pay attention to establish an excellent internal control system following good corporate governance principles. There is the performance of various duties with transparency, fairness, reliability, and verifiable counterbalance mechanism, which will lead to the best interests of shareholders, employees, and all stakeholders. The Board of Directors has assigned the Audit Committee to review and ensure that the Company has a proper internal control system and internal audit system including review the Company's performance to be appropriate and efficient to ensure a business system in line with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.

9.1.1 The Appropriate and Adequate Internal Control System

The Board of Directors had evaluated and considered the adequacy of the internal control system under the concept of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") by inquired the management in various areas covered five elements as follows:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information & Communication
- (5) Monitoring Activities

The Company has provided sufficient personnel to operate under the internal control system, monitor, and supervise the operation to meet relevant goals, objectives, laws, regulations effectively, and following the principles of good corporate governance The Audit Committee has assigned Mr. Pornchai Sirikijpanichakool, the internal audit manager and engaged an internal auditor from outside, Unique Adviser Company Limited ("Unique Adviser"), with Mr. Kosol Yamleemul as the head of the internal audit project. The Audit Committee has determined the powers and duties of the internal audit department in performing the following tasks:

- (1) Review and evaluate internal control system
- (2) Review the reliability of accounting information, financial report, accounting recording and accounting standards
- (3) Maintaining the company's assets and benefits
- (4) Review the compliance with the principles of good corporate governance
- (5) Counseling, suggestion, or comment to follow the operating system set by the company
- (6) Record the minutes of the meeting and follow up to ensure the compliance with the resolutions of the Audit Committee meeting
- (7) Review the risk assessment and follow up on risk management

The internal auditor from outside has reviewed and assessed the adequacy of the company's control design and tested of controls in conjunction with the in-house internal auditor of the company by examining, interview and inquiry management, manager and employee. Both internal auditor of the company and internal auditor from outside jointly prepared a report on the review of the internal control system of the company and then submitted the report to the Audit Committee for consideration.

9.1.2 Internal Control Weakness

Internal control weakness from the review and assessment the adequacy of designed control and tested of control were as follows:

Particulars	Risk Level	Actions
1. The documents' preparation for the transfer of finished goods between the production department and the warehouse is discrete.	Moderate	The finished product transfer document is used to record the transfer of finished goods into the warehouse. Status: The action has been taken.
2. Improper separation of duties between raw material supervisor and system data recorder (Navision system)	Moderate	Operation flow is defined, and separating duties assign responsibility in warehouse departments. Status: The action has been taken.
3. Record receiving finished goods from production to warehouse delay.	Moderate	When the employee brings the finished product into the warehouse area, then shall deliver the document to the staff that takes care of the receipt of finished products record information into the system each day. Status: The action has been taken.
4. Review of system users' access rights (SAP, Navision, Express)	Low	Eligibility reviews are scheduled for the first quarter and the third quarter of every year. Status: Pending
5. The timeline for the rehearsal of the information technology recovery plan is not yet clear.	Moderate	The MIS team has made a rehearsal plan and prepares to implement the program in March 2021. Status: Pending

The Audit Committee acknowledged by the internal audit department for the assessment report of the adequacy of the internal control system. The Audit Committee has informed the management to improve and resolve issues. However, such issues were low to moderate risk level so the Audit Committee considered that the Company's internal control system is still at the appropriate level.

In addition, the company has prepared an internal control self-assessment form. The Board of Directors and the Audit Committee considered that the company has an appropriate internal control system which is sufficient for the business operation.

9.1.3 The Audit Committee's opinion in case there is a difference from the opinion of the Board of Directors or the auditor has observations on internal control.

- None –

9.1.4 The Audit Committee's opinion ensures that those holding the Head of Internal Audit have appropriate educational qualifications, experience, and training sufficient for their performance.

The company has assigned Mr. Pornchai Sirikijpanichakool, the internal audit manager. The main responsible person in performing the duties of the company's internal auditors. Based on the internal auditors' qualifications and experiences from the head of the Company's internal audit department is found to be suitable to perform duties also has experience in internal auditing and the appropriate and sufficient training to perform the duties.

9.1.5 The appointment, removal, and transfer of the head of internal audit

The Audit Committee shall consider the independence of the internal audit department and approve to consider the appointment, transfer, and termination of the head of the internal audit unit or any others responsible for the Company's internal audit. (Audit Committee Charter: Scope of Powers and Duties of the Audit Committee)

9.2 Connected Transactions (if any)

9.2.1 Specify the name of the group of people who may have conflict, relationship characteristics (for example, being a father of a major shareholder or a company in which the major shareholder holds 30% of the total voting rights). Disclose information on related transactions such as nature, quantity, conditions of the connected transactions, interest rate, buying price, offering price, the value of connected transactions, or the actual rent. It also shows the appraisal price or rental rates assessed by third parties or shows that it is a fair price. If it is a connected transaction with an associated company or a subsidiary with executive directors, major shareholders, and the issuing company's controlling person, it holds no more than 10 percent of the total voting rights.

-None-

9.2.2 Explain the necessity and reasonableness of the said transaction, whether it is in the Company's best interest or not, by providing the Audit Committee's opinion on the matter as well.

-None-

9.2.3 Describe the policy and trends in future transactions.

The Company has established the policy of entering related transactions in the future as follows. If the Company has a transaction in the future, the Company shall follow the measure on approval of related party transactions. Entering into the connected transaction in the future is a typical transaction with a common trade term and a regular business agreement. There is no transfer of interests between the Company and its related businesses and major shareholders (more than 10%). The pricing policy between the Company and its related parties are determined from the business's normal price, the same as assigned to other unrelated firms or persons. The price of products purchased from subsidiaries is based on the subsidiary's selling price determined from its cost plus marginal profit, which is comparable to the market price. In this regard, the Company shall allow the Audit Committee to give opinions on the transaction, necessity, reasonableness, and the appropriateness of price and compensation of the said transaction. Suppose the Audit Committee does not have expertise in considering possible connected transactions. In that case, the Company shall arrange a person with special knowledge, independent from the Company, and persons who may have conflicts, such as auditors or independent appraisers or a law firm, who gives opinions on the said related transactions. The opinions of proficiency persons shall be used to make the decisions of the Audit Committee and/or the Board of Directors or shareholders, as the case may be to ensure that entering such transactions shall not be manipulative or transfer benefits between companies or a subsidiary or a person who may have a conflict of interest in the Company or a subsidiary. The Company shall disclose the related transactions and connected transactions under the Securities and Exchange Commission's rules and regulations and the Stock Exchange of Thailand as well following the accounting standards regarding persons or related parties, which the Federation of Accounting Professions sets.

For the related transactions that may occur in the future, the Company's directors and executives must strictly comply with the associated regulations. They must not participate in the approval of any transactions, which oneself or the person involved entering a stake or having a conflict of interest in any other manner. The Company shall comply with the law on securities and exchange and regulations, announcements, orders, or rules of the Stock Exchange of Thailand as well as complying with the requirements relating to information disclosure, related transactions, and the acquisition or disposition of the Company's assets, and following with accounting standards strictly.

9.2.4 Suppose there is an appraised price connected with the related transactions. In that case, the Company shall disclose information about the assets that have been appraised and the appraised price, including attaching information about the said valuation.

-None-

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

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent Auditor's Report

To the Shareholders of SNC Former Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of SNC Former Public Company Limited and its subsidiaries (the "Group") and of SNC Former Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Hema.

Key Audit Matters

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

Valuation of investments in associate, subsidiaries and property, plant and equipment	
Refer to notes 4, 10 11 and 15 to the financial statements	
The key audit matter	How the matter was addressed in the audit
Certain associate and subsidiaries of the Group have the operating loss and deficits indicating that the investments in associate, subsidiaries and property, plant and equipment of those subsidiaries may be impaired. The management considered the impairment at the reporting period by estimating the recoverable amount from the value in use, determined by discounting future cash flows from their operations which involved a significant level of judgment in determining the key assumptions of management. As a result, this is an area focus for my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding the process of identifying and considering the assessment of valuation on investments in associate, subsidiaries and property, plant and equipment of those subsidiaries; • assessing the reasonableness of the key assumptions use by management in the forecast of future profit and cash flows projection of associate, subsidiaries and property, plant and equipment of those subsidiaries by considering with the internal and external sources of information and considering the operation plan approved by management by comparing to the actual and the historical operating results, also evaluating the appropriateness of financial methodologies used in the calculating the estimates and discount rate; • evaluating the sensitivity of key assumptions used in future cash flows projection which affect to the recoverable amount of cash-generating unit; • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Other Information

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

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

Marisa



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

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

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

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

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

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

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

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

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

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

Main.

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

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

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

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



(Marisa Tharathornbunpakul)
Certified Public Accountant
Registration No. 5752

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2021

SNC Former Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	7	1,235,026,360	836,767,815	183,456,044	84,764,688
Trade accounts receivable	6, 27	1,003,328,393	850,014,067	51,230,013	59,702,654
Other receivables	6	96,563,076	39,261,935	5,890,898	14,865,975
Short-term loans to related parties	6	27,432,653	27,432,653	1,364,140,165	1,345,166,165
Inventories	8	1,408,244,049	546,918,129	14,066,208	9,377,108
Other current assets	9	116,587,386	134,278,524	355,060	268,098
Total current assets		3,887,181,917	2,434,673,123	1,619,138,388	1,514,144,688
Non-current assets					
Other non-current financial assets					
(2019: Other long-term investments)	3, 12, 27	28,486,872	26,500,000	28,486,872	26,500,000
Investments in subsidiaries	11	-	-	1,586,394,141	1,185,309,141
Investments in associate	10	-	4,217,669	-	-
Investment properties	14, 19	226,754,798	209,999,825	-	-
Property, plant and equipment	15, 19	3,174,361,176	2,630,924,784	184,331,147	188,494,274
Right-of-use assets	3, 16	294,403,238	-	48,322,132	-
Intangible assets	17	53,333,062	52,829,150	20,040,591	11,530,261
Deferred tax assets	25	50,765,113	24,844,246	6,345,992	5,575,003
Non-current non-cash financial assets pledged					
as collateral	19	5,000,000	-	-	-
Other non-current assets	18	49,458,078	12,891,952	8,501,500	8,501,500
Total non-current assets		3,882,562,337	2,962,207,626	1,882,422,375	1,425,910,179
Total assets		7,769,744,254	5,396,880,749	3,501,560,763	2,940,054,867

The accompanying notes form 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		Separate financial	
		statements		statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Short-term borrowings from financial institutions	19	710,000,000	169,000,000	710,000,000	154,000,000
Trade and other payables	6	2,249,933,896	1,290,696,122	77,207,045	90,283,750
Current portion of deferred income		2,187,810	10,480,350	-	-
Accounts payable - acquisition of assets		44,698,944	221,299,837	1,184,009	742,751
Current portion of long-term borrowings from financial institutions	19	202,179,383	45,066,667	-	-
Current portion of lease liabilities	3, 19, 27	28,355,938	-	4,594,062	-
Current income tax payable		28,697,151	84,126,489	8,147,993	80,757,748
Other current financial liability	27	925,555	-	-	-
Other current liabilities		10,575,903	13,283,871	1,112,222	2,655,402
Total current liabilities		3,277,554,580	1,833,953,336	802,245,331	328,439,651
Non-current liabilities					
Deferred income		45,944,018	48,131,829	-	-
Long-term borrowings from financial institutions	19	544,949,187	32,302,442	-	-
Lease liabilities	3, 19, 27	272,683,619	-	44,693,960	-
Deferred tax liabilities	25	-	1,795,726	-	-
Provisions for employee benefits	20	50,435,361	78,510,658	8,502,217	11,019,856
Other non-current liabilities		-	4,426,452	-	-
Total non-current liabilities		914,012,185	165,167,107	53,196,177	11,019,856
Total liabilities		4,191,566,765	1,999,120,443	855,441,508	339,459,507

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

SNC Former Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated financial		Separate financial	
		statements		statements	
		31 December		31 December	
Liabilities and equity	Note	2020	2019	2020	2019
		(in Baht)			
Equity					
Share capital:					
Authorised share capital					
(287,777 ordinary shares, par value at Baht 1 per share)		287,777,339	287,777,339	287,777,339	287,777,339
Issued and paid-up share capital					
(287,777 ordinary shares, par value at Baht 1 per share)		287,777,339	287,777,339	287,777,339	287,777,339
Share premium on ordinary shares		1,213,596,360	1,213,596,360	1,213,596,360	1,213,596,360
Retained earnings					
Appropriated					
Legal reserve	21	75,697,824	75,697,824	30,140,324	30,140,324
Unappropriated		1,910,012,112	1,648,576,306	1,119,015,734	1,069,081,337
Other components of equity		(4,410,502)	-	(4,410,502)	-
Equity attributable to owners					
of the parent		3,482,673,133	3,225,647,829	2,646,119,255	2,600,595,360
Non-controlling interests	13	95,504,356	172,112,477	-	-
Total equity		3,578,177,489	3,397,760,306	2,646,119,255	2,600,595,360
Total liabilities and equity		7,769,744,254	5,396,880,749	3,501,560,763	2,940,054,867

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

SNC Former Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Continuing operations					
Revenue from sales of goods and rendering of services	22	8,960,518,324	6,625,584,941	349,934,410	437,279,817
Cost of sales of goods and rendering of services	8	<u>(8,166,207,388)</u>	<u>(5,968,219,152)</u>	<u>(287,724,749)</u>	<u>(384,862,231)</u>
Gross profit		794,310,936	657,365,789	62,209,661	52,417,586
Interest income		8,356,796	5,721,248	76,697,870	36,551,923
Gain on sale of assets held for sale	14	-	524,774,043	-	524,774,043
Other income		119,841,073	89,313,829	12,217,602	25,988,883
Dividend income from subsidiaries	11	-	-	171,962,667	201,310,933
Distribution costs		(158,110,728)	(119,012,557)	(11,138,120)	(13,095,858)
Administrative expenses		(257,770,319)	(255,788,437)	(25,005,573)	(32,343,882)
Direct expenses arising from investment properties		(1,616,792)	(20,355,642)	-	(16,026,969)
Directors and management benefit expenses	6	(28,794,755)	(27,706,304)	(1,180,378)	(2,820,476)
Reversal of impairment loss on investment in subsidiaries	11	-	-	-	86,999,400
Impairment loss on investment in associate	10	-	-	-	(27,300,000)
Loss on disposal of investment in subsidiaries	11	-	-	-	(171,747,766)
Gain (loss) on sale of investment in associate	10	-	2,308,740	-	(8,107,155)
Profit from operating activities		476,216,211	856,620,709	285,763,729	656,600,662
Finance costs		(48,700,905)	(10,629,025)	(21,549,071)	(4,312,494)
Share of loss of associate accounted for using equity method	10	<u>(4,217,669)</u>	<u>(18,148,547)</u>	-	-
Profit before income tax expense		423,297,637	827,843,137	264,214,658	652,288,168
Tax expense	25	<u>(10,679,255)</u>	<u>(101,543,331)</u>	<u>(11,251,999)</u>	<u>(85,302,174)</u>
Profit for the year		412,618,382	726,299,806	252,962,659	566,985,994
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Loss on investments in equity instruments designated at FVOCI		(2,125,899)	-	(2,125,899)	-
Gain (loss) on remeasurements of defined benefit plans	20	2,194,819	10,876,039	(1,980,243)	9,350,721
Income tax relating to items that will not be reclassified	25	<u>(13,784)</u>	<u>(2,175,208)</u>	<u>821,228</u>	<u>(1,870,144)</u>
Other comprehensive income for the year, net of tax		55,136	8,700,831	(3,284,914)	7,480,577
Total comprehensive income for the year		412,673,518	735,000,637	249,677,745	574,466,571

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

SNC Former Public Company Limited and its Subsidiaries

Statement of comprehensive income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Profit attributable to:					
Owners of the parent		407,665,268	722,110,002	252,962,659	566,985,994
Non-controlling interests		4,953,114	4,189,804	-	-
Profit for the year		<u>412,618,382</u>	<u>726,299,806</u>	<u>252,962,659</u>	<u>566,985,994</u>
Total comprehensive income attributable to:					
Owners of the parent		407,714,317	730,784,393	249,677,745	574,466,571
Non-controlling interests	13	4,959,201	4,216,244	-	-
Total comprehensive income for the year		<u>412,673,518</u>	<u>735,000,637</u>	<u>249,677,745</u>	<u>574,466,571</u>
Basic earnings per share		<u>1.42</u>	<u>2.51</u>	<u>0.88</u>	<u>1.97</u>

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

SNC Former Public Company Limited and its Subsidiaries
Statement of changes in equity

Consolidated financial statements

	Note	Retained earnings					Equity attributable to owners of the parent	Non-controlling interests	Total equity
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)				
Year ended 31 December 2019		287,777,339	1,213,596,360	75,822,824	1,211,767,073	2,788,963,596	170,974,327	2,959,937,923	
Balance at 1 January 2019									
Transactions with owners, recorded directly in equity									
<i>Contributions by and distributions to owners of the parent</i>									
Dividends	26	-	-	-	(287,777,339)	(287,777,339)	(7,839,184)	(295,616,523)	
Total contributions by and distributions to owners of the parent		-	-	-	(287,777,339)	(287,777,339)	(7,839,184)	(295,616,523)	
<i>Changes in ownership interests in subsidiaries</i>									
Acquisition of non-controlling interests without a change in control	11	-	-	-	(6,322,821)	(6,322,821)	6,322,821	-	
Dissolution of subsidiary	11	-	-	-	-	-	(1,561,731)	(1,561,731)	
Total changes in ownership interests in subsidiaries		-	-	-	(6,322,821)	(6,322,821)	4,761,090	(1,561,731)	
Total transactions with owners, recorded directly in equity		-	-	-	(294,100,160)	(294,100,160)	(3,078,094)	(297,178,254)	
Comprehensive income for the year									
Profit		-	-	-	722,110,002	722,110,002	4,189,804	726,299,806	
Other comprehensive income		-	-	-	8,674,391	8,674,391	26,440	8,700,831	
Total comprehensive income for the year		-	-	-	730,784,393	730,784,393	4,216,244	735,000,637	
Transfer to legal reserve		-	-	(125,000)	125,000	-	-	-	
Balance at 31 December 2019		287,777,339	1,213,596,360	75,697,824	1,648,576,306	3,225,647,829	172,112,477	3,397,760,306	

The accompanying notes form 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		Other components of equity			
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value reserve	Equity attributable to owners of the parent

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

SNC Former Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Issued and paid-up share capital	Separate financial statements Retained earnings			Total equity
			Share premium	Legal reserve <i>(in Baht)</i>	Unappropriated	
Year ended 31 December 2019						
Balance at 1 January 2019		287,777,339	1,213,596,360	30,140,324	782,392,105	2,313,906,128
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Dividends	26	-	-	-	(287,777,339)	(287,777,339)
<i>Total contributions by and distributions to owners</i>		-	-	-	(287,777,339)	(287,777,339)
Comprehensive income for the year						
Profit		-	-	-	566,985,994	566,985,994
Other comprehensive income		-	-	-	7,480,577	7,480,577
Total comprehensive income for the year		-	-	-	574,466,571	574,466,571
Balance at 31 December 2019		287,777,339	1,213,596,360	30,140,324	1,069,081,337	2,600,595,360

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

SNC Former Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements				Other components of equity	
		Retained earnings				Fair value reserve	Total equity
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated reserve		
(in Baht)							
Year ended 31 December 2020							
Balance at 31 December 2019 - as reported		287,777,339	1,213,596,360	30,140,324	1,069,081,337	-	2,600,595,360
Impact of changes in accounting policies	3	-	-	-	-	(2,709,783)	(2,709,783)
Balance at 1 January 2020		287,777,339	1,213,596,360	30,140,324	1,069,081,337	(2,709,783)	2,597,885,577
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends	26	-	-	-	(201,444,067)	-	(201,444,067)
Total contributions by and distributions to owners		-	-	-	(201,444,067)	-	(201,444,067)
Comprehensive income for the year							
Profit		-	-	-	252,962,659	-	252,962,659
Other comprehensive income		-	-	-	(1,584,195)	(1,700,719)	(3,284,914)
Total comprehensive income for the year		-	-	-	251,378,464	(1,700,719)	249,677,745
Balance at 31 December 2020		287,777,339	1,213,596,360	30,140,324	1,119,015,734	(4,410,502)	2,646,119,255

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

SNC Former Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		(in Baht)			
Cash flows from operating activities					
Profit for the year		412,618,382	726,299,806	252,962,659	566,985,994
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	25	10,679,255	101,543,331	11,251,999	85,302,174
Finance costs		48,700,905	10,629,025	21,549,071	4,312,494
Depreciation of investment properties	14	1,693,497	3,691,850	-	1,931,357
Depreciation of property, plant and equipment	15	377,731,059	289,729,930	26,876,752	32,960,850
Depreciation of right-of-use assets	16	32,219,773	-	5,369,126	-
Amortisation of intangible assets	17	9,623,452	9,358,643	1,359,370	1,173,640
Impairment loss on investment in associate	10	-	-	-	27,300,000
Impairment loss on investment in subsidiaries	11	-	-	-	(86,999,400)
(Reversal of) provision for employee benefit	20	(15,868,378)	24,126,403	(1,705,429)	5,324,662
Unrealised gain on foreign exchange		(2,117,730)	(571,337)	-	-
Unrealised loss on forward exchange contract		925,555	-	-	-
Share of loss of associate accounted for using equity method, net of tax	10	4,217,669	18,148,547	-	-
Loss on disposal of investment in subsidiaries	11	-	-	-	171,747,766
(Gain) loss on disposal of investment in associate	10	-	(2,308,740)	-	8,107,155
Impairment loss recognised in profit or loss					
(2019: reversal of bad and doubtful debts expenses)		376,640	(1,861,382)	-	(3,656,587)
(Reversal of) losses on inventories devaluation	8	6,995,316	6,742,583	(421,129)	(69,812)
Loss on disposal of property, plant and equipment		137,564	1,247,877	603	156,234
Gain on sale of assets held for sale	14	-	(524,774,043)	-	(524,774,043)
Loss on written-off of property, plant and equipment		4,394,166	14,648,774	-	6,708,735
Loss on written-off of intangible assets		15,336	281,411	-	-
Gain on loss of control from dissolution of subsidiary	11	-	(1,561,731)	-	-
Difference arising from rent concession	5	162,492	-	-	-
Dividend income	11	-	-	(171,962,667)	(201,310,993)
Interest income		(8,356,796)	(5,721,248)	(76,697,870)	(36,551,923)
		<u>884,148,157</u>	<u>669,649,699</u>	<u>68,582,485</u>	<u>58,648,303</u>

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

SNC Former Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
	Note	(in Baht)			
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(156,762,569)	17,368,977	8,472,641	13,211,564
Other receivables		(57,671,698)	(8,337,534)	9,789,498	40,602,852
Inventories		(868,321,236)	(291,690,128)	(4,267,971)	(1,544,514)
Other current assets		17,691,138	(60,548,739)	(86,962)	50,384
Current non-cash financial assets pledged as collateral		(5,000,000)	-	-	-
Other non-current assets		(36,566,126)	11,393,847	-	12,001,602
Trade and other payables		961,717,375	175,541,322	(14,557,143)	(12,483,041)
Employee benefits paid		(10,012,099)	-	(2,792,453)	-
Other current liabilities		(2,707,968)	142,116	(1,543,180)	228,923
Deferred income		(10,480,351)	(4,429,852)	-	-
Other non-current liabilities		(4,426,452)	235,944	-	-
Net cash generated from operating		711,608,171	509,325,652	63,596,915	110,716,073
Tax paid		(93,161,525)	(32,265,322)	(83,134,069)	(7,231,791)
Net cash from (used in) operating activities		618,446,646	477,060,330	(19,537,154)	103,484,282
<i>Cash flows from investing activities</i>					
Proceeds from disposal of subsidiaries	11	-	-	-	242,908,221
Proceeds from acquisition of a subsidiaries	11	-	-	(401,085,000)	(89,000,000)
Proceeds from sale of investments in associate	10	-	16,042,845	-	16,042,845
Acquisition of non-marketable equity securities (2019: acquisition of other long-term investment)	12, 27	(7,500,000)	(10,000,000)	(7,500,000)	(10,000,000)
Proceeds from sale of investment properties		-	583,428,734	-	583,428,734
Acquisition of investment properties		(148,658,250)	(65,580,000)	-	-
Proceeds from sale of property, plant and equipment		2,601,472	9,465,474	7,200	13,157,554
Acquisition of property, plant and equipment		(974,691,766)	(464,708,770)	(22,280,170)	(14,806,205)
Acquisition of intangible assets		(10,142,700)	(3,319,476)	(9,869,700)	(656,970)
Short-term loan to other		(63,000,000)	-	-	-
Proceeds from repayment of short-term loan to other		63,000,000	-	-	-
Proceeds from repayment of loans to related parties	6	8,000,000	27,838,921	715,006,000	278,682,334
Loans to related parties	6	(8,000,000)	-	(733,980,000)	(925,200,000)
Dividend income	11	-	-	171,962,667	201,310,993
Interest received		8,727,353	5,715,543	75,883,449	36,652,854
Net cash from (used in) investing activities		(1,129,663,891)	98,883,271	(211,855,554)	332,520,360

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

SNC Former Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
	Note	(in Baht)			
Cash flows from financing activities					
Proceeds from change in ownership interest in subsidiaries without a change in control	11	(15,115,152)	-	-	-
Proceeds from borrowings from financial institutions		4,864,362,092	735,000,000	4,079,000,000	720,000,000
Repayment of borrowings from financial institutions		(3,654,226,667)	(1,036,672,640)	(3,523,000,000)	(876,124,640)
Payment of lease liabilities		(38,855,000)	-	(6,600,000)	-
Dividends paid to owners of the Company	26	(201,444,067)	(287,777,339)	(201,444,067)	(287,777,339)
Dividends paid to non-controlling interests		(12,987,333)	(18,252,184)	-	-
Interest paid		(33,446,683)	(10,902,350)	(17,871,869)	(4,502,622)
Net cash from (used in) financing activities		908,287,190	(618,604,513)	330,084,064	(448,404,601)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rate changes		397,069,945	(42,660,912)	98,691,356	(12,399,959)
Effect of exchange rate changes on cash and cash equivalents		1,188,600	(194,471)	-	-
Net increase (decrease) in cash and cash equivalents		398,258,545	(42,855,383)	98,691,356	(12,399,959)
Cash and cash equivalents at 1 January		836,767,815	879,623,198	84,764,688	97,164,647
Cash and cash equivalents at 31 December		1,235,026,360	836,767,815	183,456,044	84,764,688
Non-cash transactions					
Liabilities from construction of plant and purchase of equipment		29,828,815	216,741,931	-	2,621,101
Transfer investment properties to property, plant and equipment		130,209,780	17,294,067	-	-
Changes in right-of-use assets		327,337,999	-	53,691,258	-
Changes in lease liabilities		327,337,999	-	53,691,258	-

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

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 17 February 2021.

1 General information

SNC Former Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in October 2004. The Company’s registered office at 333/3 Moo 6, Bangphriang sub district, Bang bo district, Samutprakarn. The Company has 2 branches in Samutprakarn.

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

The principal businesses of the Company and its subsidiaries (the Group) are engaged in the manufacturing of component parts for cooling machines, component parts for air conditioners for automobile, contract manufacturing and assembly of air conditioners for household use, manufacturing of heat pump for water heat pump and manufacturing of insulation copper price kit used for the installation of cooling machine and foam pipe insulation. Details of the Company’s subsidiaries and associates as at 31 December 2020 and 2019 are given in notes 10 and 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

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

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(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

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

Note 4(k) and 16	Leases:
	- whether an arrangement contains a lease;
	- whether the Group is reasonably certain to exercise extension options;
	- whether the Group exercise termination options;
	- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
Note 5	Impact of COVID-19 Outbreak.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 4(k)	Determining the incremental borrowing rate to measure lease liabilities;
Note 5	Impact of COVID-19;
Note 10, 11 and 15	Impairment test: key assumptions underlying recoverable amount;
Note 20	Measurement of defined benefit obligations: key actuarial assumptions;
Note 25	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
Note 27	Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate; and
Note 27	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

		Consolidated financial statements	Separate financial statements
		Other components of equity	Other components of equity
	<i>Note</i>	<i>(in thousand Baht)</i>	
At 31 December 2019 - as reported		-	-
<i>Increase (decrease) due to:</i>			
Adoption of TFRS - Financial instruments standards			
Classification of financial instruments	<i>a</i>	(3,387)	(3,387)
Related tax		677	677
At 1 January 2020 - restated		(2,710)	(2,710)

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

a. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4(d) and 4(l). The impact from adoption of TFRS – Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

Consolidated financial statements					
Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020			
	Carrying amounts	FVTPL	FVOCI	Amortised cost - net	Total
<i>(in thousand Baht)</i>					
Financial assets					
Other long-term investments					
- Other non-marketable equity securities	26,500	-	23,113	-	23,113
Total	26,500	-	23,113	-	23,113

SNC Former Public Company Limited and its Subsidiaries
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For the year ended 31 December 2020

Separate financial statements					
Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020			
	Carrying amounts	FVTPL	FVOCI <i>(in thousand Baht)</i>	Amortised cost - net	Total
Financial assets					
Other long-term investments					
Other non-marketable equity securities	26,500	-	23,113	-	23,113
Total	26,500	-	23,113	-	23,113

The Group and the Company intends to hold non-marketable equity securities amounted of Baht 26.5 million and Baht 26.5 million, respectively, for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated loss on measurement of these investments will not be reclassified to profit or loss.

b. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

	Consolidated financial statements	Separate financial statements
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Increase in right-of-use assets	326,208	53,691
Increase in lease liabilities	326,208	53,691

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements	Separate financial statements
<i>Measurement of lease liability</i>		
	<i>(in thousand Baht)</i>	
Operating lease commitment as disclosed at 31 December 2019	44,630	6,600
Extension and termination options reasonably certain to be exercised	356,530	59,400
	401,160	66,000
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	326,208	53,691
Lease liabilities recognised at 1 January 2020	326,208	53,691
Weighted-average incremental borrowing rate (% per annum)	4.25	4.25

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

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

Subsidiaries

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

Non-controlling interests

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

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

Loss of control

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

Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates 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) Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

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

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

(c) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis and not cancelable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

SNC Former Public Company Limited and its Subsidiaries
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For the year ended 31 December 2020

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 January 2020

Forward exchange contracts

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

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

Investments in other equity securities

Equity securities which are not marketable are stated at cost less any impairment losses.

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 weighted average method applied to the carrying value of the total holding of the investment.

(e) Cash and cash equivalents

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

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

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A receivable is measured at transaction price less allowance for expected credit loss (*2019: allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) *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.

(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 measured at cost less accumulated depreciation and impairment losses.

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

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

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:

Buildings	20 and 30 years
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No depreciation is provided on freehold land.

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 measured at cost less accumulated depreciation and impairment losses.

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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.

Any 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 in profit or loss.

Reclassification to investment property

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

Subsequent costs

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

Depreciation

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

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

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

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

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

(j) Intangible assets

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

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Amortisation

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

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

Software licenses	5 and 10 years
Production licenses	10 years

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

(k) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

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The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

Accounting policies applicable before 1 January 2020

As a lessee, 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.

Assets held under other leases were classified as operating leases and lease payments 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.

As a lessor, 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.

(I) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

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Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

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Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

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.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

(m) Impairment of non-financial assets

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 or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal 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.

(n) Deferred income

Deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset over 25 years.

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(o) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) 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 a finance cost.

(q) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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

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

(r) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time when services are provided. The related costs are recognised in profit or loss when they are incurred.

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(s) 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.

(t) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(u) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(v) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures entities to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) *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.

(x) *Related parties*

A related parties is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(y) *Segment reporting*

Segment results that are reported to the Group's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) Impairment of assets

The Group considered impairment of trade accounts receivables under provision matrix using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment, investment properties, intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of investments in subsidiaries, investments in associate and property, plant and equipment.

(b) Lease modifications

In July 2020, the Group was granted a partial rent concession for 6 months starting from July 2020 as a result of the COVID-19 situation. The Group has monthly deducted lease liabilities in proportion to the reduced rental, reversed depreciation of ROU assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences to profit or loss for the year ended 31 December 2020, amounting to Baht 0.16 million in the consolidated financial statements.

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6 Related parties

Relationships with subsidiaries and associate are described in notes 10 and 11.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Cost and cost plus margin
Purchases of goods	Cost and cost plus margin
Rendering of services	Actual incurred cost
Receiving of services	Actual incurred cost
Rental income	Cost plus margin
Sales of property, plant and equipment	Net book value
Purchase of property, plant and equipment	Net book value
Interest income	Agreed rate based on market price
Interest expense	Agreed rate based on market price
Dividend income	Declared rate

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	170	8,510
Purchases of goods	-	-	30,978	33,809
Receiving of services	-	-	103	1,822
Rendering services	-	-	28	-
Sales of machinery and equipment	-	-	-	3,821
Purchases of machinery and equipment	-	-	-	170
Interest income	-	-	72,093	34,361
Dividend income	-	-	171,963	201,311
Associate				
Sales of goods	2,459	8,464	-	-
Rendering of services	10,186	17,582	-	115
Receiving of services	3,030	1,100	-	-
Rental income	6,600	6,920	-	-
Sales of machinery and equipment	-	30	-	-
Interest income	1,338	1,728	1,338	1,728
Directors and management				
Directors and management benefit expenses				
Short-term benefits	28,226	23,971	951	1,427
Post-employment benefits	569	3,735	229	1,393
Total directors and management benefit expenses	<u>28,795</u>	<u>27,706</u>	<u>1,180</u>	<u>2,820</u>

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

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	18	-
Associate	193	1,853	-	337
	<u>193</u>	<u>1,853</u>	<u>18</u>	<u>337</u>
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	-
Net	<u>193</u>	<u>1,853</u>	<u>18</u>	<u>337</u>

<i>Other receivables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	5,595	12,505
Associate	2,370	3,778	-	123
	<u>2,370</u>	<u>3,778</u>	<u>5,595</u>	<u>12,628</u>
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	-	-	-	-
Net	<u>2,370</u>	<u>3,778</u>	<u>5,595</u>	<u>12,628</u>

<i>Loans to</i>	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in thousand Baht)</i>		
2020					
Associate	4.80	27,433	8,000	(8,000)	27,433
Total		<u>27,433</u>			<u>27,433</u>
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		-			-
Net		<u>27,433</u>			<u>27,433</u>
2019					
Associate	4.80	51,700	-	(24,267)	27,433
Director	4.80	3,571	-	(3,571)	-
Other related party	4.80	-	3,571 ^(*)	(3,571)	-
Total		<u>55,271</u>			<u>27,433</u>
Less allowance for doubtful accounts		(3,571)			-
Net		<u>51,700</u>			<u>27,433</u>

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<i>Loans to</i>	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase (in thousand Baht)	Decrease (in thousand Baht)	At 31 December
2020					
Subsidiaries	4.80	1,337,338	725,980	(707,006)	1,356,312
Associate	4.80	27,433	8,000	(8,000)	27,433
Total		1,364,771			1,383,745
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		(19,605)			(19,605)
Net		1,345,166			1,364,140
2019					
Subsidiaries	4.80	666,639	925,199	(254,500)	1,337,338
Associate	4.80	51,700	-	(24,267)	27,433
Director	4.80	3,571	-	(3,571)	-
Other related party	4.80	-	3,571 ^(*)	(3,571)	-
Total		721,910			1,364,771
Less allowance for doubtful accounts		23,176)			(19,605)
Net		698,734			1,345,166

(*) A director of a subsidiary resigned from the director which is effective from 27 March 2019 but still remains as a shareholder of aforesaid subsidiary. Later, the director transferred shares for settlement the loan on 21 October 2019.

<i>Trade accounts payable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries	-	-	1,656	1,985
Total	-	-	1,656	1,985
<i>Other payables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Subsidiaries	-	-	511	185
Associate	302	362	-	-
Total	302	362	511	185

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	433	532	12	36
Cash at banks - current accounts	49,511	1,373	4,878	2,625
Cash at banks - savings accounts	1,040,261	670,815	178,566	82,104
Highly liquid short-term investments	144,821	164,048	-	-
Total	1,235,026	836,768	183,456	84,765

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	298,542	120,824	7,365	2,762
Work in progress	146,235	137,454	646	3,714
Raw materials	339,255	245,236	6,032	3,460
Factory supplies	31,982	10,667	300	139
Goods in transit	621,989	55,500	-	-
	1,438,003	569,681	14,343	10,075
Less : allowance for decline in value of inventories	(29,759)	(22,763)	(277)	(698)
Net	1,408,244	546,918	14,066	9,377
Inventories recognised in 'cost of sales of goods':				
- Cost	8,159,211	5,961,477	288,146	384,931
- Write-down to net realisable value	6,996	6,742	-	-
- Reversal of write-down	-	-	(421)	(69)
Net	8,166,207	5,968,219	287,725	384,862

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue department receivable	103,767	98,992	-	-
Withholding tax	2,245	18,922	-	-
Import customs clearance receivable	3,146	5,901	-	-
Others	7,429	10,464	355	268
Total	116,587	134,279	355	268

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10 Investments in associate

	Type of business	Consolidated financial statements				Dividend Income	
		Ownership interest		Paid-up capital		Cost	
		2020	2019	2020	2019	2020	2019
		<i>(in thousand Baht)</i>					
Associate							
SNC Atlantic Water Heater Asia Co., Ltd.	Manufacturing and selling of air-to-water heat pump	26.00	26.00	105,000	105,000	27,300	4,218
Total						<u>27,300</u>	<u>4,218</u>
						<u>-</u>	<u>-</u>
						<u>-</u>	<u>-</u>

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	Separate financial statements							
	Ownership interest		Paid-up capital		Cost		Impairment	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(%)</i>							
	<i>(in thousand Baht)</i>							
Associate								
SNC Atlantic Water Heater Asia Co., Ltd.	26.00	26.00	105,000	105,000	27,300	27,300	(27,300)	(27,300)
Total					27,300	27,300	(27,300)	(27,300)

Associate was incorporated and operate in Thailand.

None of the Group and the Company's associate is publicly listed and consequently do not have published price quotations.

In May 2019, the Company sold 23% of its 49% interest of investments in Atlantic Water Heater Asia Co., Ltd., an associated company, for a consideration of Baht 16.04 million. SNC Atlantic Water Heater Asia Co., Ltd remained an associated company of the Group as at 31 December 2019. The Group and the Company recognised a gain on the sale of investment amounting to Baht 2.31 million and loss on the sale of investment amounting to Baht 8.11 million in the consolidated and separate statements of comprehensive income for the year ended 31 December 2019, respectively.

The Group has not recognised losses relating to certain investments accounted for using the equity method where its share of losses exceeds the carrying amount of that investments. As at 31 December 2020, the Group's cumulative share of unrecognised losses was Baht 10.10 million (31 December 2019: nil), of which Baht 14.32 million were the Group's share of losses for the year (2019: Baht 4.22 million). The Group has no obligation in respect of these losses.

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Impairment of investment in associate

Management reviewed and tested impairment in an associate in which impairment indicator existed by determining recoverable amount of investment from the value in use of the factories which are cash-generating unit. The discounted cash flow projections ("DCF") have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 8.23% discount rate.

The recoverable amount of cash-generating unit was less than carrying amount of investment in associate. The Company therefore recognised an impairment loss in the separate statements of comprehensive income for the year ended 31 December 2019 of Baht 27.30 million.

The following table summarises the financial information of the associates as included in their own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	SNC Atlantic Water Heater Asia Co., Ltd.	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	144,351	251,356
Loss from continuing operations	(55,070)	(58,197)
Total comprehensive income (100%)	(55,070)	(58,197)
Group's share of total comprehensive income	(14,318)	(18,149)
Current assets	113,572	135,386
Non-current assets	178,791	198,413
Current liabilities	(304,452)	(285,821)
Non-current liabilities	(27,320)	(33,341)
Net assets (100%)	(39,409)	14,637
Carrying amount of interest in associate	-	4,218

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11 Investments in subsidiaries

Separate financial statements												
Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(in thousand Baht)												
Direct subsidiaries												
SNC Pyongsan Evolution Co., Ltd.	Manufacturing of cooling parts and manufacturing assembly of cooling machines	99.99	99.99	220,000	212,010	212,010	-	-	212,010	212,010	-	-
SNC Santec Co., Ltd.	Under liquidation process	80.00	80.00	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	-	105,000
Immortal Parts Co., Ltd.	Production of cooling parts	99.99	99.99	70,000	70,000	70,000	-	-	70,000	70,000	45,000	74,000
Paradise Plastic Co., Ltd.	Manufacturing plastic parts for electric appliance and automobile	99.99	99.99	30,000	29,999	29,999	-	-	29,999	29,999	90,000	-
SNC Creativity Anthology Co., Ltd.	Manufacturing household and automotive air conditioner parts	99.99	99.99	834,756	1,092,006	700,000	-	-	1,092,006	700,000	-	-
SNC Atlantic Heat Pump Co., Ltd.	Manufacturing of heat pump for water heat pump	74.00	74.00	45,000	33,300	33,300	-	-	33,300	33,300	36,963	22,311
Odin Power Co., Ltd.	Investing in alternative power plant	60.00	55.00	200,000	119,079	110,000	-	-	119,079	110,000	-	-
Total				1,602,394	1,201,309	1,586,394	(16,000)	(16,000)	1,586,394	1,185,309	171,963	201,311

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Separate financial statements													
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income for the year	
		(%)						(in thousand Baht)					
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Indirect subsidiaries													
Ultimate Parts Co., Ltd.	Manufacturing of cooling parts	99.99	99.99	40,000	40,000	-	-	-	-	-	-	-	-
Infinity Parts Co., Ltd.	Manufacturing of cooling parts	99.99	99.99	20,000	20,000	-	-	-	-	-	-	-	-
Meisou SNC Precision Co., Ltd.	Manufacturing of mold used for manufacturing tools	99.99	99.99(*)	100,000	100,000	-	-	-	-	-	-	-	-
SSM Automation Co., Ltd.	Manufacturing of tools for equipment	99.99	77.50(*)	360,000	360,000	-	-	-	-	-	-	-	-
Yalafahsaard Co., Ltd.	Generating biomass electric plant garbage	60.00	55.00	150,000	150,000	-	-	-	-	-	-	-	-
Odin Myanmar Co., Ltd.	Investing in alternative power plant	36.00	33.00	1,000	1,000	-	-	-	-	-	-	-	-
Total						-	-	-	-	-	-	-	-

All subsidiaries were incorporated and operate in Thailand.

(*) Be indirect subsidiary as at 20 November 2019.

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Acquisition of subsidiaries

On 9 March 2020, The Group acquired non-controlling interest in Odin Power Co., Ltd. from a shareholder, ordinary shares 100,000 shares with a value of Baht 90.79 per share, totalling Baht 9.08 million, increasing its ownership from 55% to 60%. The Group recognised a decrease in non-controlling interests of Baht 8.27 million and decrease in retained earnings of Baht 0.81 million.

On 21 April 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 300,000 shares, with a par value of Baht 100 per shares. The Company had invested in these additional shares, amounting to Baht 30 million. The proportion of ownership remain unchanged.

On 22 May 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 50,000 shares, with a par value of Baht 100 per shares. The Company had invested in these additional shares, amounting to Baht 5 million. The proportion of ownership remain unchanged.

On 27 October 2020 of SNC Creativity Anthology Co., Ltd., reduced the registered share capital from Baht 735 million (7,350,000 ordinary shares of Baht 100 per share) to Baht 477.75 million (7,350,000 ordinary shares of Baht 65 per share) by reducing a par value of Baht 35 per share, and compensate such reduced registered share capital for an unappropriated deficit for the year 2019. The proportion of ownership remain unchanged.

On 28 October 2020, The Group acquired non-controlling interest in SSM Automation Co., Ltd. from three shareholders, ordinary shares 810,000 shares with a value of Baht 7.46 per share, totalling Baht 6.04 million, increasing its ownership from 77.50% to 99.99%. The Group recognised a decrease in non-controlling interests of Baht 60.31 million and increase in retained earnings of Baht 54.27 million.

On 11 November 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 2,800,000 shares, with a par value of Baht 65 per shares. The Company had invested in these additional shares, amounting to Baht 182 million. The proportion of ownership remain unchanged.

On 24 December 2020, SNC Creativity Anthology Co., Ltd. registered additional ordinary shares of 2,692,400 shares, with a par value of Baht 65 per shares. The Company had invested in these additional shares, amounting to Baht 175 million. The proportion of ownership remain unchanged.

On 2 April 2019, SSM Automation Co., Ltd. registered additional ordinary shares of 440,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 44 million. The proportion of ownership is increasing from 74.37% to 77.50%. The Group recognised an increase in non-controlling interest of Baht 2.30 million and a decrease in retained earnings of Baht 2.30 million.

On 10 June 2019, Meisou SNC Precision Anthology Co., Ltd. registered additional ordinary shares of 450,000 shares, with a par value of Baht 100 per share. The Company had invested in these additional shares, amounting to Baht 45 million. The proportion of ownership is increasing from 94.55% to 97%. The Group recognised an increase in non-controlling interest of Baht 1.78 million and a decrease in retained earnings of Baht 1.78 million.

On 21 October 2019, Meisou Co., Ltd. and Mr. Seiji Kinoshita had transferred all investments in Meisou SNC Precision Co., Ltd. of 30,000 shares, with a value of Baht 100 per share, amounting to Baht 3 million to the Company for settlement the loan and other payables. The proportion of ownership is increasing from 97.00% to 99.99%. The Group recognised an increase in non-controlling interest of Baht 6.26 million and a decrease in retained earnings of Baht 2.24 million.

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Disposal of subsidiaries

On 20 November 2019, the Company sold all investments in SSM Automation Co., Ltd., a subsidiary to SNC Pyongsan Evolution Co., Ltd, another subsidiary, amounting to Baht 218.74 million and sold all investments in Meisou SNC Precision Co., Ltd., a subsidiary, to SNC Cooling Supply Co., Ltd., another subsidiary, amounting to Baht 23.68 million. The Company had loss on disposal of investments in the separate statements of comprehensive income net of reversal of impairment loss on investment in aforesaid subsidiaries amounting to Baht 60.26 million and Baht 24.98 million, respectively. The Company received consideration from disposal of aforesaid investments in whole amount.

Dissolution of subsidiaries

At the extraordinary meeting of the shareholders of SNC Fukui Holy Insulation Co., Ltd, the subsidiary, held on 28 November 2019, the shareholders unanimously approved the dissolution of SNC Fukui Holy Insulation Co., Ltd. The subsidiary registered its dissolution with the Ministry of Commerce on 3 December 2019 and the liquidation was completed on 20 February 2020.

Partial business transfer between SSM Automation Co., Ltd. and Infinity Parts Co., Ltd.

At the extraordinary meeting of the shareholders of SSM Automation Co., Ltd, the subsidiary, held on 2 November 2020, the meeting approved a resolution to transfer production line of manufacturing steel and parts for steel of the company to Infinity Parts Co., Ltd., another subsidiary. Therefore, on 20 December 2020, the business transferrer company transferred net assets in amount of Baht 233.69 million. The business transferee company will pay the compensation in amount of Bath 233.69 million.

Impairment testing for investment in subsidiaries.

Management reviewed and tested impairment in subsidiaries in which impairment indicator existed by determining recoverable amount of investment from the value in use of the factories which are cash-generating unit. The discounted cash flow projections ("DCF") have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 8.20% discount rate.

The recoverable amount of cash-generating unit was higher than carrying amount of investment in subsidiaries. The Company therefore had not recognised an impairment loss in the separate statements of comprehensive income for the year ended 31 December 2020.

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12 Other long-term investments

Consolidated / Separate financial statements													
Company	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net of impairment		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(in thousand Baht)													
Forth Vending Co., Ltd.	Managing vending machines	-(*)	5.00	-	620,000	-	26,000	-	-	-	26,000	-	-
Pracharath Rak Samakkee	Advise business relating												
Sumut Prakan (Social Enterprise) Co., Ltd.	to commercial and industrial management	-(*)	12.50	-	4,000	-	500	-	-	-	500	-	-
Total				-		-	26,500	-	-	-	26,500	-	-

(*) Classified as financial assets as at 1 January 2020 (Note 3).

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13 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2020			Total
	SNC Atlantic Heat Pump Co., Ltd.	Odin Power Co., Ltd. (in thousand Baht)	Yalafahsaard Co., Ltd.	
Non-controlling interest percentage	26	40	40	
Current assets	113,415	19,623	143,139	
Non-current assets	6,712	159,561	10,090	
Current liabilities	(59,328)	(1,290)	(50)	
Non-current liabilities	(125)	-	-	
Net assets	60,674	177,894	153,179	148,205
Carrying amount of non-controlling interest	15,775	71,158	61,272	547
Other individually immaterial subsidiaries				(53,248)
Intra-group eliminations				95,504
Total				
Revenue	372,141	149	572	
Profit	35,154	(3,693)	152	
Other comprehensive income	(23)	-	-	
Total comprehensive income	35,131	(3,693)	152	7,718
Profit allocated to non-controlling interest	9,134	(1,477)	61	(2,592)
Other individually immaterial subsidiaries				(167)
Intra-group eliminations				4,959
Total				
Other comprehensive income allocated to non-controlling interest	(6)	-	-	(6)
Other individually immaterial subsidiaries				-
Total				(6)
Cash flows from operating activities	43,344	(1,156)	(1,965)	
Cash flows from investing activities	(125)	149	(9,480)	
Cash flows from financing activities				
(Dividends to non-controlling interest amounted to Baht 12.99 million)	(49,950)	-	-	
Net decrease in cash and cash equivalents	(6,731)	(1,007)	(11,445)	

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	31 December 2019				Total
	SNC Atlantic Heat Pump Co., Ltd.	SSM Automation Co., Ltd.	Odin Power Co., Ltd.	Yalafalsard Co., Ltd.	
	26	22.5	45	45	
		(in thousand Baht)			
Non-controlling interest percentage					
Current assets	147,457	115,486	20,856	153,197	
Non-current assets	8,392	264,358	161,890	28	
Current liabilities	(80,240)	(98,020)	(1,159)	(198)	
Non-current liabilities	(78)	(6,096)	-	-	
Net assets	75,531	275,728	181,587	153,027	232,253
Carrying amount of non-controlling interest	19,638	62,039	81,714	68,862	538
Other individually immaterial subsidiaries					(60,679)
Intra-group eliminations					172,112
Total					
Revenue	383,687	442,152	202	1,874	
Profit	32,671	(4,405)	(6,637)	1,451	
Other comprehensive income	41	70	-	-	
Total comprehensive income	32,712	(4,335)	(6,637)	1,451	5,257
Profit allocated to non-controlling interest	8,505	(914)	(2,987)	653	(139)
Other individually immaterial subsidiaries					(902)
Intra-group eliminations					4,216
Total					
Other comprehensive income allocated to non-controlling interest	11	16	-	-	27
Other individually immaterial subsidiaries					(1)
Total					26
Cash flows from operating activities	25,153	57,177	(1,092)	(454)	
Cash flows from investing activities	1,810	(48,616)	(37)	1,874	
Cash flows from financing activities					
(Dividends to non-controlling interest amounted to Baht 7.84 million)	(70,200)	(11,746)	-	-	
Net increase (decrease) in cash and cash equivalents	(43,237)	(3,185)	(1,129)	1,420	

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14 Investment properties

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Cost					
At 1 January		219,595	327,508	-	152,196
Additions		148,658	65,580	-	-
Transfer to property, plant and equipment	15	(131,899)	(21,297)	-	-
Disposals		-	(152,196)	-	(152,196)
At 31 December		236,354	219,595	-	-
Depreciation and impairment losses					
At 1 January		9,595	95,375	-	83,538
Depreciation charge for the year		1,693	3,692	-	1,931
Transfer to property, plant and equipment	15	(1,689)	(4,003)	-	-
Disposals		-	(85,469)	-	(85,469)
At 31 December		9,599	9,595	-	-
Net book value					
At 31 December		226,755	210,000	-	-

Transfer to property, plant and equipment

During the year 2020, the Group transferred investment property to property, plant and equipment with the carrying amount of Baht 130.21 million as the Group used some area of land for the Group's internal usage.

Pledge

The subsidiary has pledged land with carrying amount is Baht 30.71 million (2019: nil) as collateral for long-term borrowings from a commercial bank (Note 19).

Information relating to leases are disclosed in note 16.

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Rental income	6,600	25,136	-	18,216
Repair and maintenance expense:				
- property that generated rental income	-	564	-	564

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Investment properties comprise of land, building and factories lease out to an associate and the third party. Each of the leases contains an initial non-cancellable period of 1 year (2019: 1 year and 3 years). Renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of land and factory lease out to an associate had fair value of Baht 67.26 million, which comprised of fair value of the factory of Baht 57.99 million and land of Baht 9.28 million, determined by independent professional valuers at open market values on an existing use basis for land and discounted cash flow using risk-adjusted discount rates for factory. The fair value of investment property has been categorised as Level 2 and 3 fair value, respectively.

Another investment property was land held for a currently undetermined future use which had total fair value of Baht 291.28 million. The fair value was determined by the independent valuer using open market value on an existing use basis. The fair value of investment property has been categorised as Level 2 fair value.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flows</i> ; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	<ul style="list-style-type: none"> Discount rates 12% 	<ul style="list-style-type: none"> The estimated fair value increase (decrease) if: The discount rate were lower (higher).

At the Board of the Executive Committee meeting no. 3/2019 held on 13 March 2019, the Committee unanimously approved the disposal of building and a factory to Fujitsu General (Thailand) Co., Ltd. On 1 April 2019, the Company entered into the memorandum of agreement on transfer the ownership of building and assign the leasehold right of land totalling Baht 606.5 million. The due date of collection shall be in May and September 2019 amounting to Baht 300 million and Baht 306.5 million, respectively. Under the term of agreement, the Company is responsible for maintenance expense of the factory before transferring ownership in September 2019. Therefore, the Company has classified investment properties amounting to Baht 66.73 million and property, plant and equipment amounting to Baht 1.04 million to non-current assets classified as held for sale since that date. Then, the Company had transferred the control over aforesaid building and assign the leasehold right of land to Fujitsu General (Thailand) Co., Ltd. The Group and the Company recognised gain on sale of assets held for sale after net of related selling expenses in the consolidated and separate statements of comprehensive income for the period ended 31 December 2019, amounting to Baht 524.77 million.

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

15 Property, plant and equipment

Consolidated financial statements										
			Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
<i>Cost</i>	<i>Note</i>									
At 1 January 2019			251,279	1,053,004	2,431,365	489,648	89,527	19,183	38,993	4,372,999
Additions			8,173	131,469	230,456	27,852	8,506	5,854	249,944	662,254
Transfers from investment properties	14		11,353	9,944	-	-	-	-	-	21,297
Transfers			478	143	17,013	3,110	-	-	(20,744)	-
Disposals			-	(19,861)	(12,325)	(22,247)	(13,972)	-	(62)	(68,467)
At 31 December 2019 and 1 January 2020			271,283	1,174,699	2,666,509	498,363	84,061	25,037	268,131	4,988,083
Additions			55,642	178,978	184,388	48,341	13,605	6,534	310,601	798,089
Transfers from investment properties	14		131,899	-	-	-	-	-	-	131,899
Transfers			-	49,771	173,595	2,457	-	-	(225,823)	-
Disposals			-	(4,936)	(203)	(4,554)	-	-	(2,431)	(12,124)
At 31 December 2020			458,824	1,398,512	3,024,289	544,607	97,666	31,571	350,478	5,905,947

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Consolidated financial statements									
	Note	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>									
At 1 January 2019		17,143	228,248	1,387,175	393,427	74,144	13,729	-	2,113,866
Depreciation charge for the year		8,179	45,047	183,561	44,350	5,929	2,664	-	289,730
Transfers from investment properties	14	-	4,003	-	-	-	-	-	4,003
Disposals		-	(5,009)	(11,234)	(22,512)	(11,686)	-	-	(50,441)
At 31 December 2019 and 1 January 2020		25,322	272,289	1,559,502	415,265	68,387	16,393	-	2,357,158
Depreciation charge for the year		12,967	58,084	247,310	49,218	7,145	3,006	-	377,730
Transfers from investment properties	14	1,689	-	-	-	-	-	-	1,689
Disposals		-	(349)	(147)	(4,495)	-	-	-	(4,991)
At 31 December 2020		39,978	330,024	1,806,665	459,988	75,532	19,399	-	2,731,586
<i>Net book value</i>									
At 31 December 2019		245,961	902,410	1,107,007	83,098	15,674	8,644	268,131	2,630,925
Owned assets		245,961	902,410	1,107,007	83,098	15,674	8,644	268,131	2,630,925
At 31 December 2020		418,846	1,068,488	1,217,624	84,619	22,134	12,172	350,478	3,174,361
Owned assets		418,846	1,068,488	1,217,624	84,619	22,134	12,172	350,478	3,174,361

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 374.84 million (2019: Baht 353.81 million).

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Restriction under loan agreements with bank

The Group entered into loan agreements with several local banks. The agreements specified that the Group committed to the banks that the Group will make no commitment with third parties related to the Group's machineries for these aforesaid loan agreements (*Note 19*).

Pledge

The subsidiary has pledged land with the carrying amount is Baht 117.95 million (*2019: nil*) as collateral for long-term borrowings from a commercial bank (*Note 19*).

Impairment testing for property, plant and equipment

Management reviewed and tested impairment in property, plant and equipment of a subsidiary in which impairment indicator existed by determining recoverable amount of property, plant and equipment from the value in use of the factories which are cash-generating unit. The discounted cash flow projections ("DCF") have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 8.20% discount rate.

The recoverable amount of cash-generating unit was higher than carrying amount of property, plant and equipment. The Group therefore had not recognised an impairment loss in the consolidated statements of comprehensive income for the year ended 31 December 2020.

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements					
	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment	Office equipment	Vehicles
				(in thousand Baht)		
Cost						
At 1 January 2019	31,103	130,172	265,224	28,275	16,664	3,859
Additions	-	-	9,073	482	2,665	-
Disposals	-	(11,279)	(21,114)	(3,745)	(3,228)	-
At 31 December 2019 and 1 January 2020	31,103	118,893	253,183	25,012	16,101	3,859
Additions	-	145	10,739	1,707	1,185	330
Transfers	-	-	1,934	38	-	-
Disposals	-	-	-	(864)	-	-
At 31 December 2020	31,103	119,038	265,856	25,893	17,286	4,189
					8,616	471,981
						450,123
						22,722
						-
						(864)
						471,981
Depreciation and impairment losses						
At 1 January 2019	606	39,000	179,372	22,387	13,750	1,030
Depreciation charge for the year	110	4,931	24,173	2,121	1,085	541
Disposals	-	(4,206)	(16,574)	(3,533)	(3,164)	-
At 31 December 2019 and 1 January 2020	716	39,725	186,971	20,975	11,671	1,571
Depreciation charge for the year	109	4,113	18,753	1,839	1,487	576
Disposals	-	-	-	(856)	-	-
At 31 December 2020	825	43,838	205,724	21,958	13,158	2,147
						287,650
						261,629
						26,877
						(856)
						287,650
						256,145
						32,961
						(27,477)
						261,629
						26,877
						(856)
						287,650

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements						Total
	Land and land improvement	Buildings and building improvement	Machinery	Tool and equipment (in thousand Baht)	Office equipment	Vehicles	
Net book value							
At 31 December 2019							
Owned assets	30,387	79,168	66,212	4,037	4,430	2,288	188,494
	<u>30,387</u>	<u>79,168</u>	<u>66,212</u>	<u>4,037</u>	<u>4,430</u>	<u>2,288</u>	<u>188,494</u>
At 31 December 2020							
Owned assets	30,278	75,200	60,132	3,935	4,128	2,042	184,331
	<u>30,278</u>	<u>75,200</u>	<u>60,132</u>	<u>3,935</u>	<u>4,128</u>	<u>2,042</u>	<u>184,331</u>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2020 amounted to Baht 39.56 million (2019: Baht 48.62 million).

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

16 Leases

As a lessee

	Consolidated financial statements	Separate financial statements
<i>At 31 December 2020</i>	<i>(in thousand Baht)</i>	
<i>Right-of-use assets</i>		
Building	293,587	48,322
Vehicle	816	-
Total	294,403	48,322

In 2020, additions to the right-of-use assets of the Group were Baht 1.13 million.

The Group leases a number of warehouses and plants for 1-3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	31,906	-	5,369	-
- Vehicles	314	-	-	-
Interest on lease liabilities	13,397	-	2,197	-
Expenses relating to short-term leases	25,169	-	4,584	-
Expenses relating to leases of low-value assets	1,053	-	156	-
Lease expense	-	52,744	-	6,993

In 2020, total cash outflow for leases of the Group and the Company were Baht 38.9 million and Baht 6.6 million, respectively.

As a lessor

The leases of investment properties comprise a number of property and plant that are leased to associates under operating leases. Each of the leases contains an initial non-cancellable period of 1 year which will start from 1 January 2021 until 31 December 2021. Subsequent renewals are negotiated with the lessee. For all investment property leases, the rental income is fixed under the contracts.

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Minimum lease payments under non-cancellable operating lease are receivable		
<i>At 31 December 2019</i>		
Within 1 year	6,050	-
Total	6,050	-

17 Intangible assets

	Consolidated financial statements			
	Software licenses	Production licenses	Software under installation	Total
	(in thousand Baht)			
<i>Cost</i>				
At 1 January 2019	47,100	52,887	11,606	111,593
Additions	2,204	-	1,115	3,319
Transfers	1,337	-	(1,337)	-
Disposals	(441)	-	-	(441)
At 31 December 2019 and 1 January 2020	50,200	52,887	11,384	114,471
Additions	9,399	-	744	10,143
Transfers	5,349	-	(5,349)	-
Disposals	(167)	-	-	(167)
At 31 December 2020	64,781	52,887	6,779	124,447
<i>Amortisation and impairment losses</i>				
At 1 January 2019	21,395	31,048	-	52,443
Amortisation for the year	4,205	5,154	-	9,359
Disposals	(160)	-	-	(160)
At 31 December 2019 and 1 January 2020	25,440	36,202	-	61,642
Amortisation for the year	4,895	4,729	-	9,624
Disposals	(152)	-	-	(152)
At 31 December 2020	30,183	40,931	-	71,114
<i>Net book value</i>				
At 31 December 2019	24,760	16,685	11,384	52,829
At 31 December 2020	34,598	11,956	6,779	53,333

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements		
	Software licenses	Software under installation (in thousand Baht)	Total
Cost			
At 1 January 2019	11,760	3,350	15,110
Additions	90	567	657
At 31 December 2019 and 1 January 2020	11,850	3,917	15,767
Additions	9,126	744	9,870
Transfers	3,917	(3,917)	-
At 31 December 2020	24,893	744	25,637
Amortisation and impairment losses			
At 1 January 2019	3,063	-	3,063
Amortisation for the year	1,174	-	1,174
At 31 December 2019 and 1 January 2020	4,237	-	4,237
Amortisation for the year	1,359	-	1,359
At 31 December 2020	5,596	-	5,596
Net book value			
At 31 December 2019	7,613	3,917	11,530
At 31 December 2020	19,297	744	20,041

The amortisation of production licenses is allocated to the cost of inventory and is recognised as cost of sales as inventory is sold; the amortisation of other intangible assets is included in administrative expenses.

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Land and factory rental deposit	8,712	9,772	8,502	8,502
Revenue department receivable	24,826	819	-	-
Advance payments for equipment	14,704	615	-	-
Others	1,216	1,686	-	-
Total	49,458	12,892	8,502	8,502

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

19 Interest-bearing liabilities

Consolidated financial statements				
2020				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	Total
Short-term borrowings from financial institutions	2.70 - 3.16	-	710,000	710,000
Current portion of long-term borrowings from financial institutions	2.65 - 3.61	202,179	-	202,179
Long-term borrowings from financial institutions	2.65 - 3.61	544,949	-	544,949
Current portion of lease liabilities	4.25	-	28,356	28,356
Lease liabilities	4.25	-	272,684	272,684
Total interest-bearing liabilities		747,128	1,011,040	1,758,168

Consolidated financial statements				
2019				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	Total
Short-term borrowings from financial institutions	2.95	-	169,000	169,000
Current portion of long-term borrowings from financial institutions	3.85 - 4.78	25,500	19,567	45,067
Long-term borrowings from financial institutions	4.50 - 4.78	-	32,302	32,302
Total interest-bearing liabilities		25,500	220,869	246,369

Separate financial statements				
2020				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	Total
Short-term borrowings from financial institutions	2.70 - 3.16	-	710,000	710,000
Current portion of lease liabilities	4.25	-	4,594	4,594
Lease liabilities	4.25	-	44,694	44,694
Total interest-bearing liabilities		-	759,288	759,288

Separate financial statements				
2019				
	Effective interest rate (% per annum)	Secured	Unsecured (in thousand Baht)	Total
Short-term borrowings from financial institutions	2.95	-	154,000	154,000
Total interest-bearing liabilities		-	154,000	154,000

Assets pledged as security for liabilities as at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019 (in thousand Baht)	2020	2019
Property	148,658	-	-	-
Non-current non-cash financial assets pledged as collateral	5,000	-	-	-
Total	153,658	-	-	-

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

As at 31 December 2020 the Group had unutilised credit facilities totalling Baht 504 million and the Company had fully utilised credit facilities (2019: Baht 215 million and Baht 30 million, respectively).

Short-term borrowings from financial institutions

The Group and the Company have short-term borrowings from commercial banks under promissory notes, amounting to Baht 710 million and Baht 710 million, respectively (2019: Baht 169 million and Baht 154 million, respectively) at an interest rate of 2.70% - 3.16% per annum (2019: 2.95 % per annum), which will become due during January until March 2021.

Long-term borrowings from financial institutions

On 12 March 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 440 million at an interest rate of MLR - 2% and MLR - 1.75% per annum, which will be paid in monthly instalment start from April 2020 until March 2025.

Long-term borrowings of the aforesaid subsidiary was pledged by the Company and another subsidiary and also committed to the bank that there will no commitment made by the subsidiary with third parties related to the subsidiary's land and plant (notes 14 and 15).

On 7 August 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 100 million at an interest rate of 3.1% and MLR - 3.5% per annum, which will be paid in monthly instalment start from September 2020 until August 2025.

Long-term borrowings of the aforesaid subsidiary was pledged by the Company and also committed to the bank that there will no commitment made by the subsidiary with third parties related to the subsidiary's machines (note 15).

On 7 August 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 50 million at an interest rate of 2% and Prime - 2% per annum, which will be paid in monthly instalment start from March 2021 until February 2026.

Long-term borrowings of the aforesaid subsidiary was pledged by the Company, savings deposit account of the subsidiary and also committed to the bank that there will no commitment made by the subsidiary with third parties related to the subsidiary's machines (note 15).

On 19 November 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 620 million at an interest rate of MLR - 2.3% and MLR - 2.0% per annum, which will be paid in monthly instalment start from January 2021 until December 2027. The aforesaid subsidiary drew down the borrowing amounting to Baht 150 million.

Long-term borrowings of the aforesaid subsidiary was pledged by another subsidiary's land (note 14 and 15).

On 8 December 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 40 million at an interest rate of 3.15% and MLR - 3.5% per annum, which will be paid in monthly instalment start from January 2021 until December 2025. The aforesaid subsidiary drew down the borrowing amounting to Baht 37.31 million.

On 8 December 2020, a subsidiary entered into a loan agreement with a commercial bank amounting to Baht 24 million at an interest rate of 3.15% and MLR - 3.5% per annum, which will be paid in monthly instalment start from January 2021 until December 2025. The aforesaid subsidiary drew down the borrowing amounting to Baht 8.05 million.

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Long-term borrowings of the aforesaid subsidiaries were pledged by the Company and also committed to the bank that there will no commitment made by the subsidiaries with third parties related to the subsidiaries' machines (*note 15*).

In addition, the Company and subsidiaries must maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio and leverage ratio.

As at 31 December 2020, certain subsidiaries failed to maintain the financial ratio as defined in the loan agreements. Breach of the terms of these agreements may cause the bank to immediately recall all outstanding payables under such agreements. However, on 28 December 2020 and 29 December 2020, these subsidiaries received the waiver of the breach of covenant. Therefore, long-term loan of the subsidiaries as at 31 December 2020 was not classified as current liabilities.

20 Provision for employee benefit

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Retirement benefits	50,435	78,511	8,502	11,020

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk

SNC Former Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

<i>Present value of the defined benefit obligations</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	78,511	65,260	11,020	15,046
Include in profit or loss:				
Current service cost	5,376	6,562	493	1,513
Past service cost	-	15,986	-	3,482
Interest on obligation	1,256	1,579	391	330
Reversal	(22,501)	-	(2,590)	-
	<u>(15,869)</u>	<u>24,127</u>	<u>(1,706)</u>	<u>5,325</u>
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	-	(6,989)	-	(2,107)
- Financial assumptions	949	6,616	158	776
- Experience adjustment	(3,144)	(10,503)	1,822	(8,020)
	<u>(2,195)</u>	<u>(10,876)</u>	<u>1,980</u>	<u>(9,351)</u>
Benefit paid	(10,012)	-	(2,792)	-
At 31 December	<u>50,435</u>	<u>78,511</u>	<u>8,502</u>	<u>11,020</u>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>The principal actuarial assumptions</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
			(%)	
Discount rate	1.05 - 1.92	1.14 - 2.1	1.13 - 1.26	1.14 - 1.59
Future salary growth	4.25	4.25	4.25	4.25
Employee turnover	0 - 27	0 - 27	0 - 27	0 - 27

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 11 - 23 years (2019: 10 - 24 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

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Notes to the financial statements

For the year ended 31 December 2020

<i>Affect to defined benefit obligation</i>	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
	Increase	Decrease	Increase	Decrease
As 31 December 2020				
Discount rate (0.5% movement)	(2,684)	2,900	(400)	427
Future salary growth (1% movement)	5,549	(4,874)	818	(736)
Employee turnover (10% movement)	(1,928)	2,173	(183)	206
As 31 December 2019				
Discount rate (0.5% movement)	(3,844)	4,151	(471)	507
Future salary growth (1% movement)	7,357	(6,900)	912	(858)
Employee turnover (10% movement)	(2,718)	3,054	(302)	336

21 Reserve

Appropriations of profit and/or retained earnings

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.

Other components of equity

Fair value reserve of 2020

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI.

22 Segment information and disaggregation of revenue

Management determined that the Group has three reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Manufacturing of component parts for automobile use.
- Segment 2 Manufacturing and assembly of electric appliances.
- Segment 3 Manufacturing of component parts of electric appliances.

None of other operations meets the quantitative thresholds for determining reportable segments in 2020 or 2019.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

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Consolidated financial statements

	Consolidated financial statements							
	Electric appliances							
	Manufacturing of component parts for automobile use	Manufacturing and assembly	Manufacturing of component parts	Other segments	Eliminations	Total		
	2020	2019	2020	2019	2020	2019	2020	2019
<i>(in thousand Baht)</i>								
Information about reportable segment								
Revenue from external customers	771,993	1,082,048	5,605,826	2,579,733	2,983,622	3,632	8,960,518	6,625,585
Inter-segment revenue	3,030	2,589	1,073	276,234	203,646	14,123	-	-
Total revenues	775,023	1,084,637	5,606,899	2,573,637	3,187,268	17,755	8,960,518	6,625,585
Segment results	69,498	97,239	144,082	29,791	222,449	(13,840)	476,216	329,538
Unallocated amounts:								
Gain on sale of assets held for sale							-	524,774
Gain on sale of investment in associate							-	2,309
Finance costs							(48,701)	(10,629)
Share of loss of associate accounted for using equity method							(4,218)	(18,149)
Tax expense							(10,679)	(101,543)
Profit for the year							412,618	726,300
Disaggregation of revenue								
Primary geographical markets								
Thailand	682,551	1,002,199	1,264,611	1,063,331	2,579,257	2,978,456	3,632	4,529,385
Other countries	89,442	79,849	4,341,215	1,492,952	476	5,166	-	4,431,133
Total	771,993	1,082,048	5,605,826	2,556,283	2,579,733	2,983,622	8,960,518	6,625,585
Timing of revenue recognition								
At a point in time	771,993	1,082,048	5,605,826	2,556,283	2,579,733	2,983,622	3,632	8,960,518
							-	6,625,585

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Separate financial statements											
	Manufacturing of component parts for automobile use		Electric appliances		Other segments			Eliminations		Total	
	2020	2019	Manufacturing and assembly	2020	2019	2020	2019	2020	20189		
(in thousand Baht)											
Information about reportable segment											
Revenue from external customers	26,549	37,235	-	-	-	323,385	399,311	-	-	349,934	437,280
Segment results	2,727	1,968	-	-	-	33,214	19,030	77,860	29,673	113,801	50,671
Unallocated amounts:											
Gain on sale of assets held for sale										-	524,774
Dividend income										171,963	201,311
Impairment loss on investment in associate										-	(27,300)
Reversal of Impairment (loss) on investments in subsidiaries										-	86,999
Loss on disposal of investment in subsidiaries										-	(171,748)
Loss on sale of investment in associate										-	(8,107)
Finance costs										(21,549)	(4,312)
Tax expense										(11,252)	(85,302)
Profit for the year										252,963	566,986
Disaggregation of revenue											
Primary geographical markets											
Thailand	26,549	37,235	-	-	-	323,385	399,311	-	734	-	437,280
Timing of revenue recognition											
At a point in time	26,549	37,235	-	-	-	323,385	399,311	-	734	-	437,280

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Major customer

In 2020, revenues from 3 major customers of the Group's manufacturing and assembly of electric appliances segment and manufacturing of component parts of electric appliances segment represent approximately Baht 2,360 million, Baht 1,284 million and Baht 1,021 million, respectively (*2019: Baht 1,170 and Baht 897 million*) of the Group's total revenues.

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment as the following table. The Group has been granted several privileges including exemption from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
SNC Pyongsan Evolution Co., Ltd.	Manufacturing of steel for cooling machines, plastic parts	21 April 2017	3 years	5 years
60-0456-1-04-1-0				
SNC Cooling Supply Co., Ltd.	Manufacturing of steel products and steel parts	1 July 2019	3 years	5 years
62-0639-1-05-1-0				
Immortal Parts Co., Ltd.	Manufacturing of parts for electrical appliances	2 March 2015	5 years	5 years
1993(2)/2557	Manufacturing of parts or equipment for electrical appliances	Not use privileges	5 years	5 years
60-0915-0-00-1-2	Manufacturing of parts for electrical appliances	18 May 2020	3 years	5 years
63-0890-1-05-1-0				
Paradise Plastic Co., Ltd.	Manufacturing of plastic and plastic enamel products	1 September 2012	8 years	5 years
1326(5)/2555				

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
S S M Automation Co., Ltd.				
62-0743-0-00-1-2	Manufacturing of steel and parts for steel	3 August 2016	100% of net profit of the first 3 years and 50% of net profit of the year 4 th to 8 th	5 years
Infinity Parts Co., Ltd.				
1295(5)/2555	Manufacturing of steel and parts for steel	2 May 2012	8 years	5 years
1296(5)/2555	Manufacturing of parts for electrical appliances	6 April 2012	8 years	5 years

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
SNC Creativity Anthology Co., Ltd.				
2103(2)/2556	Manufacturing of parts for electrical appliances	15 July 2014	6 years	5 years
2167(1)/2556	Research and development	Not commenced operations	8 years	5 years
60-0147-1-00-1-0	Manufacturing of air conditioner, refrigerator, freezer, washing machine, clothes dryers	24 February 2017	3 years	5 years
60-0046-0-00-0-2	Manufacturing of electrical appliances and part of electrical appliances	-	-	-
63-0527-1-00-0-0	Manufacturing of electrical appliances and audio-visual product	-	-	-
63-0590-1-00-1-0	Manufacturing of Smart Electrical Appliances	7 June 2020	5 years	5 years
63-1306-1-00-1-0	Manufacturing of steel and parts for steel	3 December 2020	3 years	5 years

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Certificated no.	Promoted business	Exemption of corporate income tax commencing from	Exemption of corporate income tax for the period of	Accumulated loss during the exemption period be deducted from net income after the exemption period for
SNC Atlantic Heat Pump Co., Ltd.				
1719(5)/2557	Manufacturing of parts for electrical appliances	17 December 2014	6 years	5 years
Meisou SNC Precision Co., Ltd.				
58-2218-0-00-1-0	Manufacturing of machinery, equipment, and parts	12 October 2015	8 years	5 years

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Summary of revenue from promoted and non-promoted businesses:

Consolidated financial statements						
Year ended 31 December	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	512,673	3,918,460	4,431,133	454,524	1,123,443	1,577,967
Local sales	763,262	3,766,123	4,529,385	2,241,140	2,806,478	5,047,618
Total revenues	1,275,935	7,684,583	8,960,518	2,695,664	3,929,921	6,625,585

Separate financial statements						
Year ended 31 December	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Local sales	-	349,934	349,934	-	437,280	437,280
Total revenues	-	349,934	349,934	-	437,280	437,280

23 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Wages and salaries		457,098	476,585	38,705	45,190
Overtime		144,682	109,138	11,948	15,087
Welfare		96,958	81,461	7,729	10,851
Bonus		-	89,284	-	11,504
Defined contribution plans		7,374	9,756	1,099	1,532
Retirement benefits	20	6,632	24,127	884	5,325
Termination benefits		64,697	15,050	7,401	500
Others		12,614	12,745	1,371	1,439
Total		790,055	818,146	69,137	91,428

Defined contribution plans

The defined contribution plans comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 3% - 7% of their basic salaries and by the Group at rates 3% - 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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24 Expenses by nature

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in finished goods and work in progress		172,474	56,612	25,414	32,076
Raw materials and consumables used		7,279,075	5,254,472	172,346	234,026
Employee benefit expenses	23	790,055	818,146	69,137	91,428
Depreciation	14, 15, 16	411,644	293,422	32,250	34,892
Amortisation of intangible assets	17	9,624	9,359	1,359	1,174
Lease-related expenses (2019: Lease payment)		51,261	93,887	4,068	17,480

25 Income tax

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Income tax recognised in profit or loss				
Current tax expense				
Current period	39,488	103,329	10,264	84,906
Under (over) provided in prior years	(1,756)	1,230	261	(397)
Deferred tax expense				
Movements in temporary differences	(27,053)	(3,016)	727	793
Total income tax expense	<u>10,679</u>	<u>101,543</u>	<u>11,252</u>	<u>85,302</u>

Consolidated financial statements						
	2020		2019			
<i>Income tax</i>	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Financial assets at FVOCI	(2,126)	425	(1,701)	-	-	-
Defined benefit plan actuarial gains	2,195	(439)	1,756	10,876	(2,175)	8,701
Total	<u>69</u>	<u>(14)</u>	<u>55</u>	<u>10,876</u>	<u>(2,175)</u>	<u>8,701</u>

Separate financial statements						
	2020		2019			
<i>Income tax</i>	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Financial assets at FVOCI	(2,126)	425	(1,701)	-	-	-
Defined benefit plan actuarial gains (losses)	(1,980)	396	(1,584)	9,351	(1,870)	7,481
Total	<u>(4,106)</u>	<u>821</u>	<u>(3,285)</u>	<u>9,351</u>	<u>(1,870)</u>	<u>7,481</u>

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		423,297		827,843
Income tax using the Thai corporation tax rate	20	84,659	20	165,569
Income not subject to tax		(64,382)		(75,844)
Expenses not deductible for tax purposes		1,922		10,797
Recognition of previously unrecognised tax losses		(22,642)		(4,217)
Current year losses for which no deferred tax asset was recognised		12,878		4,008
Under (over) provided in prior years		(1,756)		1,230
Total	3	10,679	12	101,543

Reconciliation of effective tax rate

	Separate financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		264,215		652,288
Income tax using the Thai corporation tax rate	20	52,843	20	130,458
Income not subject to tax		(42,017)		(52,577)
Expenses not deductible for tax purposes		165		7,818
Under (over) provided in prior years		261		(397)
Total	4	11,252	13	85,302

Deferred tax At 31 December	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)				(in thousand Baht)			
Total	73,310	43,901	(22,545)	(20,852)	11,517	11,004	(5,171)	(5,429)
Set off of tax	(22,545)	(19,057)	22,545	19,057	(5,171)	(5,429)	5,171	5,429
Net deferred tax assets (liabilities)	50,765	24,844	-	(1,795)	6,346	5,575	-	-

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	Consolidated financial statements (Charged) / Credited to:				Consolidated financial statements (Charged) / Credited to:		
	At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019	At 1 January 2020	Profit or loss	Other comprehensive income
			(in thousand Baht)			(in thousand Baht)	
<i>Deferred tax</i>							
<i>Deferred tax assets</i>							
Trade and other receivables (doubtful accounts)	-	-	-	-	-	75	75
Inventories (allowance for decline in value)	3,204	1,328	-	4,532	4,532	1,420	5,952
Investments in subsidiaries (impairment losses)	10,264	(1,604)	-	8,660	8,660	-	8,660
Property, plant and equipment (impairment losses)	2,603	-	-	2,603	2,603	(2,180)	423
Financial assets measured at FVOCI (decrease in fair value)	-	-	-	-	677	-	1,102
Provision employee benefit	13,052	5,507	(2,175)	16,384	16,384	(5,858)	10,087
Deferred income	12,608	(886)	-	11,722	11,722	(2,096)	9,626
Loss carry forward	-	-	-	-	-	37,385	37,385
Total	41,731	4,345	(2,175)	43,901	44,578	28,746	73,310
<i>Deferred tax liabilities</i>							
Property, plant and equipment (the difference of useful life and increase in revaluation)	(19,523)	(1,329)	-	(20,852)	(20,852)	(366)	(21,218)
Right-of-use assets	-	-	-	-	-	(1,327)	(1,327)
Total	(19,523)	(1,329)	-	(20,852)	(20,852)	(1,693)	(22,545)
Net	22,208	3,016	(2,175)	23,049	23,726	27,053	50,765

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<i>Unrecognised deferred tax assets</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Tax losses	34,251	85,232	-	-
Total	34,251	85,232	-	-

The tax losses expire in 2020-2026. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

26 Dividends

The dividends paid by the Group to the shareholders are as follows:

Dividend	Approved by	Dividend paid <i>(in thousand Baht)</i>	Dividend rate per share <i>(in Baht)</i>	Dividend payment date
SNC Former Public Company Limited				
Interim dividend paid from the profit of first six months of 2020	Board of Director's Meeting on 3 August 2020	100,722	0.35	28 August 2020
Annual dividend paid from the profit of last six months of 2019	Annual General Meeting of shareholders on 27 March 2020	100,722	0.35	27 April 2020
Interim dividend paid from the profit of first six months of 2019	Board of Director's Meeting on 5 August 2019	143,889	0.50	30 August 2019
Annual dividend paid from the profit of last six months of 2018	Annual General Meeting of shareholders on 27 March 2019	143,889	0.50	26 April 2019
SNC Atlantic Heat Pump Co., Ltd.				
Dividend paid from Retain earnings as at 31 October 2020	Board of Directors' Meeting on 16 November 2020	49,950	111.00	29 November 2020
Dividend paid from Retain earnings as at 31 October 2019	Board of Directors' Meeting on 15 November 2019	30,150	67.00	27 November 2019
Dividend paid from Retain earnings as at 30 November 2018	Board of Directors' Meeting on 17 December 2018	40,050	89.00	15 January 2019

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27 Financial instruments

(a) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

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	Consolidated financial statements/ Separate financial statements				
	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
		(in thousand Baht)			
2020					
Non-current financial asset					
Non-marketable equity instruments	23,113	7,500	-	(2,126)	28,487
Total	23,113	7,500	-	(2,126)	28,487

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non-marketable equity instruments	The adjusted net asset value as of the reporting date

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.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

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(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 22.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of five months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivable.

	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables	Allowance for expected credit loss	Trade accounts receivables	Allowance for expected credit loss
<i>At 31 December 2020</i>				
		<i>(in thousand Baht)</i>		
Within credit terms	990,030	-	51,126	-
Overdue:				
1-30 days	5,021	-	-	-
31-60 days	11	-	-	-
61-90 days	48	-	-	-
More than 90 days	8,594	(376)	104	-
Total	1,003,704	(376)	51,230	-
Less allowance for expected credit loss	(376)		-	
Net	1,003,328		51,230	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

	Consolidated financial statements	Separate financial statements
<i>Trade accounts receivable</i>		
	<i>(in thousand Baht)</i>	
<i>At 31 December 2019</i>		
Within credit terms *	844,284	59,703
Overdue: **		
Less than 3 months	5,730	-
	850,014	59,703
Less allowance for doubtful accounts	-	-
Net	850,014	59,703

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The normal credit term granted by the Group ranges from 30 days to 150 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

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks for which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Group has issued a guarantee to certain bank in respect of credit facilities granted to a subsidiary (see note 19).

(b.2) 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.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Consolidated financial statements			
		Contractual cash flows			
		More than 1 year but less than 5 years			
At 31 December 2020	Carrying amount	1 year or less	More than 5 years		Total
(in thousand Baht)					
Non-derivative financial liabilities					
Short-term borrowings					
from financial institutions	710,000	713,121	-	-	713,121
Trade and other payables	2,249,934	2,249,934	-	-	2,249,934
Accounts payable					
- acquisition of assets	44,699	44,699	-	-	44,699
Current portion of long-term borrowings					
from financial institutions	202,179	224,155	-	-	224,155
Long-term borrowings from financial institutions	544,949	-	573,313	-	573,313
Current portion of lease liabilities	28,356	40,602	-	-	40,602
Lease liabilities	272,684	-	161,269	160,800	322,069
	4,052,801	3,272,511	734,582	160,800	4,167,893

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		Separate financial statements				
		Contractual cash flows				
		More than 1 year but less than 5 years				
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total	
<i>(in thousand Baht)</i>						
<i>Non-derivative financial liabilities</i>						
Short-term borrowings						
from financial institutions	710,000	713,121	-	-	713,121	
Trade and other payables	77,207	77,207	-	-	77,207	
Accounts payable						
- acquisition of assets	1,184	1,184	-	-	1,184	
Current portion of lease liabilities	4,594	6,600	-	-	6,600	
Lease liabilities	44,694	-	26,400	26,400	52,800	
	<u>837,679</u>	<u>798,112</u>	<u>26,400</u>	<u>26,400</u>	<u>850,912</u>	

		Consolidated financial statements			
		Maturity period			
<i>At 31 December</i>	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2019					
Financial Assets					
Cash and cash equivalents	0.22-1.30	834,863	-	-	834,863
Short-term loans to related parties	4.80	27,433	-	-	27,433
Total		862,296	-	-	862,296
Financial Liabilities					
Short-term loans from financial institutions	2.95	169,000	-	-	169,000
Current portion of long-term loans from financial institution	3.85-4.78	45,067	-	-	45,067
Long-term loans from financial institution	4.50-4.78	-	32,302	-	32,302
Total		214,067	32,302	-	246,369

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		Separate financial statements			
		Maturity period			
<i>At 31 December</i>	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<i>2019</i>					
<i>Financial Assets</i>					
Cash and cash equivalents	0.22-0.25	82,104	-	-	82,104
Short-term loans to related parties	4.80	1,345,166	-	-	1,345,166
Total		1,427,270	-	-	1,427,270

(b.3) Market risk

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 derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

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

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Assets and liabilities denominated in the foreign currencies as at 31 December	Consolidated financial statements					
	2020		2019			
	United States Dollars	Total	United States Dollars (in thousand Baht)	Euro	Swedish Krona	Total
Cash and cash equivalents	63,450	63,450	102,770	-	-	102,770
Trade and other receivables	350,352	350,352	170,307	163	-	170,470
Trade and other payables	(1,169,272)	(1,169,272)	(236,106)	-	(225)	(236,331)
Gross balance sheet exposure	(755,470)	(755,470)	36,971	163	(225)	36,909
Currency forwards purchase	143,576	143,576	7,045	-	222	7,267
Currency forwards sales	(64,559)	(64,559)	(41,927)	-	-	(41,927)
Net exposure	(676,453)	(676,453)	2,089	163	(3)	(2,249)

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(b.3.2) 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 debt securities and loan interest rates are mainly adjust in accordance to market rate or are fixed which is close to current market rate. The Group is primarily exposed to interest rate risk from its borrowings (see note 19).

28 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.

29 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Buildings and other constructions	231,726	324	262	-
Machinery and equipment	47,646	24,948	2,778	848
Total	279,372	25,272	3,040	848
<i>Other commitments</i>				
Short-term lease commitments	9,063	-	3,970	-
Unused letters of credit to guarantee payments due to creditors	1,322,604	352,650	-	-
Bank guarantees for land rental, electricity used and others	22,038	18,029	5,748	5,748
Total	1,353,705	370,679	9,718	5,748

30 Events after the reporting period

At the extraordinary shareholders meeting of the Company No. 1/2021 held on 26 January 2021, the shareholders approved the additional registered shares from Baht 287 million to Baht 400 million by issuing ordinary shares of 112,222,661 shares, with a par value of Baht 1 per shares.

On 17 February 2021, the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of the shareholders to be held on 31 March 2021 adopt a resolution to pay a year-end dividend of Baht 0.40 per share in respect of the operating result of 2020, or a total of Baht 115.11 million. The dividend payment is scheduled for 27 April 2021 and represented a total dividend payment of Baht 0.35 per share, inclusive of the interim dividend of Baht 0.75 per share.

SNC Former Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

31 Reclassification of accounts

Certain accounts in the 2019 financial statement, which are included in the 2020 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2020 financial statements.

	2019					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass (in thousand Baht)	Before reclass	Reclass	After reclass
<i>Statement of financial position as at 31 December 2019</i>						
Trade and other accounts receivable	889,276	(889,276)	-	74,569	(74,569)	-
Trade accounts receivable	-	850,014	850,014	-	59,703	59,703
Other receivables	-	39,262	39,262	-	14,866	14,866
		<u>-</u>			<u>-</u>	

	2019 Consolidated financial statements		
	Before reclass	Reclass (in thousand Baht)	After reclass
<i>Statement of Comprehensive income period year ended 31 December 2019</i>			
Cost of sales and rendering of services	(5,936,916)	(31,303)	(5,968,219)
Administrative expenses	(287,091)	31,303	(255,788)
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business

Attachment 1

Details about who is assigned direct responsibility for accounting supervision. Details of Directors Sub-committees, management personnel with controlling power Person who has been assigned the highest responsibility in accounting and finance Those assigned to be directly responsible for the supervision of bookkeeping. And company secretary

Details of Directors

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
1.	Mr. Satit Chanjavanakul Chairman of the Board of Directors Independent Director <i>Appointment Date: April 30, 2009</i>	72	<ul style="list-style-type: none"> - Master of Business Administration, Thammasat University - Master of Science in Textile Technology University of Leeds, UK - Bachelor of Industrial Engineering, Chulalongkorn University <p>Training</p> <ul style="list-style-type: none"> - Director Certification Program (DCP) Class 83/2007 Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) Class 39/2005 	None	None	2009 - present	- Chairman of the Board of Director	SNC Former Public Company Limited <i>parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, Other operations such as mold</i>
						2009 - present	- Audit Committee	Crown Seal Public Company Limited <i>Crown Seal for Packaging industry business</i>
						1991 - Present	- Director	SPC Home Ideas Company Limited <i>Home decoration business</i>
						2013 - present	- Audit Committee	Thai Agro Energy Public Company Limited <i>Manufacturing and distribution of ethanol business</i>
						2013 - May 2019	- Director	Witcorp Company Limited <i>Wholesale business of industrial chemicals</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Thai Institute of Directors Association (IOD) - Board Nomination and Compensation Program Class 7/2019 (BNCP) Thai Institute of Directors Association (IOD) - Corporate Governance for Capital Market Intermediaries (CGI), Class 7/2015 Thai Institute of Directors Association (IOD) - Top Executive Program in Commerce and Trade (TEPCOT), Class 1 University of the Thai Chamber of Commerce - Capital Market Academy, Class 5 Capital Market Academy - International Advanced Management Program Massachusetts Institute of Technology, USA 2006			2004 - Jul 2020	- Audit Committee	Asia plus Group Holdings Public Company Limited <i>Financial business</i>
						2015 - Jul 2020	- Independent Director	Asia Plus Securities Public Company Limited <i>Financial business Securities broker</i>
						2009 - present	- Audit Committee	Lalin Property Public Company Limited <i>Real estate development business</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<ul style="list-style-type: none"> - National Defence Course for the Joint State- Private Sector, Class 4414 - Planning & Resource Management Massachusetts Institute of Technology, USA 1985 					
2.	Dr. Somchai Thaisa-nguanvorakul Director Chairman of the Executive Committee Appointment Date: April 19, 2004	64	<ul style="list-style-type: none"> - Doctor of Philosophy Program in Public Administration, Ubon Ratchathani University - Honorary Doctorate degree in Business Administration in Finance, Rajamangala University of Technology Isan - Master of Public and Private Management (Class#3), National Institute of Development Administration (NIDA) - Bachelor of Political Science, Ramkhamhaeng University 	5.76%	Dr. Somchai Thaisa-nguanvorakul is a father of Miss Sineenart Thaisa-nguanvorakul.	2004 - present	<ul style="list-style-type: none"> - Chairman of the Executive Committee - Director 	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
						2004 - present	- Director	SNC Pyongsan Evolution Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2004 - present	- Director	SNC Cooling Supply Company Limited <i>Manufacture parts and accessories for motor vehicles</i>
						2010 - present	- Director	Immortal Part Company Limited <i>Manufacture parts for electric appliances</i>
						2011 - present	- Director	Paradise Plastic Company Limited <i>Manufacture plastics parts</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Training - Director Certification Program (DCP) Class 55/2005 Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) Class 31/2005 Thai Institute of Directors Association (IOD) - Director Certification Program Update (DCPU) Class 2/2014 Thai Institute of Directors Association (IOD) - Advanced Audit Committee Program (AACP) Class 25/2017 Thai Institute of Directors Association (IOD) - Capital Market Academy Leader Program (CMA) Class 10 Capital Market Academy - The Senior Executive Program (SEP) Class 19			2012 - present	- Director	SNC Creativity Anthology Company Limited <i>Manufacture parts for automotive and assemble electrical appliances</i>
						2014 - present	- Director	SNC Atlantic Heat Pump Company Limited <i>Manufacture heat pump</i>
						2014 - present	- Director	Odin Power Company Limited. <i>Electric power generation and transmission</i>
						2011 - present	- Director	Infinity Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2011 - present	- Director	SSM Automation Company Limited <i>Metal stamping</i>
						2010 - present	- Director	Ultimate Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2016 - present	- Director	Yala fah saard Company Limited <i>Electricity generation and distribution</i>
						2017 - present	- Director	Odin Myanmar Co., Ltd. <i>Electricity generation and distribution</i>
						2014 - present	- Director	Meisou SNC Precision Company Limited <i>Manufacture mold</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Sasin Graduate Institute of Business Administration of Chulalongkorn University - Leadership Development Program (LDP) Thai Listed Companies Association - Advanced Master of Management (AMM) Class 1 NIDA			2013 - present	- Director	SNC Atlantic Water Heater Asia Company Limited <i>Manufacture water heater</i>
						1999 - Present	- Director	Zeus Energy Company Limited <i>Electricity generation and distribution</i>
						2018 - present	- Director	Thai Union Feedmill Public Company Limited <i>Manufacture aquaculture feed products</i>
						2020 - Present	- Director	Siam Environmental Technologies Company Limited <i>Treatment and supply services of water for household and industrial purposes</i>
						2017 - present	- Director	ECOT Enterprise Company Limited <i>Employer's Confederation of Thailand, provide training and consulting program</i>
						2003 - Present	- Director	SNC Holding Company Limited <i>Controlling stock or membership interests in subsidiaries</i>
						2015 - present	- Director	Hercules oil company limited <i>Automotive etailer and wholesaler of fuel</i>
						2020 - Present	- Director	Hygea & Laso Cooperation co., ltd. <i>Wholesale of machinery and equipment</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
3.	Mr. Somchai Ngamkitcharoenlap - Director - Chairman of Risk Management Committee <i>Appointment Date: May 13, 2020</i> - Executive Vice President - ESG Committee <i>Appointment Date: January 26, 2021</i>	54	- Master of Engineering Shizuoka University, Japan - Bachelor of Electrical Engineering, Chulalongkorn University (Thailand) Training - Director Accreditation Program (DAP) Class 89/2011 Thai Institute of Directors Association (IOD)	None	None	2020 - Present	- Director	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
						2020 - Present	- Director	Infinity Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2012 - present	- Director	SNC Creativity Anthology Company Limited <i>Manufacture parts for automotive and assemble electrical appliances</i>
						2020 - Present	- Director	SNC Pyongsan Evolution Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2014 - present	- Director	SNC Atlantic Heat Pump Company <i>Manufacture heat pump</i>
						2013 - present	- Director	SSM Automation Company Limited <i>Metal stamping</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
4.	Mr. Chaisak Ankasuwan - Independent Director - Audit committee <i>Appointment Date: April 3, 2014</i> - Chairman of Nomination and Remuneration Committee <i>Appointment Date: February 3, 2015</i>	71	- Master of Public Administration, Public and Private Management Program, National Institute of Development Administration (NIDA) - Bachelor of Law, Thammasat University	None	None	2014 - present	- Independent Director Audit committee - Chairman of Nomination and Remuneration Committee	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
						2016 - present	- Independent Director Audit committee	Rich Sport Public Company Limited <i>Import and distribute fashion products</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<u>Training</u> - Training program - Director Accreditation Program (DAP), Class 51/2006 Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) Class 129/2010 Thai Institute of Directors Association (IOD) - Top level management, Batch 10, Capital Market Academy - Advanced Master of Management Program 1 National Institute of Development Administration (NIDA) - The National Defense College (NDC 4414) - Training program - Business commissioning for directors and top level management of state enterprise and Public, Batch 2, Public Director Institute (PDI)			2013 - 2020	- Vice Chairman - Audit Committee - Chairman of the Corporate Governance Committee	One to One Contacts Public Company Limited <i>Wired and wireless internet service</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
5.	Mr.Wisan Wuttisaksin - Independent Director - Nomination and Remuneration Committee <i>Appointment Date: July 27, 2012</i>	70	- Master of Public and Private Management, National Institute of Development Administration (NIDA) - Bachelor of Laws, Ramkhamhaeng University <u>Training</u> - Director Certification Program (DCP125/2009) Thai Institute of Directors Association (IOD) - Financial Statements for Directors (FSD6/2009) Thai Institute of Directors Association (IOD)	None	None	2012 - present	- Independent Director - Nomination and Remuneration Committee	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			<ul style="list-style-type: none"> - Role of the Compensation Committee (RCC 12/2012) Thai Institute of Directors Association (IOD) - Diploma, National Defence College, The Joint State-Private Sector Course Class of 15 - Politics and Governance in Democratic Systems for Executive Course, Class of 8 King Prajadhipok's Institute - Chief Executive officer Development Program, Fiscal policy Research Institute Foundation, The Kellogg School of Management and the Maxwell School of Citizenship and Public Affairs - Senior Executives on Justice Administration, Class of 12 Judicial Training Institute 			2011 - 2017	- Advisor	Office of The National Broadcasting and Telecommunications Commission
6.	Mr. Suchat Boonbanjerd - Chairman of Audit committee	61	- Master of Finance	0.18%	None	2014 - present	- Head of Audit committee Independent Director	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances,</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
	-Independent Director <i>Appointment Date: December 25, 2014</i>		Wharton School, University of Pennsylvania, USA					<i>OEM for electric appliances and toolbox, and other operations such as mold</i>
			- Bachelor degree (2nd Class honor), Economics, Quantitative Analysis, Chulalongkorn University			2008 - present	- Chairman of the Board	K J K ESTATE CO.,LTD. <i>Renting and operating of self-owned and leased of non-residential buildings</i>
			Training			2020 - Present	- Chairman of the Board	COSEC CO., LTD. <i>IT business</i>
			- Director Certification Program (DCP) Class 19/2002 Thai Institute of Directors Association (IOD)			2014 – present	-Chairman of the Board	DARK HORSE DEVELOPMENT COMPANY LIMITED <i>Restaurant</i>
			- Audit Committee Program (ACP) Class 13/2006 Thai Institute of Directors Association (IOD)			2013 - present	- Director	TJ INTER SERVICE COMPANY LIMITED <i>Tour and entertainment</i>
			- Role of the Nomination and Governance Committee (RNG) Class 3/2012 Thai Institute of Directors Association (IOD)			2015 - present	- Chairman of the Board	Knight Club Capital Asset Management Co., Ltd. <i>Financial service activities</i>
			- Successful Formulation & Execution of Strategy (SFE) Class 12/2011			2000 - present	- Chairman of the Board	KNIGHT CLUB CAPITAL ASSET MANAGEMENT COMPANY LIMITED <i>Financial investment and asset management</i>
						2019 - present	- Chairman of the Board	PSB 5 CO., LTD. <i>Land and factory rental business</i>
						2001 - present	- Chairman of the Board	Practicum Engineering Co., Ltd.

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Thai Institute of Directors Association (IOD) - TLCA Executive Development Program (EDP) Thai Listed Companies Association - Leadership Development Program (LDP) Thai Listed Companies Association - วิทยากรตลาดทุน วคท.14 The Stock Exchange of Thailand					<i>Manufacture structural metal, steel frame, lathe and construction welding</i>
						2017 - present	- Director	Pylon Public Company Limited <i>Foundation construction</i>
						2002 - Present	- Independent Director	Srithai Superware Public Company Limited <i>Manufacture and distribute plastic products</i>
						2005 - present	- Chairman of the Board	STEEL PLUS FABRICATION COMPANY LIMITED <i>Manufacture of other structural metal products,</i>
						2005 - present	- Chairman of the Board	Steeler Steel Works Co., Ltd. <i>Land and factory rental business</i>
						2014 - present	Head of Audit committee and Independent Director	Salee Printing Public Company Limited <i>Printing business</i>
						2020 - Present	- Chairman of the Board	HIGH Q PHARMA CO., LTD. <i>Pharmaceutical and medical products</i>
						2020 - Present	- Chairman of the Board	THE CONNEXT ACADEMIA CO., LTD <i>Conventional organization</i>
						1998 - present	- Director -	ALM (THAILAND) CO.,LTD. <i>Financial consultancy</i>
						2003 - Present	- Director	CHIANG DAO ORCHARD CO.,LTD. <i>Financial service</i>

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NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
						2014 - present	- Independent Director Audit committee	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
7.	Mrs. Chanisa Chutipat - Independent Director - Audit committee <i>Appointment Date: December 25, 2014</i>	59	- Bachelor of Commerce and Accountancy, Thammasat University - Master of Business Administration (Accountancy), Thammasat University <u>Training</u> - Director Certification Program (DCP) class 71/2006 Thai Institute of Directors Association (IOD) - Top level management, Capital Market Academy, Batch 1 - Senior Executive Program Batch 19	None	None	2019 - present	- Director -	BANGKOK SKY TOWER COMPANY LIMITED <i>Financial service activities</i>
						2019 - present	- Director	VOR TOR TOR.FOR SOCIETY COMPANY LIMITED <i>Distribution business</i>
						2017 - present	- Director	Bangkok Sky Tower Foundation
						2019 - present	-Independent Director	Small and Medium Enterprise Development Bank of Thailand
						2020 - present 2019	- Audit Subcommittee - Advisor	Mae Fah Luang Foundation under Royal Patronage <i>Non-profit organization</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Sasin Graduate Institute of Business Administration of Chulalongkorn University - Strategy and Innovation for Business in Asia Program, No.1: CMMU - The Institute of Internal Auditor The Institute of Internal Auditors of Thailand - Corporate Governance for the Regulator of State enterprises and public organizations, class 21 King Prajadhipok's Institute - Risk management program for corporate leaders class 21 Thai Institute of Directors Association (IOD)			2014 - present	- Independent Director - Nomination and Remuneration Committee	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
8.	Pol.Lt.Gen. Nopsak Poovatatanasedj - Independent Director	61	- Doctor of Medicine (M.D.) Mahidol University - Bachelor of Science	None	None	1988 - 2019	- Doctor (Sor Bor)	Police Hospital (Equivalent Deputy (Commander))

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
	- Nomination and Remuneration Committee <i>Appointment Date: December 25, 2557</i>		Mahidol University Training - Director Accreditation Program (DAP) ๙๓ 180/2564 Thai Institute of Directors Association (IOD) - Executive Police (27 th) (Bor Tor Sor 27) - Police College - Certificate Course in Good Governance for Medical Executives, King Prajadhipok's Institute and the Medical Council of Thailand			2020 - Present	- Independent Director	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
9.	Mr. Sirote Swasdipanich Independent Director <i>Appointment Date: February 17, 2020</i>	72	- Master of Business Administration University of Missouri-Columbia, USA - Bachelor's degree (Honor Roll) in Financial and Banking University of Chulalongkorn - Diplomatic in Financial Management by International	None	None	2020 - Present	-Director and Chairman of the Audit Committee	Crown Seal Public Company Limited <i>Crown Seal for Packaging industry business</i>
						2020 - Present	- Director and Chairman of the Audit Committee	Vibhavadi Hospital Public Company Limited <i>Hospital</i>
						2020 - Present	- Honorary Director University Council and Chairman of the	Walailuck University <i>Educational Institute</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			Monetary Fund (IMF) Washington D.C USA. - Diplomatic from Sasin Graduate Institute of Business Administration of Chulalongkorn University Training - Director Certification Program (DCP) class 23/2002				University Affairs Promotion Committee	
						2019 - Present	- Audit Committee	Rajamangala University of Technology Lanna
						2013 - 2019	- Chairman of the Board of Director - Chairman of Audit committee	Krungthai-AXA Life Insurance Public Company Limited <i>Insurance business</i>
						2013 - 2019	- Director - Chairman of the Audit Committee	Witcorp Products Ltd. <i>Wholesale of industrial chemicals</i>
						2010 - present	Advisor	Hidaka Yookoo Enterprises Co., Ltd <i>Wholesale of waste, scrap and materials for recycling</i>
						2007 - present	- Advisor	Bang Na Pattanakij Company Limited <i>Real estate rental and development business</i>
						2003 - Present	- Director	Fiscal Policy Research Institute Foundation
						2002 - Present	- Director and Assistant Treasurer	Chumkot Panthip Foundation <i>Foundation</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
						1994 - present	- Director and Secretary	Dr. Kor Sawatdphanich Foundation in reading encouragement
						2020 - Present	- Independent Director	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
10.	Mr. Somjai Chaopanich Independent Director <i>Appointment Date: March 27, 2020</i>	64	- Master's Degree, Mahasarakham University M.Ed. - Bachelor degree, SukhothaiThammathirat University, Bachelor of Arts Training - Director Accreditation Program (DAP) 180/2564 Thai Institute of Directors Association (IOD)	None	None	2019 - present	- Director	Institute of Vocational Education: Northeastern Region 3
						2018 - 2019	- Subcommittee of the Teacher Civil Service and Educational Personnel	Office of the Vocational Education Commission
						2021 - present	- Director -	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
11.	Ms. Sineenart Thaisa-nguanvorakul - Director - Executive Director <i>Appointment Date: January 26, 2021</i> - Assistant Chairman of the Executive Committee <i>Appointment Date: February 1, 2018</i> - Chairman of the ESG Committee <i>Appointment Date: December 16, 2020</i>	32	- Master of Business Administration, HULT International Business School, MA, USA - Master of Science in Financial Investment and Risk Management, National Institute of Development Administration - Financial Derivatives, Kelley School of Business, IN, USA - Bachelor of Economics, Thammasat University. <u>Training</u> - อยู่ระหว่างสมัครเข้ารับการอบรมหลักสูตร Director Accreditation Program (DAP) โดยคาดว่าจะเข้ารับการอบรมภายในไตรมาสที่ 1 ปี 2564 Thai Institute of Directors Association (IOD)	3.48%	เป็นบุตรของ นายสมชัย ไทยสงวนวร กุล	2020 - Present	- Director	SNC Pyongsan Evolution Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2019 - present	- Director	SNC Cooling Supply Company Limited <i>Manufacture parts and accessories for motor vehicles</i>
						2019 - present	- Director	Immortal Part Company Limited <i>Manufacture parts for electric appliances</i>
						2019 - present	- Director	Paradise Plastic Company Limited <i>Manufacture plastics parts</i>
						2019 - present	- Director	SNC Creativity Anthology Company Limited <i>Manufacture parts for the automotive and appliances. Manufacture and assembly electrical appliances</i>
						2020 - Present	- Director	Ultimate Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2019 - present	- Director	Infinity Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
			- Chief Transformation Officer (CTO) The Stock Exchange of Thailand			2019 - present	- Director	Meisou SNC Precision Company Limited <i>Manufacture mold</i>
			- Labor Law for Organization Management program "Advanced Labor Law Certificate": Institute of Legal Education of the Thai Bar			2019 - present	- Director	SSM Automation Company Limited <i>Metal stamping</i>
			- Innovation Driven Enterprise to Initial Public Offering (IDE to IPO) Class 1: The Stock Exchange of Thailand					
			- Executive Development Program (EDP) Class 16: Thai Listed Companies Association					
			- Global Reporting Initiative (GRI) G4 Certified Training Course PricewaterhouseCoopers					

Details about the management of the company and those who are assigned direct responsibility for accounting

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
1.	Mr. Rattapoom Nuntapatawee - Senior Managing Director - Executive Director - Risk Management Committee <i>Appointment Date: January 26, 2021</i>	49	- Master of Private and Public Management, National Institute of Development Administration (NIDA) - Bachelor of Accounting, Ramkhamhaeng University Training - Director Accreditation Program (DAP) Class 118/2015 Thai Institute of Directors Association (IOD) - Executive Development Program (EDP) Class 14/2014 Thai Listed Companies Association	0.01%	None	2021 - present	- Senior Managing	SNC Former Public Company Limited
						2015 - 2020	Director	<i>Manufacture parts for automobile</i>
						2007 - 2015	- Managing Director - Deputy Managing Director	<i>air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
						2017 - present	- Director	Odin Myanmar Co., Ltd. <i>Electricity generation and distribution</i>
						2019 - present	Director	Paradise Plastic Company Limited <i>Manufacture plastics parts</i>
						2019 - present	Director	SNC Cooling Supply Company Limited <i>Manufacture parts and accessories for motor vehicles</i>
2.	Mr. Surachai Chainarong Senior Managing Director Executive Director	47	- Studying Master of Mechanical Engineering (Robotics and Automation) Kasetsart University	0.01%	None	2021 - present	- Senior Managing	SNC Former Public Company Limited
						2017 - 2020	Director	<i>Manufacture parts for automobile air</i>
						2010 - 2017	- Managing Director	<i>conditioner, parts for electric</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
	Risk Management Committee ESG Committee <i>Appointment Date: January 26, 2021</i>		<ul style="list-style-type: none"> - Master of Business Administration, Burapha University - Bachelor of Electrical Control Engineering (Associate Electrical Engineer (Power)), Siam University 				- Deputy Managing Director	<i>appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
						2019 - present	Director	SNC Cooling Supply Company Limited <i>Manufacture parts and accessories for motor vehicles</i>
						2020 - present	Director	Immortal Part Company Limited <i>Manufacture of industrial refrigerating or freezing equipment</i>
3	Ms. Chayapa Thaisa-nguanvorakul	51	- Bachelor of Science Ramkhamhaeng University	<0.01%	Ms. Chayapa Thaisa-nguanvorakul is the cousin of Dr. Somchai Thaisa-nguanvorakul	2016 - present	- Director	SNC Creativity Anthology Company Limited <i>Manufacture parts for automotive and appliances. Manufacture and assembly of electrical appliances</i>
						2016 - present	- Director	SNC Pyongsan Evolution Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
						2016 - present	- Director	Infinity Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
						2019 - present	- Director	SSM Automation Company Limited <i>Metal stamping business</i>
						2019 - present	- Director	Ultimate Part Company Limited <i>Manufacture industrial refrigerating and freezing equipment</i>
4	Mr. Sinsopon Nannarumit	51	- Master of Public and Private Management Program National Institute of Development Administration - Bachelor of Engineering (Agricultural Engineering) Kasetsart University Training Director Accreditation Program (DAP) Class 119/2015	<0.01%	None	2020 - Present	- Managing Director Quality Assurance Department	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
						2015 - 2020	- Assistant Managing Director Quality Assurance Department	SNC Cooling Supply Company Limited <i>Manufacture parts and accessories for motor vehicles</i>
5	Mr. Sawadiporn Tongpan	52	- Master of Business Administration (Marketing) Ramkhamhaeng University - Bachelor of Engineering in Mechanical Engineering Siam University	<0.01%	None	present	- Managing Director Marketing Department	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
						2012 - 2019	- Managing Director	SNC Creativity Anthology Company Limited <i>Manufacture parts for automotive and appliances. Manufacture and assembly of electrical appliances</i>
6	MR. Satoshi Ono	65	- General Course Shizuoka Prefectural Mikkabi Senior High School	None	None	present	- Managing Director Production department	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
						2016 - present	- Managing Director	SNC Creativity Anthology Company Limited <i>Manufacture parts for automotive and appliances. Manufacture and assembly of electrical appliances</i>
7	Mr. Fan Nampatta	44	- Master of Business Administration King Mongkut's University of Technology North Bangkok - Bachelor of Engineering King Mongkut's University of Technology Thonburi	None	None	2020 - 2020	- Managing Director Production department	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>

NO.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
						Period	Position	Company / Type of business
						2007 - 2020	- Manufacturing Manager	Precision Valve (Thailand) Company Limited <i>Manufacture plastics products for Aerosol Valve</i>
8	Ms. Achara Nivongsa Assistant Managing Director of Accounting and Finance <i>Appointment Date: June 1, 2016</i>	46	- Master of Business Administration Kasetsart University - Bachelor of Business Administration Burapha University	0.01%	None	2016 - present	- Assistant Managing Director of Accounting and Finance	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>

Details of the Company Secretary

Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
					Period	Position	Company / Type of business
Ms. Netchanok Thaisa-nguanvorakul Company Secretary <i>Appointment Date: December 16, 2020</i>	30	<ul style="list-style-type: none"> - Master of Science in Entrepreneurship and Innovation, Queen Mary University of London, UK - Master of Science in Global Studies and International Relations Northeastern University, USA - Bachelor of Business Administration Chulalongkorn University <p>Training</p> <ul style="list-style-type: none"> - Executive Development Program (EDP) Class 20 Thai Listed Companies Association - Business Strategy in International Markets, The London School of Economics and Political Science, UK - Family Business: Strategy Essentials (online), University of British Columbia, USA - Supply Chain Analytics (online), Massachusetts Institute of Technology, USA 	0.5%	Is the son of Dr. Somchai Thaisa-nguanvorakul and sister of Ms. Sineenart Thaisa-nguanvorakul	2019 - present	- Supply Chain Manager	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>

Details about the bookkeeper

Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience		
					Period	Position	Company / Type of business
Ms. Parichat Hemvipat Accountant <i>Appointment Date: December 1, 2020</i>	46	- Master of Business Administration Ramkhamhaeng University - Bachelor of Accounting University of the Thai Chamber of Commerce	<0.01%	None	2020 - Present	Accountant	SNC Former Public Company Limited <i>Manufacture parts for automobile air conditioner, parts for electric appliances, OEM for electric appliances and toolbox, and other operations such as mold</i>
					2015 - 2020	Accounting and Finance Manager	SNC Cooling Supply Company Limited <i>Manufacture parts and accessories for motor vehicles</i>

Attachment 2

Directors of the Subsidiaries

NO.	Name-Surname / Position	Age (Years)	Education / Training	No. of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
1.	Mr.Samran Pattanee	52	-Master of Public and Private Management National Institute of Development Administration - Bachelor of Business Administration Rajabhat Rajanagarindra University	NO	NO	2010 - Present	- Director	Immortal Part Company Limited Refrigeration business
2.	Mr.Surapol Yamkasem	62	-Bachelor of Laws Ramkhamhaeng University Training - Director Certification Program (DCP) Course, Class 55/2005 Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) Course, Class 20/2004 Thai Institute of Directors Association (IOD)	0.03%	NO	2011 - Present	- Director	Paradise Plastic Co., Ltd. Plastic parts manufacturing business

NO.	Name-Surname / Position	Age (Years)	Education / Training	No. of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
3.	Mr.Pitak Siriwat	62	-Bachelor of Laws Ramkhamhaeng University	NO	NO	2015 - Present	- Director	Paradise Plastic Co., Ltd. Plastic parts manufacturing business
4.	Mr.Chatchapol prasopchock	52	- Master of Business Administration Thammasat University - Bachelor of Engineering King Mongkut's Institute of Technology Ladkrabang Training - Director Certification Program (DCP) Course, Class 147/2011 Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) Course, Class 82/2010 Thai Institute of Directors Association (IOD)	NO	NO	2017 - Present	- Director	Odin Power Company Limited Energy business
						2017 - Present	- Director	Odin Myanmar Company Limited Energy business
						2013 - Present	- Director	SEBI GAS UAC Co., Ltd. Construction business
						2013 - Present	- Director	Solar Energy Roof Power Company Limited Energy business
						2008 - Present	- Director	Bangchak Biofuel Company Limited Biodiesel production business
						2016 - Present	- Director	PPWE Company Limited Energy business
						2010 - Present	- Director	UAC Global PCL. Energy business
						2017 - Present	- Director	UAC Top Energy Company Limited Energy business
						2011 - Present	- Director	UAC Utilities Company Limited Tap Water business

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position	Age (Years)	Education / Training	No. of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
						2013 - Present	Director	UAC Energy Company Limited Energy business
						2015- Present	Director	UAC Advance Polymers and Chemicals Company Limited Chemical distribution business
						2012 - Present	Director	UAC & TPT Energy Company Limited Biogas production and distribution business
5.	Mr.Pongchai Amatanon	56	-Bachelor of Engineering King Mongkut's Institute of Technology Ladkrabang Training - Director Accreditation Program (DAP) Course, Class 30/2004 Thai Institute of Directors Association (IOD)	NO	NO	2017 - Present	Director	Odin Power Company Limited Energy business
						2002 - Present	Director	Genius Traffic System Company Limited Traffic light equipment manufacturing business
						2011 – Present	Director	Forth Consulting Company Limited Software Consulting Business
						2005 - Present	Director	Forth Corporation PCL. Electronic parts business
						2005 - Present	Director	Forth Tracking System Company Limited Vehicle tracking device business
						2004 - Present	Director	Forth Meter Company Limited Manufacturing and distribution of electricity meter equipment

NO.	Name-Surname / Position	Age (Years)	Education / Training	No. of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
						2013 - Present	Director	Forth Lighting Company Limited Manufacturing and distribution of electric bulb
						2015 - Present	Director	Forth Vending Company Limited Vending machine business
						2016 - Present	Director	Forth Smart Capital Company Limited Vending machine business
						2013 - Present	Director	Forth Smart Service PCL Mobile phone top-up service business
						2020 - Present	Director	Forth Smart Distribution Company Limited Oil transportation business
						2019 - Present	Director	Forth Ems Company Limited Electronic circuit board manufacturing and assembly business
						2020 - Present	Director	Forth MRO Service Company Limited Vehicle repair service business
						1987 - Present	Director	Electronics Source Company Limited Business distribution electronic equipment and parts

Part 4 Certification of the Correctness of Information

NO.	Name-Surname / Position	Age (Years)	Education / Training	No. of shares and % of shares holding (%)	Relationship	Experience		
						Period	Position	Company/Type of business
6.	Mr. Sebastian Hugh Marie Legarek	43	- Master of Engineering National school of engineers of Tarbes, France - Master in Thermal Sciences and Energy University of Nantes, France - Bachelor of Science Academy of Rennes, France	NO	NO	2015- Present	- Director	SNC Atlantic Heat Pump Company Limited Heating pump manufacturing business
						2015 - Present	- Director	SNC Atlantic Water Heater Asia Company Limited Manufacture and sale of water heater machines

Attachment 3

Head of Internal Audit Manager

Name-Surname / Position	Age (Years)	Educations / Training	No. of shares and % of shares holding (%)	Relationship	Experience		
					Period	Position	Company / Type of business
Mr.Pornchai Sirikijpanichakool - Internal Audit manager	43	-Bachelor of Business Administration, Accounting Burapha University	No	No	2011 - Present	Internal Audit Manager	SNC Former Plc. <i>Manufacture of electrical appliances and automotive parts</i>
		2009 – 2011			Special Instructor	Department of Business Administration Burapha University <i>Government agency</i>	
		2006 - 2011			Audit Manager	FASB Auditing and Consulting Company Limited <i>Auditing Business</i>	
		1999 - 2005			Assistant Manager	Thai Account Company Limited <i>Auditing Business</i>	
		Training (Continued) - Independent Auditor Course Thai Private Sector Collective Action Coalition against Corruption (CAC SME Certification: CAC Auditor) -Training program for How Blockchain influence the business operations training course, Federation of Accounting Professions -Training course on accounting standards for SMEs and tax law, year 2019, The Tax Auditor Association of Thailand -Training course on applying MS Excel in Accounting and Fraud Detection Siam Complex Study Center Christian University					

Internal Auditor (Outsource)

Name-Surname / Position	Age (Years)	Educations / Training	No. of shares and % of shares holding (%)	Relationship	Experience		
					Period	Position	Company / Type of business
Mr.Kosol Yamleemul -Managing Director of Unique Advisor Company Limited	52	- Master of Science Chulalongkorn University - Commerce and Accountancy Thammasat University - Certificate for Business Advisor , Kasetsart University - Certificate of Real Estate Entrepreneur Business (Certificate of Real Estate Entrepreneur) Kasetsart University - Certified Public Accountant Registration number 4575: CPA - Certified internal auditors : CIA Certified Financial Service Auditor : CFSA	No	No	2013 – Present	Managing Director	Unique Advisor Company Limited <i>Business consulting service business Accounting and Finance Internal Audit and Auditing</i>
					2002 – 2013	Partners and Directors	<i>Grant Thornton Company Limited Auditing service business</i>
					2001 – 2002	International Audit Manager	Grant Thornton LLP Seattle, USA <i>Auditing and Consulting Services</i>
					2000 - 2001	Senior manager	<i>Grant Thornton Company Limited Auditing service business</i>
					1995 - 2000	Senior manager	<i>PricewaterhouseCoopers ABAS Company Limited Auditing service business</i>
Mr.Kosol Yamleemul Managing Director ,Unique Advisor Company Limited (Continued) Training							

- Orientation Course – CFO Focus on Financial Reporting Class 4/2018
 - Independent Auditor Course on Reference Evaluation of Small and Medium Business Groups
- Participating in the CAC SME Certification Program
- Training working paper courses for measures against corruption in the organization
 - COSO 2013 curriculum, theory and practice
 - IT Audit course of the Federation of Accounting Professions

- Internal audit course at the Institute of Internal Auditors of Thailand
- Taxation courses and tax planning
- Continuing course on Financial Reporting Standards And auditing standards
- Accounting Standards Course New update
- Examination course and the use of software for auditing
- Enterprise Risk Management Course (Advanced COSO ERM)
- Financial Advisor Course at Association of Thai Securities Companies

Attachment 4

Corporate Governance Policy and Business Ethic and Code of Conduct

Business Ethic and Code of Conduct

SNC Former Public Company Limited (the “Company”) determines to conduct business with integrity, moral, honesty, and transparency, including under the Good Corporate Governance policy, in order to create a sustainable business and protect the interest of the stakeholders and society, that will lead to a true Good Corporate Governance, the principles are as follows:

Principles

1. Honesty and transparency

The Company determines to conduct business with integrity, moral and honesty, and to strictly abide by the related laws, rules and regulations.

2. Knowledge and ability to conduct business

The Company determines to conduct business using our knowledge, understanding, proficiency, and to attentively perform all duties with efficiency, in order to achieve the business targets and optimized the customer’s benefits.

3. Responsibility to the community and society

The Company determines to maintain the environment and uphold the customs and traditions of the local community that the Company is located. The Company will promptly and proactively respond to the situation that may disturb the local environment and community, including encouraging the effective use of resource.

4. Responsibility to the shareholder

The Company will perform its duties with utmost honesty, ability and will equitably protect the benefit of all majority shareholders and minority shareholders with fairness.

5. Responsibility to the customer

The Company will deliver high quality products per the customer’s request or higher than the customer’s expectations and under the fair conditions. The Company will keep the customer’s confidential information and shall not illegally utilize such information for the interests of the Company or related parties. The Company will promptly respond to the customer’s demand and provide an effective system or channel for the customers to complain about the quality of services and products, including strictly follow the customers policy and selecting using the international standard criteria.

6. Responsibility to the competitors

The Company encourages a free and fair-trade competition, to operate under the rules of competition, and to not unethically or inappropriately seek the competitor’s confidential information, such as, bribing the competitors’ directors or staffs.

7. Responsibility to the trade partner

To provide equitable treatments to the trade partner that is vital factor of the success of the business and always consider mutual business benefits. The Company will transparently and systematically select the trade partner with standard, including continue to maintain and sustain a reliable relationship with the trade partner and contracting party. The Company will strictly follow the trade partner's policy by selecting only qualified trading partner and perform a pricing comparison before the engagement, by using international standard criteria for the assessment.

8. Responsibility to the employee

Provides appropriate and fair remuneration and welfare to the employee, including ensure a safe working environment.

The appointment and transfer of employee, including rewarding and disciplinary will be perform with good faith and based on the knowledge, capacity, and suitability of the employee, including focusing on the employee's capability and skill. The Company will equally grant the opportunity to the employee, and will strictly abide by the related employment laws and regulations.

The Company provides a channel for the employee to lodge complaint for any wrongful act, and set a guideline to protect the employee or the informant.

9. Conflict of Interest

The Company determines to avoid any conflict of interest that may arise in the Company or in the subsidiaries, whether from contacting with trading parties, such as, business partner, customer, competitor, or exploiting any opportunity or information received as being a director or staff of the Company for personal interest. The Company has set a measure to manage the situation that may create a conflict of interest between the Company and the customer, in order to provide a fair service to the customer.

10. Financial status

The Company has a risk assessment for the occurrence that may impact the Company's performance and status, in addition, the Company has a fund allocation plan to support the business operation, any obligations from the business operation and any future risks.

11. Treatments for creditor

The Company provides equitably and fairly treatment to all creditors, and based on a fair and mutual reciprocate compensation, strictly follows the obligation under the contract or any agreed-upon terms, and to consistently provide a complete, and correct financial report to the creditor on time.

12. Non-violation of human rights to all related persons

The Company does not prevent or provide any privileges to any certain individual, the Company does not discriminate against any person's race, nationality, religion, gender, age, or education institution, and will always consider the employee's right to safety regarding body and asset, including allow the freedom of political participation under democracy.

The Company provides a channel for related person to lodge complaint and opinion, and set a guideline to protect the complainant or the informant.

Ethics of the Board of Directors, executives, and staffs

Ethics of the Board of Directors

1. To perform the duty with honesty, integrity, and act in accordance with the Company's ethics, to set good example to the staffs.
2. To follow the rules, regulations and laws that is related to the business operation, as well as any procedure to maximize interests of the Company or related person.
3. To avoid any actions that may create conflict of interest, in order to effectively and transparently manage the business.
4. To not disclose the Company's confidential information to third parties, and to not exploit the Company's information that has not yet been disclosed to the public for the interests of the Company or related parties.
5. To support and encourage all staffs to have a better understanding and to follow the Company's ethics.

Ethics of the executives

All executives accept and aware of the obligations to ensure the success of the Company's business operation. The Company, therefore; provide a guideline for the executive as follows:

1. The executive shall perform the duty with honesty.
2. The executive shall make any decision with good faith and to manage the Company's business operation with vigilant and caution to ensure the best interest of the Company, customer, shareholder and employee.
3. The executive will provide fair, and equitable remuneration to the employee with good faith, and based on the knowledge and capability that is appropriate to the employee.
4. The executives will support and create opportunity for career advancement, and equally encourage the employee to develop the knowledge and ability, provide a proper welfare, and sincerely respect the rights and opinions of the employee.
5. The executives will display and uphold to the ethics by providing a good example in the workplace that will help encourage an ethical environment.

Ethics of the employee

The Company's business operates based on the trust and reliability from the third-party organization, therefore; the Board of Directors has provided the Company's employee with the ethical guideline as follows:

Treatment to the Company

1. The employee shall strictly follow the Company's rules, orders, and notifications.
 2. To perform the duty with honesty, dedication, devotion, and to take good care of the Company's benefit and assets to its optimum potential, and to not utilize for personal interest, whether directly or indirectly.
 3. The employee shall be loyal and has good attitude towards the Company, and shall not perform any actions that is competing or creating conflict to the Company's business operation.
 4. To optimize the use of the Company's assets and resources economically.
 5. The employee shall keep the data and information of the Company's business operation confidential.
-

6. To have a good attitude towards the Company, and to not unjustly accuse the Company without fact, to maintain the Company's reputation, including carefully express the opinion regarding the Company's reputation and business operation to any third-party.

Treatment to the supervisor

1. The employee shall obey and diligently perform the duty assigned by the supervisor to achieve the result.
2. To promptly report or request suggestion from the supervisor when there is a problem from work.
3. The employee shall respect and honor the supervisor, and shall not impolitely act towards the supervisor.
4. All employees of all level has the duty to report when encounter a violation to the Company's business ethics or code of conduct or has a reason to believe that it was inappropriate and may impact the Company.
5. To not accuse the director, executive, or another employee without fact.

Self-Treatment

1. The employee shall perform the duty with honesty, patience and endurance, and have business ethics.
2. To strictly follow the rules, and regulations of the Company.
3. The employee shall strictly keep the customer's, competitor's, and the Company's information with caution.
4. To consistently study and research for knowledge to increase the efficiency of working skills.
5. The employee shall not act in a way that may create conflict or damage to the Company.
6. To not abuse the authority, or allow others to abuse the authority, whether directly or indirectly, to exploit the benefit for any personal or other's interest.

Revised and notified on 26 January 2021



.....
(Dr. Somchai Thaisa-nguanvorakul)
Chairman of Executive Committee
SNC Former Public Company Limited



.....
(Mr. Satit Chanjavanakul)
Chairman of the Board of Directors
SNC Former Public Company Limited

Good Corporate Governance Policy

Corporate Governance Policy

The Board of Directors of SNC Former Public Company Limited are certain that corporate governance is a vital factor to present an effective, transparent, and valid management system, which helps create confidence and reliability to the shareholder, investor, stakeholder and all trading parties. It will also lead to a successful business operation, increase the Company's value, and produce sustainable growth.

The Board of Directors has prepared a business ethic policy, together with code of conduct for the director, high-level executive, management, and employee, in accordance with the Good Corporate Governance. The Board of Directors also prepare the Company's corporate governance policy that is aligned with a listed company's corporate governance policy. The main points of the corporate governance are concluded as follows:

1. Awareness to the role and responsibility of the Board of Directors as leaders of the organization that create sustainable value to the business.

Code of conduct 1.1

The Company is aware of the role and responsibility of the Board of Directors as the leaders and supervisor of the organization to have a good corporate management. Therefore, the Company provides a guideline regarding the authority and responsibility of the directors, which covers objective, strategy plan, operating policy, including resource management, in order to achieve maximum efficiency, meet the organization's overall objectives and targets, including monitor the outcome in order to analyze and assess the result from the operation, and supervise to be under the Company's regulations and not violate the laws.

Code of conduct 1.2

The Company's Board of Directors shall uphold to the Good Corporate Governance policy that will lead to Governance Outcome and focusing on operating for sustainable growth. The Company prepares code of conduct to provide a written guideline and inform all stakeholders. The Board of Directors determine to manage the business to be competitive and have good turnover, including operate the business by concerning the 3 main factors i.e., economical effect, benefit to the Company's community and the outside community, including develop the environmental-friendly products for long-term sustainable growth. In addition, the Board of Directors will ensure that the Company operate the business with ethic, respect the rights, and be responsible to the stakeholder and shareholder.

Code of conduct 1.3

The Company specifies that the Board of Directors and the internal audit shall collaborate to supervise that the Company's business operation is in accordance with the laws, regulations, Public Limited Companies Act, Securities and Exchange Act, and other related rules, such as, articles of association, shareholders meeting resolutions. The directors also establish that all employees shall perform duty with caution and strictly follows all the approved operation procedures, such as, investment, related-person report, dividends distribution, or any

transaction that may significantly impact the Company, and to always regard the Company's and stakeholders' interests and with honesty.

Code of conduct 1.4

In order to have the Board of the Directors understand its responsibility, the charter for the Board of Directors, or the corporate governance policy are prepared as guideline to perform the duty and to prescribe the responsibility of the director and managing director in written form. The Board of Directors has duty to monitor and supervise the executive's performance to be in accordance with the assigned role. The Company specified that the charter shall be reviewed and updated at least once a year to be in accordance with the current Company's operation strategy.

2. Set main objectives and target for sustainable business operation.

Code of conduct 2.1

The Board of Directors supervises and participates with the Company to set the Company's main objectives and target such as, vision, mission, including other policy, to be in line with the type of the Company's business operation, including considering any factors that may significantly impact the business such as, environmental factor, competition, changes from technology development, and promote the development of the Company by introducing new adapted innovation to create efficiency, and specialized to generate value that meet the customer's, and stakeholders' needs, including beneficial to the society as a whole.

Code of conduct 2.2

The Company establishes the annual operation strategy by planning a short-term, medium-term, and long-term plan, where the Board of Directors has the duty to supervise and monitor the operation outcome to be in line with the Company's main objectives and target. However, the Board of Directors should consider the resource management and closely monitor the operation and take in to account the appropriateness, conditions, or any risks that may affect the Company's ability to achieve the target. The Board of Directors should also promote the ability to compete by appropriately and safely utilize the technology and innovation and be responsible to the community and environment.

3. Strengthen the Board of Directors' efficiency

Code of conduct 3.1

The Board of Directors has the responsibility to determine and review the structure of the Board of Directors by considering the composition, the ratio of the independent director, the diversity of the directors' qualifications, experiences, skills and knowledges, and specific capabilities that are suitable to perform the duty effectively and help the business operation achieves the main objectives. Also, to disclose the information of the structure of the Board of Directors in the annual report and in the Company's website, such as, age, educational background, working experience, director's terms of service, including the director's position in other listed companies. The Board of Directors shall maintain a proper number of the director in the structure to have at least 5 directors but not more than 12 directors. The current structure of the Board of Directors consists of 11 directors,

which at least 1/2 of the entire Board of Directors shall be independent directors. The structure can be adjusted based on the appropriation of the size and the complexity of the business.

Code of conduct 3.2

The Board of Directors shall select a qualified candidate to fill in the position of the chairman of the Board of Directors. The Company has clearly specified the responsibility of the chairman of the Board of Directors that, in order to balance the business operation power, the Company will keep the position of the chairman of Board of Directors and chairman of the executive committee separated, where such positions shall not be the same person. The chairman of the Board of Directors shall be independent and has no relationship with the management, independent from the control of the executive, and majority shareholders, including has no conflict of interest financially or regarding the business operation, and have the additional qualifications required by the related Notification of Capital Market Supervisory Board.

Code of conduct 3.3

The Board of Directors shall supervise the nomination process of the Remuneration and Nomination Committee to be transparent, by selecting a qualified candidate to be appointed as the Company's Board of Directors, Sub-Committee, and appoint a qualified candidate with suitable knowledge, experience, and expertise, in order to present the list of candidates to the Company's Board of Directors and/or the Shareholders Meeting for appointment.

Code of conduct 3.4

The Company specified that the structure and remuneration of the Board of Directors, Sub-Committee, including the Executive Directors shall be appropriate and shall be presented to the Board of Directors for approval and/or to the Shareholders Meeting to consider. The remuneration for the high-level executive shall be appropriate in order to create incentives to perform the duty, whether short-term or long-term, and shall have a code of conduct as follows:

3.4.1 The Remuneration and Nomination Committee shall nominate and select candidate that has knowledge and skill that meets the Company's needs and suitable for the role and responsibility.

3.4.2 Policy and rules for setting the appropriate remuneration for the Board of Directors shall be considered by the Remuneration and Nomination Committee, which has a duty to specify the remuneration of the directors, Sub-Committee, high-level executives, to be in line with the Company's long-term operation strategy and target, whereas, conform with the responsibility, obligation, and experience, which is comparable to the same or similar business sector.

3.4.3 The Remuneration and Nomination Committee shall set the criteria for the appropriate remuneration, both financial and non-financial, that is clear, transparent, verifiable, and in line with the value that the Company generates for the shareholders. The structure and remuneration of the directors shall be approved by the Shareholder's meeting resolution.

Code of conduct 3.5

The Company has a policy that the Board of Directors shall perform the duty with responsibility, caution honesty, and in accordance with the laws, objectives, articles of association, and Board of Directors resolution, including the Shareholders Meeting resolution. The Board of Directors shall also participate in monitoring the operation to be in accordance with Good Corporate Governance principle and lead the organization to a sustainable success, and growth, including generate long-term value to the shareholders, and be responsible to the Company's stakeholders, and remain independent from the management. Therefore, the Board of Directors shall have the resolution to execute the Board of Directors charter to use as a standard to perform the duty effectively and efficiently, and to review the charter at least once a year to keep it in line with the Company's direction. Each director shall attend at least 75% of the total Board of Director's meeting held in each year.

Code of conduct 3.6

The Company has a policy to mainly invest in the subsidiaries and associated companies which engage in automobile parts, OEM/ODM for air conditioners, electrical appliance, and in business that related to the Company's existing business operation, in order to strengthen the Company's long-term capability to support its business expansion, and adding value to the Company in the long run. Including considered the privilege granted from the BOI investment promotion as another factor. However, subsidiaries and/or associated companies may consider invest in other business if such business has potential to grow or develop the business opportunity, or beneficial to the Company's group that will help generate return on investment to the Company and the shareholders as a whole.

Code of Conduct 3.7

The Company shall arrange for the performance assessment of the Board of Directors annually, where it is the performance assessment of the entire Board of Directors or individual assessment. The result and opinion of the directors shall be use to improve the Board of Directors' performance in each year, and to help develop the efficiency of the Board of Directors' performance. The Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, CSR and CG Committee, shall perform a self-assessment and present to the Company's Board of Directors meeting at least once a year.

Code of conduct 3.8

The Company always informs the Board of Directors, Sub-Committee, regarding the duty, the information concerning the type of business, business plan, the Company's regulations, and always informs the Board of Directors regarding the news and updated information related to the laws and regulations for the Board of Directors operation. In addition, the Company regularly encourage the Board of Directors to attend additional trainings, in order to strengthen knowledges and skills related to its performance of duty, and presents the Board of Directors training information in the annual report.

Code of Conduct 3.9

The Board of Directors will call for meeting at least once every quarter and may call for additional meeting as deemed necessary. In order to call for the Board of Directors meeting, the chairman of the Board of Directors or

the designated person shall send the invitation letter to the director via registered mail, or directly to the directors by hand, or by e-mail, as required by the laws, for no less than 7 days prior to the meeting date, including stating the date, time, place, and the agenda of the meeting. The Company Secretary shall be responsible for preparing a complete Board of Directors minutes, including help support the Board of Directors activities to help facilitate the Board of Directors' and the Company's operation as required by the laws and in line with the Good Corporate Governance policy specified by the Securities Exchange of Thailand.

4. Nomination and Development of High-Level Executives and Human Resource Management

Code of conduct 4.1

The Company clearly specifies the qualification, authorization and obligation of the high-level executives and set the criteria and procedure to nominate a candidate or to approve a candidate to be a high-level executive. The Nomination and Remuneration Committee shall present the list of candidates to the Company's Board of Directors and/or the shareholders meeting to consider the appointment. In addition, the Company prepare a succession plan by selecting a person to perform duty of such position and develop that person to be ready for that position in the future, in order to provide assurance to the investors, shareholders and staffs that the Company's operation can be passed on promptly.

Code of conduct 4.2

The Board of Directors shall supervise the setting of criteria for scope, policy, and structure of the remuneration to be appropriate, as proposed by the Nomination and Remuneration Committee, in order to create incentives for all level of executives and employees to operate in accordance with the organization's main objectives and target, and in line with the business interest in the long run, nevertheless, comparable to the same or similar business sector.

Code of conduct 4.3

The Board of Directors understands the structure and relationship of the shareholders and will help prevent any future obstacle that may impact the operation of the Board of Directors, and high-level executive. Including ensure that any material information that may impact the Company's management is disclosed.

Code of conduct 4.4

The Board of Directors are aware of the importance of human resources, which is considered a vital factor to help the business operation achieve the target. The Company, therefore; establish a human resource development policy to develop the staff's skills and knowledges in order to continually develop the staff's capability in all aspect, resulting in creative thinking and adding innovation value to the Company, which is one of the Company's essential strategies.

5. To Support Innovation Business Operation with Responsibility

Code of Conduct 5.1

The company board will support analytic process to develop it to be an innovation in both scales: intra-operation process and inter-operation process in educational, public, and private sectors. The company aims to support any initiation with new process including changing the way of thinking to add more value and changing the

way of positive actions for better results for both the organization and the stakeholders. The company also acknowledges the vitality of innovation publishing for the best interest of the society; the company communicates with the stakeholders directly and indirectly via several means of communication to ensure that the company information will reach all the stakeholders. This is extended to the wider society in the future.

Code of Conduct 5.2

The company board is aware of the rights of all groups of stakeholders: internal and external stakeholders. In order to found a good understanding and cooperation between the company and the stakeholders which will benefit the business and increase confidence as well as improve the capacity of the company in the long term, the company has the practices as the followings:

Shareholders

1. Practice the duty with good faith and the best of the ability and conduct any matter with fairness the all the shareholders
2. Report situations to the shareholders continuously with all true details
3. Report all positive and negative future trends of the organization with ample supportive reasons.
4. Signify the basic rights of the shareholders:
 - 4.1 Right to sell and transfer the shares.
 - 4.2 Right to receive the profit of the business.
 - 4.3 Right to know enough business news and information.
 - 4.4 Right to be present in a meeting in order to cast a vote in any shareholder meeting to appoint or remove a board member, appoint an auditor, and the company-related matters.
 - 4.5 Right to know the rule and process of any shareholder meeting attending
 - 4.6 Rights to opine and inquire in any shareholder meeting.

Staff

1. Rewards and welfare are provided appropriately and fairly as the followings:

Staff transport vehicles covering the staff's residential areas	Marriage welfare for staff at all levels
Hygiene canteen with appropriate prices available in the company	Maternity welfare for staff at all levels
Educational aid fund for staff's children	Death welfare
Scholarship (extended study) for different levels in public institutions	Family member's death welfare for staff at all levels
Provident fund for staff's saving	Residential rent welfare
Annual medical exams	Employer-Employee fund project welfare
Annual bonus	

1. Maintain the working conditions to be safe for the staff's life and belongings.
2. Staff appointment and transfer, as well as rewarding and punishment, must be conducted with fairness and based on the staff's knowledge, abilities, and suitability.
3. Signify the staff's knowledge and skills by providing opportunities thoroughly and continuously.
4. Strictly comply with laws and regulations relate to the staff.
5. The company provides a channel for the staff to file any potential wrongful act and protection for the staff or the informant.

Creditor

1. Treat the creditor with fairness and appropriateness on the basis of mutual fair rewarding.
2. Strictly comply with the contract and conditions. In case of failing to comply with any condition, the creditor must inform the partner and/or the staff prior the time in order to mutually find a solution.
3. In any business, refrain from requesting or giving any wrongful business benefit.
4. If there is any evidence of requesting or giving any wrongful business benefit, the details are to be disclosed to the creditor in order to find a solution fairly and swiftly.
5. Report all the right financial information to the creditor on time.

Customer

1. Treat business partners, a factor for successful business, with fairness and basis of mutual benefits.
2. Select business partner with clarity, system, and standard with improvement and sustainable relationship maintenance with the business partner and contractor.
3. Have mutual confidence
4. Strictly comply with the policy with a selection of qualified business partners, comparisons of prices before a purchase order, and assessment of business partner with international standard.

Business Competitor

1. The company supports free and fair market policy.
2. Behave under the rules of good competition.
3. Do not seek the competitor's confidential information with any wrongful or inappropriate act e.g. bribery for the competitor's board or staff.
4. Do not damage the competitor's reputation with any negative accusation.

Community and Society

The company has a guideline to practice or follow in order to comply with the related laws and regulations, be responsible to the society, as well as cooperate, assist, support, and volunteer for activities which benefit the community and the society. This is to strengthen the economy and revitalize the society and culture. Furthermore, the company also provides a channel for the stakeholders and related-individuals to express their opinion about the company's operation and complain the company in case of being treated unfairly via the channel specified in the complaint and corruption informing policy.

Environment

1. The company signifies environmental maintenance by operating the business with a consideration toward potentially environmental effects and adhere to environmentally maintaining related law. The company has guidelines as the followings:

2. The company specifies responsible individuals to administrate the business in order to avoid over standard environmental effects. The company is responsible and maintains environmental maintenance for the best benefits of the resource usage.

3. The company proceeds activities for the society and the community continuously for the better life of the community where the company is located via both self and cooperative process as well as respects the local traditions of the area.

4. The company assesses and regulates accident defensive measures and controls the waste release to be in an acceptable level in the standard range. The company also has the policy and the measure to reduce the waste and manage the waste disposal with a suitable mean.

5. The company responds swiftly and effectively to situations affected to the environment and the community which are the result from the company's operation by working with public servants and responsible organizations with full effort.

6. The company encourages the staff to be mindful and responsible to the society and environment within ISO 14001 and use resources effectively.

7. Moreover, the company specifies carbon footprint policy for all the executive and the staff to have commitment to operate the business by considering environmental effect both inside and outside the company. The company uses electricity effectively by installing solar rooftop on the roof of the company with a long-term aim to release carbon by 2,000 tons.

Code of Conduct 5.3

The board drives the organization and is responsible to plan strategies and policies for the company's business operation, direct, take care, and follow the performance, the administration, and the management of the executive in providing and managing the resources effectively and efficiently with a consideration to the effect and resource development throughout the value chain in order to sustainably achieve the main objectives.

6. To Provide Appropriate Risk Management and Internal Area Control**Code of Conduct 6.1**

The board believes that the organization risk management process can help S N C Former Pub Co., Ltd achieve the objectives. Furthermore, it reduces obstacles or in unexpected matter from occurring in aspects of profit, performance, confidence toward the organization from the investors and other stakeholders. The organization resource damage protection responds to business changes effectively with good management and control while increasing confidence and value for the investors, staff, and other related individuals. Organization risk management policies are set be to a guideline as the followings:

1. The company appoints the executives and staff in several departments to in charge of managing the risk with a responsibility to improve the organization risk management and understand duties related to the risk management.
2. The company provides effective risk management at all levels of the process in accordance to good corporate governance principle to reduce the possibility, the damage of the risk, the uncertainty in general performance, and increase success possibility.
3. The company proceeds and supports the risk management to be successful in every part of the organization by using limited resources effectively with appropriate risk identification, assessment, and risk management.
4. The company supports and encourages the risk management to be an organizational culture with everyone being aware of the significance of the risk management.
5. The company board a risk management manual to set a guideline for the organization risk management, duties and responsibilities in the risk management of each sector as well as collect important risk samples and management of the company in the past in order to be a part of the guideline.

Code of Conduct 6.2

The board must appoint a panel of audit committee who can effectively and independently perform with the following practices:

1. The board must appoint a panel of audit committee consisting of at least 3 independent committee with suitable qualification to work in order to achieve the rules of *Securities* and Exchange Commission and The Stock Exchange of Thailand.
 2. The committee must set a written scope of duties and responsibilities of the audit committee with basic responsibilities as the followings:
 1. Check whether all the company's financial reports are correct.
 2. Check the suitability of the company's internal inspection and set an effective and efficient inspection system.
 3. Check the business to ensure that it follows related conditions, rules, and laws.
 4. Set a structure of the company's independent risk management as well as approve the appointment, transfer, and dismissal of the chief of the internal inspection department or any other responsible internal inspection department.
 5. Offer, select, and set the structure of the inspection department to be independent and arrange a meeting without management division at least once a year.
 6. Set strategies do the risk management and all types of risk alert system to manage to risk to be in an acceptable level in order to be in accordance with the company's risk management policies and related laws.
 7. Direct, tend, and evaluate the performance to review and develop the risk management to be effective as well as analyze risk factors with potential harm to both internal and external company's operation by following practice guidelines of Thai private sector against corruption.
-

3. The committee must ensure that the company's information is investigable and accessible for any individuals responsible to the information together with external independent individuals responsible to advise the audit committee.

4. The committee should appoint independent individuals or organizations to check and improve the effectiveness of the internal inspection system and the company's risk management. The committee also should arrange an assessment with a report to the committee and the stakeholders in the annual report.

5. The committee must assess and opine about the quality of the risk management and the company's internal management systems and disclose it in the annual report.

Code of Conduct 6.3

The committee should tend and manage any possible conflict of interest occur between the company and the stakeholders. The committee is responsible to prevent any wrongful exploitation and transaction from the usage of property, information, opportunity of the company with the following practices:

1. The committee should set a system and process for data security and must emphasize and ensure the stakeholders to comply with them strictly. There may be defensive policies and measures on data security to maintain confidentiality, integrity, and availability of the data. Data with effect to market sensitive information should also be managed.

2. The committee should provide a follow-up and set a practice guideline to manage any possible conflict of interest. The committee should also manage and amend the details to comply with disclosure law by mainly emphasizing the benefits of the company and the stakeholders. The stakeholders should not involve with any decision and should refrain from attending any meeting with such the agenda.

3. The committee should provide an interest report and present the report to the meeting as well as record it in the board meeting minute.

Code of Conduct 6.4

The board should supervise and manage the policy and guideline against corruption; moreover, the board support the officer and people to be aware of the risk with the following guidelines.

1. The board should communicate with the inspective committee for clear policy and agreeable guidelines and connect to the inside control; furthermore, for ensuring the inside control is suitable for managing the risk and the management plan can be practiced.

2. The board should have the policy that covers the personnel management process from personnel selection, promotion, training and employee performance appraisal. Supervisors at all levels communicate with employees so they can actually follow the policy and there is the publication of an anti-corruption policy in a prominent place. Everyone in the company has access and through the company's communication channel such as electronic mail (E-mail), company website and annual report.

3. The board should provide a project and training for employees for educating about anti-corruption and anti-corruption policies and practices and for supporting and cultivating employees not ignore when seeing the

wrong action and have an awareness and understanding in anti-corruption cooperation, the corruption within the company and ready to comply with the law and regulations.

Code of Conduct 6.5

The board should ensure there are the regulation, action step and appropriate mechanisms to receive complaints or pointing out clues with the following guidelines.

1. The board should provide a mechanism to notify supervisors or the person in charge and cooperate in investigating facts including providing easy access channels and two or more secure channels for accepting complaints from both outsiders and internal companies. The channel is notified in the annual report of the company.
2. The board must manage to ensure fairness, protect and maintain the confidentiality of the person whistleblowing of corruption. It is limited to those who are responsible for conducting the investigation of the complaint only and can access the information.
3. The board should identify the person responsible for receiving the complaint. And set clear and appropriate criteria, guidelines and procedures and can be examined in case of whistleblowing. The recipient of information from the performance of duties related to the complaint has a duty to keep information, complaints and evidences of complainants and informants are kept confidential. Do not disclose information to other people. Unless it is a disclosure in accordance with the law.

7. Maintain financial credibility and disclosure

Code of Conduct 7.1

The board ensures that the company discloses important information related to the company which is both financial and non-financial information accurately, completely, timely and clearly. The board disseminate information through the SET channel and the Company's website and update the information regularly. This is to provide investors and related people with adequate and equitable decision-making. The disclosures of financial and non-financial information are as follows:

1. Annual Registration Statement (Form 56-1) and Annual Report
2. Policy of corporate governance and results of implementation of the policy
3. Policy on environmental and social stewardship and its implementation
4. The report of the Board of Directors' responsibility for the financial report is presented in conjunction with the auditor's report in the annual report.
5. Disclosure of roles and duties of the Board and Sub-Committees Number of meetings and number of times that each director has attended the meeting in the past year.
6. Disclose the remuneration policy for directors and top management.

In addition, the company has established an investor relations unit for serving as communication and public relations information useful to shareholders, investors, analysts and the general public through various channels, analyst meetings, conference call, answering questions over the phone and through the Company's website.

Code of Conduct 7.2

The Board of Directors monitors the sufficiency of financial liquidity and the ability to pay debts.

1. The board should ensure that the management is followed up for assessing the financial position of the company and regularly reporting the results to the Board of Directors. If there are signs that the company will encounter liquidity problems and reduce the ability to pay debts, the Board of Directors and the management jointly analyze the causes and management guidelines for solving as soon as possible.

2. Approval of any transaction or proposing opinions will be approved in the shareholders' meeting. The board should be confident that making the transaction will not affect the continuity of business, financial liquidity, including the ability to pay the debt of the company.

Code of Conduct 7.3

In the condition that the company has problems with financial liquidity, the Board has a plan or other mechanism for solving the problem by considering the rights of stakeholders.

1. The board should follow up and closely supervise the enterprise to operate the business with care and comply with the disclosure requirements, if there are signs that indicate liquidity problems that affect debt servicing ability.

2. The board should take care and coordinate a solution to the problem and focus on being fair to all stakeholders by providing regular status reports.

3. The board should take cause and effect into consideration and decision that related to the financial problems of the company.

Code of Conduct 7.4

The board considers to prepare a sustainability report as appropriate.

1. Consider the nationally or internationally recognized reporting scope. The company considers the disclosure of information about compliance with the law, business ethics, morality, company directors, executives and employees, anti-corruption policy, treatment of employees and stakeholders, including fair treatment and human rights respect, social and environmental responsibility.

2. The board is responsible for disclosing important information and reflecting the practices that will lead to the creation of sustainable value for the company.

Code of Conduct 7.5

The board should supervise and appoint the company's investor for taking care and communicating and providing relevant information timely, appropriately and equally to shareholders and other stakeholders, including investors, and analysts.

1. The board assigns a managing director or a related person or those with business knowledge to communicate and disclose information to outsiders in appropriate channels.

2. The board should recruit and appoint a suitable person who has the knowledge about the organization, the ability to communicate, and other related competence in the act of communicating and providing information to individuals and external agencies.

3. The board should provide a scope and a clear duty of investor relations and should stipulate that there is a regular direction to support and look after the investor relations in order to effectively disclose information and good effectiveness to stakeholders and the company.

Code of Conduct 7.6

The board supports using the appropriate information technology for publishing information that is easy to access quickly.

The Board of Directors provides information disclosure in both Thai and English through the Stock Exchange of Thailand, and company website and present up-to-date information such as

- Vision and values of the company
- Nature of business operation of the company
- The list of Board of Directors and Management
- The previous year and current financial statements and reports on financial position and operating results
- Form 56-1 and annual report that can be downloaded
- Shareholding structure and voting rights
- Invitation letter to the ordinary and extraordinary general meeting of shareholders
- Company's articles of association memorandum
- Important policies
- Contact or complaint channels

8. Encourage participation and communication with shareholders

Code of Conduct 8.1

The board recognizes and gives the importance to the rights of all shareholders that are both Thai investors and foreign investors and both small investor and institutional investors and will not do any action that violates or deprives the rights of shareholders. It also does not act in any way that restricts shareholders' opportunities to study information of the company and attend the shareholders' meeting. The basic rights of shareholders are to buy or sell shares, to have a share of the profit of the enterprise, to receive news and adequate information of the enterprise, to attend the meeting to exercise voting rights at the shareholders' meeting to appoint or remove directors, to appoint an auditor and matters that affect the company such as the allocation of dividends, establishment or amendment of regulations and memorandum, capital reduction or capital increase, and approval of special items, etc.

In addition, all shareholders are entitled to equal rights as stipulated in the company's articles of association and related laws as follows:

1. The right to be informed of the date, time, venue and agenda of the meeting. This includes all information relating to matters that have to be decided at the meeting to shareholders in advance sufficiently and timely in which the company will notify the shareholders of various rules and methods of attending the meeting, authorizing others to attend the meeting, and the process of voting and includes publishing the information on the Company's website in advance of sending the document. This is to allow the shareholders to have sufficient time

to study the information supporting the meeting before receiving the information in document form from the company.

2. The right to attend shareholders' meetings, express opinions, ask questions, make suggestions and jointly consider making decisions on various important changes. The chairman of the meeting allocates appropriate time and encourages expressing opinions and raising questions which related to the company at the meeting as well as giving opportunities for shareholders to submit questions and proposing the agenda of the meeting and nominating people with knowledge, competence and qualifications to be considered for election as the company's director in advance of the meeting date. All directors of the Company should attend the shareholders' meeting to answer shareholders' questions on related matters.

Code of Conduct 8.2

The equitable treatment of shareholders

The board organizes the shareholders meeting process in a way that promotes the treatment of all shareholders equally. The company will hold a shareholder meeting at least once a year, within 4 months from the end of the fiscal year of the company. And if there is an urgent need, a special agenda must be proposed. This is a matter that affects or relates to the interests of the shareholders or relates to conditions or rules, law requiring shareholder approval. The company will call an extraordinary general meeting of shareholders on a case-by-case basis.

The company has set a policy to facilitate and encourage shareholders which are both Thai investors and foreign investors, both small investors and institutional investors to participate in attending the shareholders' meeting by the company will proceed as follows:

Before the shareholders' meeting

The company gives all shareholders equal rights to receive documents which support information for the meeting in Thai and English and publish information on the company's website at <http://www.sncformer.com> up to 30 days in advance and before sending the documents to shareholders more than 21 days before the meeting and is announced in daily newspapers consecutively 3 days before the meeting date for notifying the shareholders of the meeting in advance for preparation before attending the meeting. In addition, the company facilitates the shareholders to propose additional agenda items and nominate persons to be appointed as directors at least 3 months in advance of the shareholders' meeting date by setting the clear criteria in advance to consider whether to increase the agenda that the shareholders proposed and determine methods for shareholders to nominate persons to be appointed as directors by nominating them through the Nominating Committee with information for consideration of qualifications and give the consent of the nominees. In this regard, the executive shareholder is not allowed to add an agenda that is not informed in advance unnecessarily, especially important agenda that shareholders have to take time to study information before making a decision. The board provides opportunities for shareholders who are unable to attend the meeting in person can exercise their voting rights by assigning proxies to others to attend the meeting and vote instead. The name of independent director will be nominated. It is an alternative to

shareholders' proxies and uses the proxy form in which the shareholders can determine the voting direction for each agenda item.

Date of shareholders' meeting

The company facilitates the shareholders by arranging a staff to welcome them and facilitates the verification of documents for each shareholder who will attend the meeting. In addition, there is a stamp duty to provide convenience to the shareholders who give / receive proxies. Before the meeting starts, the meeting secretary will notify details of the quorum and practice for counting votes. During the meeting, the Company provides opportunities for the meeting attendees to ask questions and express their opinions. The company will answer questions of the shareholders completely, clearly, and pertinently in all questions. The company conducts the meeting according to the order of the agenda. There was no additional agenda besides those specified in the meeting invitation letter. For the agenda of the election, the board will conduct on an individual basis. There will be accurate and complete recordings in every meeting, including the recording of the meeting in the form of a video and published on the website of the company.

Code of Conduct 8.3

The company will send the shareholders meeting report to the Stock Exchange and publish the minutes of the meeting on the company website within 14 days after the completion of the meeting.

Revised and notified on 26 January 2021.



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(Dr. Somchai Thaisa-nguanvorakul)
Chairman of Executive Committee
SNC Former Public Company Limited



.....
(Mr. Satit Chanjavanakul)
Chairman of the Board of Directors
SNC Former Public Company Limited

SNC

รายงานประจำปี

2020

บริษัท เอส เอ็น ซี ฟอเมอร์ จำกัด (มหาชน)
SNC FORMER PUBLIC COMPANY LIMITED

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

Tel. 02-1080360-6 Fax. 02-1080367-8
Email : snc@sncformer.com